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BOARD SPOTLIGHT

Pension and Benefits Seminar

By Tim Pillack.



Greetings! I hope 2016 is a wonderful year for you and your family.

Rick Host and I recently attended the National Association of Police Organizations (NAPO) Pension and Benefits seminar in Nevada. It was a good seminar with very informative presentations. There was a good discussion about a defined benefit retirement system (like our Municipal Fire and Police Retirement System of Iowa [MFPRSI]) versus a defined contribution system (similar to a 401K). The MFPRSI is a good retirement system, and this is why the Iowa State Police Association (ISPA) continues to work hard to keep the

system intact for our members.

I learned more about the Healthcare Enhancement for Local Public Safety (HELPS) provision. This component grants eligible retired public safety officers an annual federal income tax exclusion of up to \$3,000 for amounts paid to cover the cost of qualified health insurance premiums on behalf of the member, their spouse or dependents.

To qualify, premiums must be paid through payroll deduction directly from the member's pension plan benefits. Beneficiaries receiving direct distributions from a member's pension plan are not eligible for the exclusion. Each member may take only one \$3,000 exclusion annually, even if they are receiving more than one type of eligible pension. Moreover, the member's monthly pension benefit must be equal to or greater than the amount of the member's monthly insurance premium.

I also had a chance to renew old friendships from my previous time on the board and make new ones, especially with those who work for our corporate sponsors, Mass Mutual and California Causality.

Stay safe and God bless!