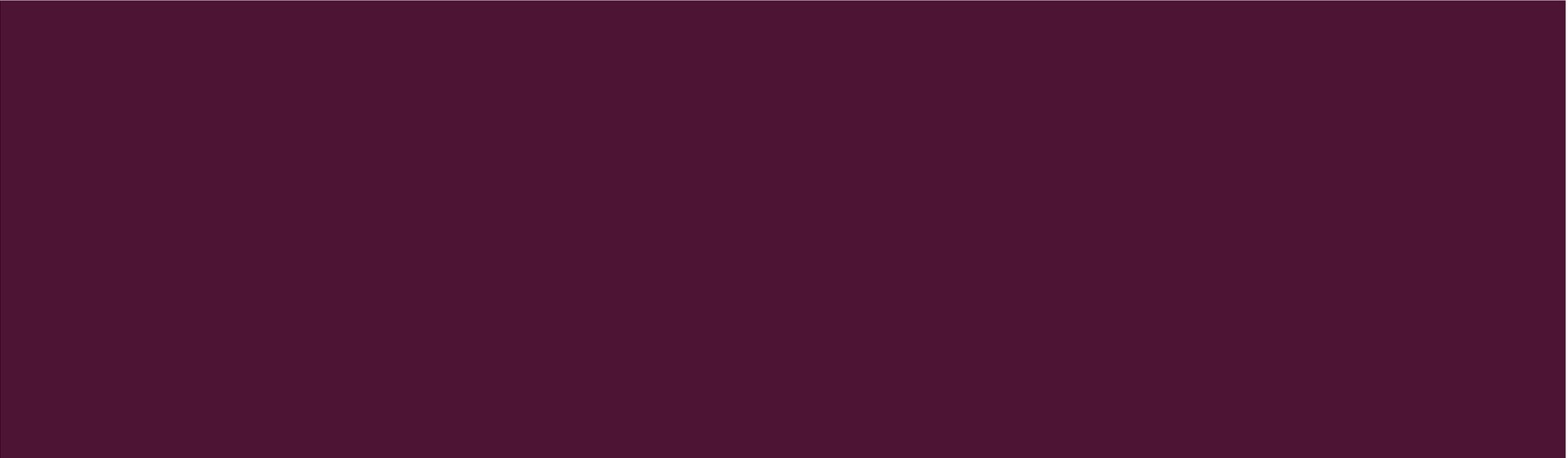


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# **RETIREMENT: MEMBERS OF THE POLICE AND FIRE PENSION**

PRESENTED BY PAUL LUTOMSKI



# DETERMINE A RETIREMENT DATE

- Financial considerations
  - Short term: cash for the transition to retirement
  - Long term: Income and expenses

# CITY AREAS TO CONTACT

- Police or Fire Department
- Human Resources: Police and Fire Pension
- Human Resources: Benefits

## CONTACT: POLICE OR FIRE DEPARTMENT

- Contact your supervisor and payroll staff
  - LPD payroll supervisor Michele Selvage.
  - LFR payroll supervisor Kim Kabourek
  
- Two weeks notice is appreciated.

CONTACT:  
POLICE OR FIRE DEPARTMENT

- Sick leave and vacation leave hours will be paid at the time of your last paycheck using your hourly rate of pay
  - Balances are shown on your pay stubs

## CONTACT: POLICE OR FIRE DEPARTMENT

- Police sick leave payout:
  - 0-5 years 0% sick leave payout
  - 6-10 years 50% sick leave payout no minimum
  - 11-15 years 55% sick leave payout no minimum
  - 16-25 years 65% sick leave payout or 100% up to 825 hours whichever is greater
  - 26+ years 70% sick leave payout or 100% up to 825 hours whichever is greater

CONTACT:  
POLICE OR FIRE DEPARTMENT

- Fire and Rescue sick leave payout:
  - 60% when eligible for retirement

## CONTACT: POLICE OR FIRE DEPARTMENT

- City payroll transfers your sick leave payout to Nationwide and opens your PEHP “Premium” account.

You can use your PEHP Premium account to reimburse yourself for health care **premiums**. You can obtain the form from City HR Bill Thoreson or Nationwide. Bill will have to sign the initial form to notify Nationwide you are retired. Monthly premium reimbursement can be set up once and will continue automatically until your account is empty or you change the reimbursement.

CONTACT:  
POLICE OR FIRE DEPARTMENT

- Vacation leave and other accumulated payable leaves are paid as a lump-sum on your last paycheck.

## CONTACT: POLICE OR FIRE DEPARTMENT

- Paychecks are paid a week after the pay period end date, so your last check may be issued almost 2 weeks after your retirement date.

