

After years of hard work, long hours, and endless meetings, retirement is the ultimate reward. It's a chance to take a break from the daily grind and finally do all the things you've been putting off for years. Retirement is the ultimate dream vacation, and it's time to start packing your bags.

First stop: The Land of Naps

One of the best parts of retirement is the ability to take a nap whenever you want. No more sneaking into the bathroom for a quick snooze or dozing off in meetings. In retirement, you can take a leisurely nap in the middle of the day without any guilt. In fact, you can even make it part of your daily routine.

Second step: The Island of Relaxation

After years of stress and deadlines, retirement is the ultimate chance to relax. No more rushing to beat the clock or worrying about the next deadline. Retirement is a time to slow down and enjoy life. Take a walk on the beach, read a book, or watch the sunset. Whatever your idea of relaxation is, retirement is the perfect time to make it a reality.

Third stop: The City of Adventure

Retirement is also the perfect time to travel and explore. No more waiting for the perfect time or trying to fit a trip into a busy schedule. Retirement is your chance to see the world and experience new things. Whether it's a cross-country road trip, a European adventure, or a cruise to the Caribbean, retirement is the perfect time to let your wanderlust take over.

Final Destination: The Paradise of Retirement

Retirement is the ultimate dream vacation. It's a chance to do what you want, when you want, without any guilt or pressure. It's a time to indulge in your passions, relax, and explore the world. Retirement is the ultimate reward for years of hard work, and it's time to start packing your bags. So sit back, relax, and enjoy the journey to the paradise of retirement

How to Stay Active in Retirement

Retirement is often seen as a time to relax and take it easy, but it's important to stay active both physically and mentally. Here are some tips to help you stay active in retirement:

1. Take up a new hobby, such as painting, gardening, or dancing.
2. Volunteer your time at a local charity or community organization.
3. Join a gym or fitness class to stay in shape.
4. Attend classes or workshops to keep your mind sharp.
5. Take up a new sport, such as golf or tennis.

Remember, staying active in retirement can help improve your overall health and well-being. Plus, it can be a lot of fun!



Payroll Notice

We are pleased to announce that Northern Trust has successfully processed the first payroll payments for both pension plans. Pension annuities are paid each month, usually on the 14th, except when the 14th falls on a weekend or a bank holiday. We deposit your pension electronically into your account at your financial institution. If you want to change that account, we need to hear from you by the "cut-off date," which is the 1st of each month. If you have any questions or concerns regarding your payment or would like to make any changes to your account, please do not hesitate to contact our office. We thank you for your continued support and trust in our pension plans.

Income at the end
until the end
Thank you
for your years of service

Maximizing Your Pension: Tips for a Comfortable Retirement

As retirement approaches, it's important to think about your financial future. One of the most significant aspects of retirement planning is ensuring you have enough money to live comfortably after leaving the workforce. While the prospect of having a fixed income can seem daunting, there are several steps you can take to maximize your pension and make the most of your retirement finances.

1. Start by creating a budget. A budget is a critical tool for understanding your financial situation and identifying areas where you can cut back on spending. Start by listing all of your monthly expenses and comparing them to your pension income. This will help you identify any areas where you may need to make adjustments.
2. Consider delaying your retirement. While it may be tempting to retire as soon as possible, delaying retirement can have significant financial benefits. Delaying retirement means you can continue to contribute to your pension plan, which can lead to higher payouts when you do retire. It also means you'll have more time to save for retirement, which can help you maintain your lifestyle once you stop working.
3. Take advantage of tax-deferred savings plans. Many pension plans offer the option to contribute to a tax-deferred savings plan, such as an IRA or a 457. These plans allow you to save money for retirement while deferring taxes until you withdraw the funds. Taking advantage of these plans they can help you maximize your retirement savings.
4. Understand your pension plan. Take the time to thoroughly understand your pension plan, including the payout options available to you. This will help you make informed decisions about when to retire and how to maximize your pension benefits.

In conclusion, set yourself up for a comfortable retirement. Remember, retirement planning is an ongoing process, and it's important to revisit your finances regularly to ensure you're on track to meet your goals.



