

City Council Introduction: September 19, 2016

BILL NUMBER: 16-94

Public Hearing: September 26, 2016

Date Factsheet Prepared: August 24, 2016

FACTSHEET

TITLE: Amend Police and Fire Pension with standard language for IRS compliance.

BOARD/COMMITTEE: NA

APPLICANT: Paul Lutomski

RECOMMENDATION: NA

STAFF RECOMMENDATION:
In favor.

OTHER DEPARTMENTS AFFECTED: NA

SPONSOR: Paul Lutomski

OPPONENTS:
None.

REASON FOR LEGISLATION

Amend Police and Fire Pension Lincoln Municipal Code with Tax-Qualified Plan language to obtain a new favorable letter of determination from the Internal Revenue Service.

DISCUSSION / FINDINGS OF FACT:

Every four years a process is conducted by the Police and Fire Pension and its outside legal counsel to obtain a new favorable IRS determination letter allowing tax-exempt status. The Internal Revenue Service ("IRS") issued a favorable determination letter on July 29, 2016 regarding the City of Lincoln Police and Fire Pension Plan.

According to a August 7, 2016 email from legal counsel Ice Miller LLP, the favorable IRS determination letter is contingent upon the adoption of proposed amendments to achieve compliance.

The amendments should be adopted no later than October 27, 2016. Failure to timely adopt the amendments may nullify the favorable IRS determination letter.

POLICY OR PROGRAM CHANGE: ___ Yes X No

OPERATIONAL IMPACT ASSESSMENT: None if the LMC amendments are passed. If not passed the Police and Fire Pension may lose its tax qualified status.

COST OF TOTAL PROJECT: None.

RELATED ANNUAL OPERATING COSTS: None.

SOURCE OF FUNDS: NA

CITY: NA

NON CITY: NA

FACTSHEET PREPARED BY: Paul Lutomski

DATE: August 24, 2016

REVIEWED BY: Don Taute

DATE: August 24, 2016