## CONTACT:

### HUMAN RESOURCES – POLICE AND FIRE PENSION

- Police and Fire Pension on the internet
- Age and Service info on General Brochure page 19
  - <https://lincoln.ne.gov/city/person/pfpen/index.htm>

## CONTACT: HUMAN RESOURCES – POLICE AND FIRE PENSION

- Contact Paul Lutomski
  - To obtain a Pension Analysis Estimate
  - To obtain a letter and forms regarding the process
  - Contact with questions

## CONTACT: HUMAN RESOURCES – POLICE AND FIRE PENSION

- Contact Paul Lutomski
  - Pension Analysis Estimate
  - <https://lincoln.ne.gov/city/person/pfpen/index.htm>

# CONTACT: HUMAN RESOURCES – POLICE AND FIRE PENSION

- Forms
  - Option Election form
  - Direct Deposit Authorization and blank voided check
  - W-4P (tax withholding)
  - Pension Remainder

## CONTACT: HUMAN RESOURCES – BENEFITS

- The benefits below are administered by City Human Resources Benefit Specialist Bill Thoreson. Following your retirement he will contact you or notify vendors that will contact you:
  - Insurance: Health, Dental, Vision and Life
  - PEHP
  - Deferred Compensation

## CONTACT: HUMAN RESOURCES – BENEFITS

### ■ Insurance: Health

- City Paychecks you receive in one month pay for Health Insurance coverage in the next month. If you would like to continue City of Lincoln Health coverage in retirement, the premiums must be deducted from your checking account.
- Coverage is provided by Aetna and can be maintained until age 65.
- Premiums are approx: Single \$900, 2/4 Party \$2000, Family \$2700

## CONTACT: HUMAN RESOURCES – BENEFITS

### ■ Insurance: Dental

- City Paychecks you receive in one month pay for Dental Insurance coverage in the next month. If you would like to continue City of Lincoln Dental coverage in retirement, the premiums must be deducted from your checking account.
- Coverage is provided by Ameritas and can be maintained for 18 months.
- Premiums are approx: Single \$40, 2/4 Party \$80, Family \$120

## CONTACT: HUMAN RESOURCES – BENEFITS

- Insurance: Vision
  - City Paychecks you receive in one month pay for Vision Insurance coverage in the next month. If you would like to continue City of Lincoln Vision coverage in retirement, the premiums must be deducted from your checking account.
  - Coverage is provided by EyeMed and can be maintained for 18 months.
  - Premiums are approx: Single \$10, 2/4 Party \$20, Family \$30

## CONTACT: HUMAN RESOURCES – BENEFITS

- Insurance: Life
  - City Paychecks you receive in one month pay for Life Insurance coverage in the next month. If you would like to continue City of Lincoln Life coverage in retirement, the premiums must be deducted from your checking account.
  - City basic life coverage provided while employed:
    - Police \$60,000
    - Fire \$50,000
    - Management \$70,000

## CONTACT: HUMAN RESOURCES – BENEFITS

- Insurance: Life
  - City Paychecks you receive in one month pay for Life Insurance coverage in the next month. If you would like to continue City of Lincoln Life coverage in retirement, the premiums must be deducted from your checking account.
  - City basic life coverage provided while employed:
    - Police \$60,000
    - Fire \$50,000
    - Management \$70,000

## CONTACT: HUMAN RESOURCES – BENEFITS

- Insurance: Life - City Basic
  - Upon retirement City Basic life coverage is convertible, without underwriting.
  - The premium increases with your age.
  - Contact Bill Thoreson for a premium quote, and other details.

## CONTACT: HUMAN RESOURCES – BENEFITS

- Insurance: Life - Voluntary
  - You may have elected Voluntary life coverage for yourself and a dependent.
  - The premium for is age based, deducted from your paycheck.
  - After retirement this coverage is portable. If you chose to retain the coverage you will make payments direct to the insurance company.

## CONTACT: HUMAN RESOURCES – BENEFITS

- Insurance: Life
- Coverage changes, after initial post-probation signup, are available anytime upon request but requires underwriting (questionnaire, medical records, exam) for employee and spouse.
  - Employee \$10,000 increments subject to the lesser of \$500,000 or 5 times annual earnings
  - Spouse \$5,000 increments to a maximum of \$100,000 may never exceed 50% of employee's voluntary coverage

## CONTACT: HUMAN RESOURCES – BENEFITS

- PEHP: Post Employment Health Plan
  - Provided by Nationwide
  - Eligible for use after employment to employee, employee's spouse and dependents.
  - Can be used for reimbursement of health, drug, eye, dental, and long-term care premiums.



- PEHP: Post Employment Health Plan

- Contact HR Bill Thoreson or Nationwide for reimbursement form.
- One-time or repeating reimbursements direct deposit to you bank account. Monthly repeating reimbursement are paid until you instruct a change or your PEHP balance is exhausted.



- PEHP: Post Employment Health Plan

- Upon your death any unused balance is available to your spouse and/or dependents. If no eligible users, or unused balance at exists end of use, balance equally distributed to PEHP accounts of other members in your PEHP program group.

## CONTACT: HUMAN RESOURCES – BENEFITS

- Deferred Compensation (457):
  - Separate plans provided by Ameritas, ICMA, and Nationwide.
  - Each have their own set of funds and costs.
  - All have the same taxation and withdrawal rules.

## CONTACT: HUMAN RESOURCES – BENEFITS

- Deferred Compensation (457):
  - Taxation and withdrawal rules.
  - Pre-tax: Only approved emergency withdrawals allowed while employed. Once retired, withdrawals taxed as income without penalty.
  - At age 70.5 must take RMD (Required Minimum Distribution).

## CONTACT: HUMAN RESOURCES – BENEFITS

- Deferred Compensation (457):
  - Taxation and withdrawal rules.
  - Post-tax (ROTH): Only approved emergency withdrawals allowed while employed. Once retired, CONTRIBUTION withdrawals not-taxed, earnings withdrawals without penalty, and without tax if age 59.5+ and in plan for 5+ years.
  - At age 70.5 must take RMD (Required Minimum Distribution).



# QUESTIONS