It warms my heart to share with you the admirable efforts of the North Miami Police Department in supporting citizens with Autism. Last week, they set a remarkable example by leading the way in Autism Awareness and Acceptance. Their Autism acceptance vehicle was a symbol of hope and inclusivity that truly touched the hearts of the community.

The citizens of North Miami came together in a beautiful display of unity and support by participating in a community bike ride. This event served to raise awareness about Autism and to show solidarity with those who live with this condition. It was a remarkable sight to see so many individuals coming together to celebrate differences and embrace diversity.

It is heartening to witness the North Miami Police Department's unwavering commitment to the Autism community. They have shown that they not only understand the challenges faced by those with Autism but are also dedicated to creating a more inclusive society for all. The Autism acceptance vehicle and the community bike ride are just a few examples of their dedication to this cause.

To all citizens with Autism and their families, please know that the North Miami Police Department is here to support you. They are not just a law enforcement agency but an integral part of the community. They have set a wonderful example for us all and have demonstrated that a little bit of understanding and compassion can go a long way in creating a more accepting world.

Important Notice Regarding 1099Rs and Health Insurance Premiums

Retirees, we hope this message finds you well. We are writing to inform you that all 1099Rs have been sent out as of January 31st, 2023. If you have not yet received your 1099R, please contact our office immediately.

We also want to bring to your attention that health insurance payments are not pre-tax. We strongly advise all members to speak with their tax advisors and make the necessary changes to their tax withholdings to ensure they are properly accounting for this expense.

Please find attached additional information provided by the health provider. It's important to note that the pension office does not provide tax advice, and we encourage all members to seek the guidance of a qualified tax professional.

We appreciate your attention to this matter and your continued support of our pension plan.

Important Tax Information below:

An employer may also permit its former common-law employees to participate in its cafeteria plan, provided that they meet other eligibility requirements imposed by the plan. The 2007 proposed regulations clarify that a former employee includes a laid off or retired employee of the employer. The regulations also note that although "former employees are treated as employees, a cafeteria plan may not be established predominantly for the benefit of former employees of the employer."

One important issue that arises when former employees are covered under a cafeteria plan is where the money will come from to fund benefits, as there may be no salary to reduce. The 2007 proposed regulations expressly allow severance payments received by former employees to be salary-reduced to buy cafeteria plan benefits, so long as the plan document permits this practice.

Helping Employees to Pay for Post-Retirement Expenses on a Pre-Tax Basis

In recent years, there has been a strong general trend away from employer-paid traditional "defined benefit" retiree medical coverage due to concerns about cost and open-ended liability. Instead, employers are more likely to consider other ways to help their retirees pay for post-retirement medical expenses on a pre-tax basis. Employers may also be looking for a way to give retirees some flexibility to choose the benefits that best suit their individual needs, either within a group plan or by subsidizing the cost of individual insurance. In this subsection E, we consider the following plan designs and related tax issues:

- offering retirees a choice from a menu of nontaxable benefits (such as major medical, dental, and vision coverage) under a flexible benefits plan (flex plan) that is not subject to [Code §125](#) (i.e., no cafeteria plan is used or required);
- allowing retirees to choose between cash (or taxable benefits) and nontaxable benefits under a flex plan—this design is subject to [Code §125](#) and must be offered under a cafeteria plan; and
- allowing retirees to contribute the value of unused sick and vacation days to an account to pay for health coverage—if retirees are given the choice between a taxable benefit (such as extra pay) and a nontaxable benefit (such as medical insurance), the arrangement must satisfy the cafeteria plan rules.

Of course, other designs are available as well. In recent years, some employers have moved all or a portion of their retiree medical population into health reimbursement arrangements (HRAs), which allow retirees to pay for out-of-pocket medical expenses, health insurance premiums, etc., and can be designed to permit the carryover of unused amounts from year to year. Retirees can also use health savings accounts (HSAs) to pay for post-retirement medical expenses (including health insurance premiums in some cases). HRAs and HSAs are covered in detail in *Consumer-Driven Health Care* (Thomson Reuters/Tax & Accounting, 2004-present, updated quarterly). And some employers fund post-retirement medical expenses through a voluntary employees' beneficiary association (VEBA) under [Code §501\(c\)\(9\).71](#) A discussion of VEBAs is outside the scope of this manual. The following discussion addresses only those retiree designs that are based on a cafeteria plan model.

