

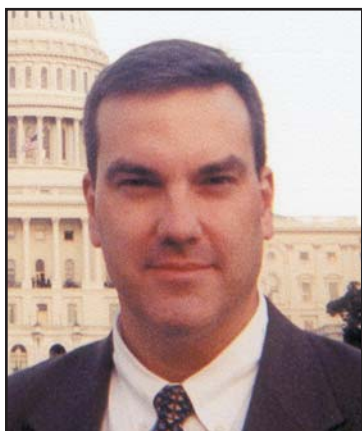


National Association of Police Organizations

NAPO News

Close of the 110th Congress

IRS Officially Extends Effective Date of Normal Retirement Age Rule To January 1, 2011



Former PBA attorney Bill Johnson is the Executive Director of NAPO.

The National Association of Police Organizations (NAPO) is a coalition of law enforcement unions and associations from across the United States that serves to advance the interests of America's law enforcement and corrections officers through legislative and legal advocacy, political action and education. Founded in 1978, NAPO now represents more than 2,000 police unions and associations, 236,000 sworn law enforcement officers, 11,000 retired officers and more than 100,000 citizens who share a common dedication to fair and effective crime control and law enforcement. Florida PBA, Palm Beach County PBA, and Dade County PBA are members of NAPO.

www.napo.org

In a victory for NAPO and public safety employees across the country, the IRS officially extended the effective date of its Regulations on Normal Retirement Age (Treasury Regulations Section 1.401(a)-1(b)). The November 3, 2008, Internal Revenue Bulletin 2008-44, Notice 2008-98 amends the normal retirement age regulations to change the effective date for governmental plans to plan years beginning on or after **January 1, 2011**.

It is important to note that the final regulations are for the purpose of **in-service distributions** only. An in-service distribution is similar to a Deferred Retirement Option (DROP) plan in that an employee can technically "retire" and start drawing pension checks, but continue working for the employer maintaining the pension plan. However, with an in-service distribution the pension checks are sent directly to the employee, while under a DROP plan the pension checks are sent to an interest-earning account. Therefore, with an in-service distribution, the employee is able to collect both his pension and his pay checks simultaneously. This is what the IRS wants to prevent an employee from being able to do until he reaches "normal retirement age" as defined by Treasury Regulations Section 1.401(a)-1(b), which is 50 years of age for public safety officers. This regulation pertains only to in-service distributions, not to DROP plans.

A public safety officer can still retire after 20 or 25 years of service, even if he has not reached the age of 50, and receive a full, unreduced pension as long as he severs all employment with the employer who maintains the plan. This would no longer be considered "normal retirement age," but rather "early unreduced retirement."

The IRS normal retirement age regulations not only affect an officer's ability to continue working or return to

work for the same employer after retirement, but they also affect his ability to qualify for the HELPS benefit. Under the HELPS provision, a public safety officer must have retired at "normal retirement age" in order to obtain the privilege to use up to \$3,000 from their retirement savings on a pre-tax basis for use toward health care insurance and long-term care insurance premiums. If an officer retires prior to the age of 50 with an "early unreduced retirement", he will **not** qualify for the HELPS benefit.

The IRS normal retirement age is not retroactive. If an officer is already retired or is planning to retire prior to January 1, 2011, the new IRS rule should not affect him or her.

NAPO has been working with Congress and other public sector organizations to delay or rescind these regulations since the IRS published the proposed rule and we are continuing our efforts to exclude governmental plans from these regulations. We strongly believe the IRS should not attempt to create standardized definitions for normal retirement age with regards to governmental plans, but instead should defer to the applicable state or local laws, regulations and policies governing the plan. NAPO is confident that we will be successful in getting the IRS to amend the regulations to exclude governmental plans.

Please join NAPO in our efforts to ensure that the IRS normal retirement age regulations will not go into effect for governmental plans. Contact your Senators and Congressional representatives and ask them to urge the IRS to remove governmental plans from Treasury Regulations Section 1.401(a)-1(b). If you would like more information on this issue, please contact NAPO's Director of Governmental Affairs, **Andy Mournighan**, at 1-800-322-6276.

Editor's Note: See page 22 for more information on this subject.

NAPO Leadership Summoned To Vice Presidential Transition Meeting

At the request of then **Vice President-elect Joseph R. Biden, Jr.**, NAPO President **Tom Nee** and Executive Director **Bill Johnson** were summoned to the Washington, D.C. headquarters of the Obama/Biden presidential transition team. In a lengthy and exclusive meeting on December 23, 2008, the leadership of the transition team met with Nee and Johnson to discuss NAPO's legislative and policy priorities for the new presidential administration. Nee and Johnson reiterated NAPO's long-standing legislative priorities regarding a national law enforcement officer's bill of rights; a comprehensive national collective bargaining rights law for police, law enforcement and public safety employees; and

the revivification of a fully funded national COPS program to hire and retain qualified law enforcement officers. NAPO's input on presidential appointments, confirmations, and policies was also solicited. NAPO's agenda for police week, the annual TOP COPS Awards, and our annual public safety pension and benefits program was also discussed in what promises to be only the first of many such meetings. No other law enforcement groups were invited to this meeting, providing further administration recognition of what then **President-elect Barack Obama** called NAPO's position as "the leader of America's national law enforcement organizations."

NAPO Joins Senator Leahy On Capitol Hill To Endorse Eric Holder For U.S. Attorney General

NAPO, joined by **Senate Judiciary Committee Chairman Patrick Leahy** of Vermont and representatives of the nation's leading law enforcement and criminal justice organizations, held a press conference on Capitol Hill on January 8, 2009, to endorse **Eric Holder** for U.S. Attorney General. NAPO hosted the news conference as part of an effort to urge Congress to confirm Mr. Holder as the next Attorney General.

"As the top law enforcement official in the nation, the Attorney General sets the policies for how the federal government relates to and works with state and local law enforcement," stated **NAPO President Tom Nee**. "NAPO believes Mr. Holder has the experience and knowledge necessary to run the Department of Justice and create a

comprehensive, multilateral national crime fighting strategy in which state and local law enforcement and criminal justice sectors play key roles."

Standing up with NAPO in support of Mr. Holder at the press conference was the leadership of the following organizations: the Federal Law Enforcement Officers Association, the National Sheriffs Association, the International Association of Chiefs of Police, the International Union of Police Associations, the National Organization of Black Law Enforcement Executives, the National Narcotics Officers' Associations' Coalition, the National District Attorneys' Association, and the National Association of Assistant U.S. Attorneys.

Tom Nee closed the press conference noting that it has

Communication

While attending a marriage seminar on communication, Tom and his wife Peg listened to the instructor declare, "It is essential that husbands and wives know the things that are important to each other."

He addressed the men, "Can you describe your wife's favorite flower?"

Tom leaned over, touched his wife's arm gently, and whispered, "Pillsbury All-Purpose, isn't it?"

The rest of the story is not pleasant.