

## MEMORANDUM

TO: ALL Chapter 175 Fire Pension Boards

FROM: KLAUSNER, KAUFMAN, JENSEN & LEVINSON

RE: Chapter 175 Supplemental Premium Tax Distribution

DATE: October 3, 2012

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We are pleased to spread the good news for Chapter 175 Fire Plans receiving a supplemental distribution this month. The Division of Retirement updated their website today to reflect the Department of Revenue's annual calculation of the distribution of supplemental premium taxes which are paid in October.

The result this year is that plans who receive a supplemental distribution will receive 54% of the premium taxes collected, compared with 48% last year. In the aggregate, \$18,056,382.92 was paid into the Supplemental Trust Fund and \$9,804,437.47 will be paid out this month. By comparison, last year \$14,821,049.02 was paid into the Supplemental Trust Fund and \$7,092,578.89 was paid out. For the number crunchers among us, the Division reported late this summer that in 2011 the gross amount of premium taxes collected under Chapter 175 increased by 5.75% to \$97,695,527. The gross amount of premium taxes collected under Chapter 185 increased by 3.73% to \$64,853,647.

By way of background, every year a portion of Chapter 175 premium taxes are paid into the Firefighter Supplemental Trust Fund, for cities where premium tax receipts exceeds 6% of firefighter payroll. We are happy to discuss additional details or to answer any questions.