

Rantoul Police Pension Fund

SEPTEMBER 6, 2018

3:00 PM

A special meeting of the Rantoul Police Pension Fund Board of Trustees was held at 3:00 pm at the Municipal Building, 333 S. Tanner St., Rantoul, IL. President Marc Beach called the meeting to order at 3:10 p.m.

Upon roll call, the following members were found to be present: Marc Beach, Mike Tittle, Matt Bross and Gwen McMorris.

Also in attendance was Pat Chamberlin.

Public Comments

There were no public comments.

10-99R for Charles Smith

The Board reviewed the retirement of Mr. Smith from the Police Department and his start date with the Village of Rantoul Inspection Dept. Because he was not 59 ½ at the time of his retirement from the Police Department, IRS requires a “break in service” before starting any position with the same employer. Without a break in service a 10% penalty could be assessed by the IRS on his pension until he reached 59 ½.

Marc Beach read a 2010 email from Attorney Jim Dobrovoly to Scot Brandon that stated Mr. Smith was subject to a 10% premature distribution tax. Although the term “break in service” is not specifically defined, Lauterbach and Amen believe that ending service on a Friday with the Police Department and beginning on the following Monday with another position in the Village does not qualify. The Village has the option of going back to Mr. Smith’s retirement date and issuing amended 10-99Rs or going forward from this tax year (2018).

After further discussion Matt Bross moved/Gwen McMorris seconded the motion that Charles Smith’s 1099-R for the 2018 tax year, and future years until Mr. Smith reaches the age of 59 ½ be coded appropriately for premature distributions (10% penalty) On a roll call vote: Aye: Beach, Bross, McMorris and Tittle - 4

Nay: 0

Absent: 1

Vote carried: 4-0

Marc Beach reminded the board that several years ago Lauterbach and Amen quoted a price of approximately \$3,300 annually to prepare information on raises, service transfers and pension payments. He would like to discuss this at the October meeting.

There being no further business before the Board, Matt Bross moved/Mike Tittle seconded to adjourn. The meeting was adjourned at 4:40 pm.

Submitted by

Janet Gray, MMC
Deputy Clerk

APPROVED October 23, 2018

Marc Beach, President

ATTEST:

Gwen McMorris, Secretary