

FISCAL REVIEW SECTION ANALYSIS

**MARCH 14, 2001 AGENDA
FINANCE & PERSONNEL COMMITTEE**

**ITEM 9, FILE 001459
MICHAEL BONDS**

This file provides for the disbursement of the one-time lump-sum supplement contribution to the Policemen's Annuity & Pension Fund (PABF) provided in the 2001 Budget.

Background

1. The 2001 Budget provided \$1,395,349 for the Policemen Annuity & Benefit Fund lump-sum distribution.
2. This resolution provides for the distribution of those funds to PABF members.
3. This file also creates an account for the disbursement of these funds.

Discussion

1. There are approximately 325-350 members eligible for this fund.
2. The PABF members have decided to keep this money in the fund and reinvest it, rather than have it disbursed to members in the form of a one-time lump-sum payment.
3. Some members of the FABF might decide not to take a part of this lump sum distribution because it might push their income over a specific amount, which could negatively affect their other income or program eligibility for programs based on income.
4. The \$1.3 million will be used for investment purposes, assuming no members want to take individual lump-sum payments. Therefore, it is difficult to calculate the average lump sum payoff those individuals will receive the payment.
5. Since the PABF has an administrative structure to handle this lump-sum payment matter, there will be no administrative costs associated with the disbursement of these funds.

Fiscal Impact

None, these funds were included in the 2001 Budget.