1. Tax Considerations Raised by Retiree Medical Benefits Coverage

At the outset, it is important to understand some key tax principles that apply to retiree medical benefits coverage. First, such benefits generally are not taxable to retirees. Second, a retiree cannot elect a portion of his or her pension or profit-sharing distribution to be paid through a cafeteria plan to provide coverage under a retiree medical plan. These rules are discussed below.

a. Value of Employer-Paid Medical Coverage (Including Reimbursement of Individual Insurance Policies) Generally Is Not Taxable to Retirees

Retirees can exclude from income the value of medical benefits coverage provided to them by their former employers. Under [Code §106](#), an employee's gross income "does not include employer-provided coverage under an accident or health plan." The IRS has ruled that former employees and retirees may be deemed to be "employees" for purposes of [Code §106.72](#). Excludable coverage can consist of group insurance coverage, contributions to a trust (e.g., a [Code §501\(c\)\(9\)](#) VEBA), payment of Medicare premiums, and coverage under individual policies.

Rather than provide coverage under their own plans, some employers prefer to allow retirees to obtain their own retiree coverage (MediGap policies, conversion policies, or individual health insurance policies) or obtain coverage through other sources (e.g., a spouse's employer or Medicare Part B or Part D) and then reimburse the retirees (on a tax-free basis) for the cost of such coverage—e.g., through what we refer to as a premium reimbursement account (PRA). In [Rev. Rul. 61-14674](#) (and reaffirmed in [Rev. Rul. 2002-3](#)), the IRS concluded that the [Code §106](#) tax exclusion also applies where an employer reimburses employees for individual accident and health policy premiums paid by the employee to the insurer (in lieu of the employer's remitting the premiums directly to the insurer), so long as the employee shows that the amounts reimbursed were actually spent by the employee for insurance coverage. However, if the PRA pays out regardless of whether coverage is in force or a premium has been paid, payments under the arrangement (including payments made to employees who obtain insurance) are taxable. The 2007 proposed cafeteria plan regulations expressly permit the pre-tax payment or reimbursement of employees' substantiated individual health insurance premiums through a cafeteria plan.

b. Cannot Use Qualified Retirement Plan Distributions to Fund Retiree Medical Benefits on a Pre-Tax Basis Through Cafeteria Plan

Employers may ask whether retirees can salary-reduce part of their pension or profit-sharing payments through a cafeteria plan to fund medical coverage on a pre-tax basis. Under IRS qualified retirement plan regulations, however, with the exception of certain distributions on behalf of eligible retired public safety officers or disability insurance that replaces retirement contributions, accident or health insurance premium payments made by qualified retirement plans are taxable distributions.

An IRS revenue ruling made it clear that such programs (also known as "cafeteria plan/qualified retirement plan hybrid arrangements" or "pension reduction plans") will not achieve the desired result. The ruling held that "amounts distributed from a qualified retirement plan that the distributee elects to have applied to health insurance premiums under a cafeteria plan are includible in the distributee's gross income." The same result—taxable income—arises if "amounts distributed from the qualified retirement plan are applied directly to reimburse medical care expenses incurred by the participant" in the retirement plan. The IRS based its conclusion on [Code §402\(a\)](#), which provides for the taxation of distributions from qualified retirement plans. The 2007 proposed cafeteria plan regulations likewise preclude employees from electing to have qualified retirement plan distributions applied to pay for health coverage premiums or other qualified benefits under a cafeteria plan.

Cafeteria Plans Should Not Allow Use of Qualified Retirement Plan Distributions to Electively Fund Medical Expenses on a Pre-Tax Basis. In light of the clear terms of the regulations and earlier IRS guidance, pension reduction plans should not be adopted.