

“Motivation is the art of getting people to do what you want them to do because they want to do it.”

~ Dwight Eisenhower

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Lastly, NAPO was asked to testify at a field hearing in New York concerning the health of the police, fire, and emergency workers who responded to the 9/11 attacks to the World Trade Center. Being called on to testify so many

times is a great honor to NAPO and we are proud to have represented the law enforcement community on these important issues. We look forward to another busy and productive Congress in the 111th.

Looking Ahead to the 111th Congress and a New Administration

Since the November 4, 2008 elections, NAPO has been busy preparing for the 111th Congress and the start of a new administration. NAPO actively worked with then **President-elect Obama's** transition team, which has reached out to NAPO for counsel on what the Department of Justice, the Department of Homeland Security, and the Offices of the President and Vice President should look like under the Obama administration, particularly in regards to the concerns and priorities of the law enforcement community. NAPO is working diligently to ensure that the policies and appointments made by the new administration meet the needs of the law enforcement community.

In the beginning of the 111th Congress, lawmakers

will be focused on confirming – or blocking – the numerous nominations for appointments in President-elect Obama's administration, as well as on passing the final fiscal 2009 appropriations bills as the continuing resolution currently funding federal government programs ends in early March. NAPO is working hard with members of Congress to significantly boost funding for vital state and local law enforcement grant programs, particularly the Byrne-JAG program and the COPS hiring initiative, in the final fiscal 2009 appropriations measure.

NAPO looks to hit the ground running when the 111th Congress comes into session and is confident that 2009 will be a very successful year for us and the law enforcement community. ■

By
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IRS Officially Extends Effective Date Of Normal Retirement Age Rule To January 1, 2011.

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 of 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.

Freeway Drivers

As a senior citizen was driving down the freeway, his car phone rang.

Answering, he heard his wife's voice urgently warning him, “Herman, I just heard on the news that there's a car going the wrong way on Interstate 4. Please be careful!”

“Heck,” said Herman, “It's not just one car. It's hundreds of them!”

“Between the budget cuts and the lawsuits, this is all we have left of our formerly kick-ass SWAT team.”

