

Personnel Policy Bulletin

City of Lincoln

Number: 2006-1

Date: March 8, 2006

Reference:	Title:
LMC 2.62, 2.65 and 2.66	Policy for Return of Police and Fire Pension Remaining Employee Contributions and Interest

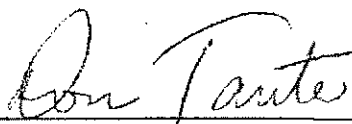
POLICY FOR RETURN OF POLICE AND FIRE PENSION REMAINING EMPLOYEE CONTRIBUTIONS AND INTEREST

The purpose of this Personnel Policy Bulletin is to formalize the use of a past practice and formulate a policy for future practice:

Members of the Police and Fire Pension contribute to the pension during their employment with the City. Accumulated contributions and interest (hereinafter "account value") are recorded for each member.

On November 15, 1988 IRS Notice 88-118 announced a simplified "safe harbor" method for determining the taxable portion of retirement benefits. The Police and Fire Pension changed to this simplified method in January 1992. The method was updated October 1, 1996 and January 1, 1998. The simplified method has been used since its adoption in January 1992.

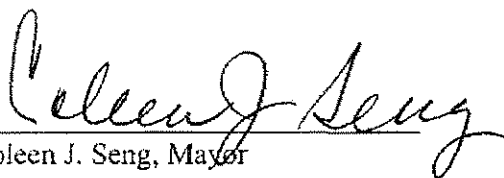
When a member separates service and his or her account value remains within the Police and Fire Pension the safe harbor method was, and in the future will continue to be used to determine the portion of each monthly benefit payment representing a return of the Investment in Contract as well as a return of the employee's account value.



Don Taute, Personnel Director
Police and Fire Pension Administrator

3-9-06

Date



Coleen J. Seng, Mayor

4/3/06

Date