

LRB-RESEARCH AND ANALYSIS SECTION

FINANCE & PERSONNEL COMMITTEE

ITEM 4, FILE 070201

May 23, 2007

MARY E TURK

File 070201 is a charter ordinance relating to deductions from benefit payments for insurance premiums and their direct payment by the employees' retirement system for public safety officers in the employees' retirement system.

Background

The Pension Protection Act of 2006 permits qualified government plans, such as the Employees' Retirement System, to allow retired public safety officers to direct their retirement or disability plan to deduct up to \$3,000 annually from benefits distributions to pay the premiums for qualified accident, health or long-term care insurance on a pretax basis.

Discussion

This charter ordinance allows retired public safety officers in the Employees' Retirement System to elect to deduct up to \$3,000 annually from benefit payments the premiums for accident, health or long-term care insurance which the Employees' Retirement System will pay directly to the insurance provider.

Fiscal Effect

This charter ordinance has no fiscal impact. Costs for these benefits are benefits already due to public safety officers participating in the Employees' Retirement System.

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