GENESEE COUNTY ASSOCIATION OF CLERKS AND TREASURERS
MARCH 4, 1992, 12:00 P.M., BOSLEY'S RESTAURANT

ATTENDANCE: 26

Mr. Becker called the meeting to order at 12:45 P.M.

ANNOUNCEMENTS:

Mr. Becker announced that Genesee Township Clerk, Bob Meyer, was in the hospital.

Mr. Becker said the MTA will meeting on Thursday, March 19th at 7:30 P.M. at Grand Blanc. The Genesee County Metropolitan Planning Commission will be there to discuss reviews of zoning cases. They now want to charge for any reviews to be done. This will be discussed on the 19th with Chapin Cook. They are proposing a fee of $50.00 per hour and the cost will have to fall back to the people making the request.

There will be a meeting of the Clerks on Friday, March 7, 1992 at 9:00 a.m. in the Harris Auditorium of the County Building to discuss the upcoming Presidential Primary Election.

NEW BUSINESS:

Bill Walworth, Burton City Clerk, said John Trecha, Genesee County Clerk gave the bid for election supplies to Doubleday and at this time the Clerks still do not have their ballots and the County Clerks office should be contacted. He also said that Doubleday's bid was $1,600 higher than the local printer, Print Com.

Jackie Hamilton said Mr. Trecha has also given Doubleday the bid for the August and November elections.

Carol Arvoy said she had several street directories for some of the municipalities not present and would like to have a neighboring clerk take them with them.

Mr. Becker said in April we will be having election of officers for President, Vice President and Secretary-Treasurer. Also we will have three people on the Program Committee who gets together two or three times each year to arrange for speakers for the meetings. Please let the Program Committee know what topics would interest you. The Election Committee consists of Pat Drzdrowsky, Bryce McGinnis and Jackie Hamilton.

Guest Speaker: Jerry Kott, Burnham & Flowers

Mr. Kott said he would like to share some general information regarding the ramifications of how one retires. There is good news and bad news. There have been a multitude of changes in Washington, D.C. imposed on pension programs. Most of you are aware of this because we have gone through an entire reorganization of pension plans to bring the plans into the guidelines.

We underwrite a defined contribution plan which is a percentage of earnings set aside. When a person has an individual account and they reach a certain age, they need to make a decision as to what they will do when leaving a unit of government. They do not have to withdraw the amount of money. The money can be left without paying taxes on it and it will earn interest.

Mr. Kott said according to the new Federal Guidelines of 1987-88, when a person wants to take a lump sum but is under the age of 55, there will be a 10% penalty. If the money is rolled over into an IRA, then the IRA rule has to be followed. The present rule is if you leave a unit of governments, you must start drawing money from pension benefits by April 1st of the year you turn 70.5 years old.

Marge Bissonnette asked if an employee is better protected if the pension plan is adopted by ordinance rather than resolution.

Mr. Kott replied yes and said he has a sample ordinance in his office if anyone is interested. He also said there is a test case in Bay County where all five board members resigned and found out the elected officials had a pension plan adopted by resolution 20 years ago. Attorneys believe if the resolution has been on the books for a numbers of years it becomes an ordinance simply due to the number of years on the books. Some cities have a defined benefit program.

If you have reached the age where you are ready to retire, you might want to call our office. I also recommend you consider getting a good, qualified Financial Planner, CPA, or Attorney who works on pensions. You might want to buy the services on a fee basis of a good financial planner. If you choose to take a lump sum of your pension money, beware of agee 55 tax laws.

There are several options for withdrawing your pension. Some of the most popular are:

1. Lump Sum Withdrawal (be careful of age 55 tax situation).

2. Highest Monthly Benefit - It starts immediately and pays until day you die. Nothing left for beneficiary.

3. 10 Year Certain and Continuous - This pays for rest of your life or if you die before 10 years, your beneficiary will be paid until the 10 years are up.

4. 20 Year Certain and Continuous - This pays for the rest of your life or to beneficiary at least the 20 years.

There are spousal options on the above annuities. You may provide for your spouse at 2/3 of what you would have been paid or 1/2 of what employee would have been paid. Of course, these reduce the amount employee would be paid montly because you are reserving funds for your spouse after you have died.

Mr. Kott explained that anyone born on or before 1935 and has money in an defined contribution plan, is allowed to do what the government calls a 10 Year Forward Averaging, which means you get the money and pay the tax in one year, but the tax is calculated as though the money were received over a 10 year period.

He said there is bad news for elected officials who have a pension plan but are not paying into Social Security (by this, we mean the 6.2% part of FICA that we have to pay). He said if the spouse works ourside of governement and the elected official has pension but doesn't pay the 6.2% Social Security, then, if the elected official applies for Social Security under the spouses Social Security the elected Official will lose 2/3 of $1.00 for each $1.00 of pension she gets. However, if you could prove you were more than 50% dependent on the spouses earnings, the rule doesn't apply.

There is an exception to the above. If on the last quarter of working for the township, you contribute something to the Social Security, you don't have to worry about the rule of losing 2/3 of $1.00 for each $1.00 of pension you receive.

Questions were asked regarding deferred compensation, IRA's, IMCA's, 401-K's and 457 Plans. Questions were asked concerning legislation and belonging to tow pension plans. Also, the question was asked, "When we get ready to retire, may we send a letter to you requesting a list of retirement options?" The answer was yes.

Mr. Kott said governmental units are not allowed to have 401-K plans. Now you must write under 457 in order to be tax sheltered.

Mr. Becker adjourned the meeting at 1:30 P.M.

Respectfully Submitted,

Cheryl M. Ladd, CMC
Burton City Clerk

CML

FINANCIAL STATEMENT:

Beginning Balance	$20.27
Dues	+21.00
Guest Lunch	- 5.50
Postage	-14.79
Ending Balance	$20.98