

NOTICE OF INTENT

Firefighters' Pension and Relief Fund City of New Orleans and Vicinity

Direct Rollovers

The Board of Trustees of the Firefighters' Pension and Relief Fund for the City of New Orleans and Vicinity (fund), pursuant to R.S. 11:3363(F), proposes to amend and restate its rules and regulations of direct rollovers.

Direct Rollovers

1. Notwithstanding any provision of the plan to the contrary, benefit distributions shall be made in accordance with the following direct rollover requirements and shall otherwise comply with Section 401(a)(31) of the Internal Revenue Code and the Treasury regulations promulgated thereunder, the provisions of which are incorporated herein by reference. The trustees shall allow a member to directly roll over his eligible rollover distribution which is paid directly to an eligible retirement plan as specified by the member.

2. For purposes of these rules and regulations, an eligible rollover distribution is any distribution from this fund of all or any portion of the balance to the credit of the member except the following:

(a) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made over any one of the following periods: the life of the member (or the joint lives of the member and the member's designated beneficiary), the life expectancy of the member (or the joint life and last survivor expectancy of the member and the member's designated beneficiary), or a specified period of 10 years or more; or

(b) any distribution to the extent the distribution is required under Section 401(a)(9) of the Internal Revenue Code, relating to the minimum distribution requirements; or

(c) the portion of any distribution that is not includable in gross income.

3. For purposes of this section, an eligible retirement plan is an individual retirement account under Code §408(a); an individual retirement annuity under Code §408(b); a qualified defined contribution plan under Code §401(a); an annuity plan under Code §403(a); or any other type of plan specified under the Treasury regulations.

4. A notice to participants conforming with I.R.C. Section 402(f) and all Treasury regulations promulgated thereunder shall be provided to the member and any other person receiving a distribution by the fund who is eligible to make a direct rollover no less than 30 days and no more than 90 days before the date of distribution of the pension benefit. The notice shall inform the distributee that he has the right to consider his options for at least 30 days prior to making the election described in Section 4 of these rules and regulations and shall further inform the member or distributee that he may affirmatively waive this 30-day review period by submitting the election prior to the expiration of 30-day period.

5. A member shall elect to have his eligible rollover distribution directly rolled over to an eligible retirement plan by completing and filing the applicable forms before the date of distribution of his pension benefits. The member, pursuant to the provisions hereunder, must specify the eligible retirement plan to which his eligible rollover distribution will be directly paid as a direct rollover. A member may revoke any election to directly roll over his eligible rollover distribution, provided such revocation is in writing and filed with the trustees before his date of distribution of his pension benefits.

6. The trustees shall accomplish a direct rollover under Section 401(a)(31) of the Internal Revenue Code by establishing reasonable procedures in accordance with the Treasury regulations either by a wire transfer or by mailing the distribution check directly to the eligible retirement plan specified by the member. Payment made by check must be negotiable only by the trustee of the eligible retirement plan. Payment made by wire transfer must be directed only to the trustee of the eligible retirement plan.

The trustees shall, in their sole and absolute discretion, distribute the eligible rollover distribution check directly to the member, instructing the member to deliver same to his designated eligible retirement plan, provided that if the eligible retirement plan is an individual retirement account, the check must be payable to the trustee, as trustee of the individual retirement account for the benefit of the distributee member; or if to a qualified retirement trust, the check must be payable to the trustee of the qualified plan for the benefit of the distributee member.

7. The member shall not directly roll over any eligible rollover distribution, or portion thereof, if the total amount of his eligible rollover distribution is less than \$200, or as such amount may be adjusted from time to time under Section 401(a)(31) of the Internal Revenue Code or the Treasury regulations promulgated thereunder.

8. The member shall not directly roll over a portion of his eligible rollover distribution to an eligible retirement plan if such portion is less than \$200, or such other amount as provided under Section 6 above. The remainder of the member's eligible rollover distribution not directly rolled over shall be paid to the

member.

9. The member shall directly roll over his eligible rollover distribution, or a portion thereof, only to a single eligible retirement plan. The member is prohibited from dividing his eligible rollover distribution into two or more separate distributions to be paid in direct rollovers to two or more eligible retirement plans.

10. The trustees shall treat a member's election to make or not make a direct rollover with respect to one payment in a series of periodic payments as applying to all subsequent payments in a series. The member, with respect to subsequent payments, shall at any time change his previous election to make or not make a direct rollover by completing and filing the appropriate forms with the trustees.

11. A surviving spouse of a deceased member shall elect to have her eligible rollover distribution directly rolled over only to an individual retirement account in accordance with the provisions hereunder.

12. A spouse or former spouse alternate payee under a Qualified Domestic Relations Order shall elect to have her eligible rollover distribution directly rolled over to an eligible retirement plan as specified by the spouse or former spouse alternate payee in accordance with the provisions hereunder.

A nonspouse beneficiary of a deceased member is prohibited from electing a direct rollover to any eligible retirement plan.

A public hearing will be conducted by the Board of Trustees of the Firefighters' Pension and Relief Fund for the City of New Orleans and Vicinity at 10 a.m. on April 25, 1996 at 329 South Dorgenois Street, New Orleans, LA 70119.

Any interested party may submit data, views or arguments orally or in writing concerning these rules or may make inquiries concerning the adoption of these rules to Richard Hampton, Jr., Secretary-Treasurer of the Board of Trustees, 329 South Dorgenois Street, New Orleans, LA 70119.

William M. Carrouché
President

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Direct Rollovers**

**I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS
(Summary)**

The only estimated, anticipated implementation cost is the cost of printing and distributing copies of the proposed amended and restated rules and regulations of direct rollovers to persons requesting a copy of same. Copying costs, assuming every participant requests one copy, are estimated to be \$168.

**II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS
(Summary)**

Adoption and implementation of the proposed amended and restated rules and regulations of direct rollovers should not have any effect on revenue collection of state or local governmental units.

**III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR
NONGOVERNMENTAL GROUPS (Summary)**

The sole purpose for the proposed change in the rules and regulations is to conform with the final regulations recently published under Section 401(a)(31) and related sections of the Internal Revenue Code of 1986, as amended from time to time. The proposed change provides for fund notice to participants conforming with the Internal Revenue Code and Treasury regulations thereunder promulgated.

Therefore, the adoption and implementation of the proposed amended and restated rules should not have a cost impact or provide an economic benefit to any person or nongovernmental group other than costs and benefits already incurred pursuant to the statutory requirements.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Adoption and implementation of the proposed amended and restated rules and regulations of direct rollovers should not have any effect on competition and employment.

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Legislative Fiscal Officer