



CITY OF GRAND RAPIDS  
POLICE & FIRE RETIREMENT SYSTEM  
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## *The Retirement Register*

### Announcement Regarding the 13<sup>th</sup> Check

We regret to inform our retirees that there will not be a 13th Check Pension Supplement issued on January 31, 2023. The 13th Check may be issued annually, if funds are available, by the City of Grand Rapids Police & Fire Retirement System to eligible retirees and beneficiaries. This check, a negotiated part of your retirement benefit, can only occur when the average annual market value rates of return for the investment of retirement system assets have experienced sufficient gains during the last five years to allow for the distribution of excess reserve funds. The five-year average market value rate of return was 7.05% for the Police & Fire Retirement System. Per City Code, in order for a 13<sup>th</sup> Check to be issued, the five-year average market value rate of return must exceed 8.0%. Therefore, there are not sufficient reserves to issue a 13<sup>th</sup> Check on January 31, 2023. Although it is our hope that a distribution will always occur, the economy, volatility of financial markets, and other considerations may not make it possible to do so every year.

### Which benefit am I eligible to receive?

<u>Bargaining Unit</u>	<u>Retirement Date</u>	<u>13th Check</u>	<u>Escalator</u>
Fire Fighters	Before 07/01/2007	X	
Fire Fighters	On/after 07/01/2007		X
Fire Chief	Before 01/01/2016	X	
Fire Chief	On/after 01/01/2016		X
Deputy Fire Chief	Before 10/06/2016	X	
Deputy Fire Chief	On/after 10/06/2016		X
Police Officers/Sergeants	Before 12/17/2008	X	
Police Officers/Sergeants	On/after 12/17/2008		X
Police Command	Before 02/19/2010	X	
Police Command	On/after 02/19/2010		X
Police Chief or Deputy Police Chief	Before 01/01/2016	X	
Police Chief or Deputy Police Chief	On/after 01/01/2016		X

\* Retirees NEVER receive both benefits.

\* If you have received a 13th Check in the past, then you will be eligible for a 13th Check any year in which a 13th Check is issued.

\* City ordinance requires that the recipient be alive on January 31st of the distribution year.

\* 13th Checks are payable on January 31.

\* 13th Check amounts will not be disclosed prior to issuance, under any circumstances, and are not the same amount as your regular pension check.

\* Escalators are paid as increases to the retiree's monthly check.

### December Earnings Statement

Please keep your December Earnings Statement from The Northern Trust Company handy as it contains valuable information for the 2022 tax year. **Please note that we cannot reproduce this statement in the office.** This statement lists the following important information:

- |   |                        |                               |
|---|------------------------|-------------------------------|
| - Gross pension paid                        | - Net pension received | - Total taxable pension       |
| - Total non-taxable pension (if applicable) | - Total taxes withheld | - Total healthcare deductions |

## **Pension Protection Act 2006 – Public Safety Insurance Premium Exclusion**

In anticipation of the upcoming tax season, the Board of Trustees wishes to bring to your attention the ability of eligible retired public safety officers to exclude up to \$3,000 of their retirement benefits from income provided the funds were used for the payment of retiree health insurance premiums or long-term care insurance premiums. This change was established by the Pension Protection Act of 2006 (PPA). It should be noted that this income exclusion is only applicable with respect to public safety retirees who have qualified premiums deducted from their retirement benefit check and paid directly to the insurer. Unlike other distributions made from the Retirement System, the amounts deducted and paid for qualified premiums will not be reported on the Form 1099-R issued to retirees. Instead, the IRS has stated that the individual retiree may claim the amount deducted as an exclusion on the retiree's Form 1040. As such, you should consult the Instructions to the Form 1040 for more information regarding this potential benefit. Please refer to your **December Earnings Statement from Northern Trust** for the total amount of health insurance deductions for the year. For any additional questions, please consult the applicable instructions or tax regulations. Given the complexities of the tax laws and other withholding and distribution rules, the Board of Trustees does not provide tax advice and cannot address specific tax questions. Therefore, the Board strongly recommends that any questions regarding the tax implications of the Pension Protection Act of 2006 or other tax issues be directed to your tax professional or financial advisor. It is your responsibility to ultimately determine whether you qualify to claim the deduction. This notice is intended to be informational only and should not be considered the rendering of legal, accounting, or other professional advice.

### **New Retirees**

The Trustees and staff of the Police & Fire Retirement System are pleased to congratulate the following new retirees:

Michael Mesman*	(Police)	10/1/2022	Philip Hunderman	(Fire)	11/30/2022
Brian DeForest	(Fire)	11/6/2022			

\*Deferred member

### **Be Alert For Scammers**

There are a lot of people these days who are trying to scam people out of their personal information and money. They can try to call, text, or email you to try to get your personal information. Please be very careful answering any phone calls, emails, or texts that are requesting personal information from you. The Retirement Systems office will never make recommendations to contact a particular firm. If you suspect that you may have been a victim of fraud, please be sure to contact the three major credit bureaus (Equifax, Experian, and TransUnion) to monitor your credit.

### **Future Newsletters**

Beginning in 2023, we will no longer be automatically mailing our newsletters; we will continue to put them on our website, [www.grpensions.org](http://www.grpensions.org). If you would like to receive a paper copy, please contact our office at (616) 365-5015.

### **In Memory of Departed Friends**

Kathleen McComb*	7/31/2022	Susan Scherphorn*	9/17/2022
Denise Caillouet**	8/12/2022	Barbara Davis *	9/29/2022
Ruth Morse*	9/3/2022	John DeBlaay	10/9/2022
Beverly Mead*	9/10/2022		

\*Denotes Beneficiary

\*\*Denotes Alternate Payee