



City of Grand Island

Tuesday, February 12, 2013

Council Session

Item I8

#2013-45 - Consideration of Pre-84 Retiree Pension Payment for Pete Kortum

Staff Contact: Jaye Monter

Council Agenda Memo

From: Jaye Monter, Finance Director
Robert Sivick, City Attorney

Meeting: February 12, 2013

Subject: Approving Calculation of Lump Sum Payment to Pre-84
Police Retiree Pete Kortum

Item #'s: I-8

Presenter(s): Jaye Monter, Finance Director
Robert Sivick, City Attorney

Background

At a Special Meeting of the City Council on February 5, 2013, City Council passed Resolution 2013-26(B) which stated the Police Pension Committee and staff are to calculate all pending and future police retirement benefits using bids based on the actual sex of the retiree unless directed otherwise by an official action of the Grand Island City Council and;

That the Police Pension Committee and City staff are to obtain quotes for annuity quotes for retiree, Captain Peter Kortum on Thursday, February 7, 2013 with a start date of at least thirty days from the date of the quote.

On February 8, 2013, the Police Pension Committee, Mr. Janulewicz and representatives of the City met to review the quotes submitted and calculate the lump sum payment to pre-84 retiree Pete Kortum.

Discussion

Below is a summary of the quotes reviewed by the Police Pension Committee and the two quotes submitted on behalf of the City and the Retiree.

Police Pension Committee Meeting

February 8, 2013

Summary of quotes received

Retirement Committee	Nationwide Life	\$ 663,388.66
Retiree	Protective Life	\$ 775,712.69
City	North American	\$ 639,323.83
	Total	\$ 2,078,425.18
	Average	\$ 692,808.39
	Retiree's account balance (at 2/8/2013)	\$ 520,545.35
	Balance payable by City to retiree	<u>\$ 172,263.04</u>

Pension Committee quotes

#1 North American	639,482.88
#2 Nationwide Life	663,388.66
#3 Principal	702,502.87

Approving Payment of Claim for Pete Kortum on Council Meeting February 12, 2013

Approving Payment of Claim for February 12, 2013 to Wells Fargo Retirement Account-Pete Kortum

The claim of \$172,263.04 consists of two parts:

- 1) Authorizing the transfer of \$120,000.00 from the Wells Fargo unallocated account balance to the Wells Fargo Retirement Account-Pete Kortum.
- 2) Transmitting a wire on February 13, 2013 to Wells Fargo Retirement Account-Pete Kortum for \$52,263.04

The average of the three annuity contracts would result in the City of Grand Island making an additional payment to Mr. Kortum of \$172,263.04. The City would transfer \$120,000.00 from the unallocated forfeiture account of the retirement plan to Mr. Kortum's Wells Fargo Retirement Account balance and issue a claim in the amount of \$52,263.04 from the Police Reserve 805 Fund that would be wired into Mr. Kortum's Wells Fargo Retirement Account. A transfer of \$53,000.00 would be made from the General Fund to the Police Reserve 805 Fund for the disbursement.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve Resolution 2013-45 accepting the annuity quotes used in the calculation of Pete Kortum's retirement lump sum payment as presented by the Police Pension Committee and forwarded to Council on February 12, 2013.
2. Deny Resolution 2013-45.
3. Take no action.

Recommendation

City Administration recommends Council approve Resolution 2013-45 for the lump sum payment to pre-84 retiree Pete Kortum.

Sample Motion

Approve Resolution 2013-45.

City of Grand Island
Pre-84 Police Retiree
ANNUITY QUOTE REQUEST

Specifications

- Straight life annuity with first 60 months guaranteed¹
- Open market bid²
- Qualified plan
- Annuity paid-out monthly¹
- Gender specific

Provide annuity companies with the following information

- ☒ **50% of the average salary³ for the period of 5 consecutive years preceding retirement which produces the highest average⁴ if retirement occurs following age 60 and with 25 years of service⁵**

\$ <u>39,502.63</u>	\$ <u>3,291.89</u>
Annual	Monthly

- ☐ **40% of the average salary³ for the period of 5 consecutive years preceding retirement which produces the highest average⁴ if retirement occurs following age 55 but before age 60 and with 25 years of service⁶**

\$ _____	\$ _____
Annual	Monthly

(the amount above should be taken from the spreadsheet supplied by the Finance and HR Departments)

Name	<u>Pete Kortum</u>
Gender	<u>Male</u>
Date of birth of employee	<u>10/10/1951</u>
Start date of annuity payments	<u>3/11/2013</u>
Annuity quote date	<u>2/7/2013</u>

¹ Neb. Rev. Stat. §16-1007(1)

² Neb. Rev. Stat. §16-1007(2)(c)

³ Neb. Rev. Stat. §16-1002(6)

⁴ Neb. Rev. Stat. §16-1002(5)

⁵ Neb. Rev. Stat. §16-1007(2)(a)(i)

⁶ Neb. Rev. Stat. §16-1007(2)(a)(ii)



Nationwide

INCOME Promise SelectSM

Single-Premium Immediate Fixed Annuity - Quote and Illustration Report

Guaranteed income built around your needs.

Prepared For: **Pete Kortum**
Prepared On: **February 07, 2013**

Quote Number: **V100000422701**

This quote is guaranteed until 2/14/2013

All guarantees and protections offered by INCOME Promise SelectSM are subject to the claims-paying ability of the issuing company.

• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution • Not insured by any federal government agency • May lose value •



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INCOME Promise SelectSM

Single-Premium Immediate Fixed Annuity - Quote and Illustration Report

Quote Number: V100000422701

Please include both the Quote Number and Quote Option elected on the application

Quote Expiration Date: 2/14/2013

Income Start Date: 3/8/2013

Owner: Pete Kortum

Residence State: Nebraska

State Premium Tax: 0.00%

Contract Issue State: Nebraska

Tax Qualification: IRA

Primary Annuitant: Pete Kortum

Gender: Male

Birth Date: 10/10/1951

Age at Quote Date: 61

Age at Income Start Date: 61

Quote Option	Premium Information			Payment Information				Death Benefit	Inflation Protection	Liquidity
	Income Option(s)/Optional Feature(s)	Premium Amount	Cost Basis	Initial Income Payment Amount	Payment Frequency	Tax-free Payment Amount ¹	Minimum Guaranteed Contract Amount ²	Included in Income Option	Guaranteed Annual Compounded Increases (COLA)	Withdrawals Available ³
1	Single Life with 5 Years Term Certain	\$663,388.66	\$0.00	\$3,291.89	Monthly	\$0.00	\$197,513.40	Yes	No	Yes

¹ Excludable Payment Amount may change based on changes to scheduled payments, including withdrawals or annual increases.

² Minimum Guaranteed Contract Amount will be affected by withdrawals.

³ A Non-assignability Endorsement to the contract is available at issue; this endorsement will override specific contractual language, including access to withdrawals through the Liquidity Feature.

Important Information:

This quote does not constitute a contract. Nationwide must receive a complete application in good-order that matches this quote and total premium amount by 2/14/2013. If requirements are received after this date or if information on the application differs from what was quoted, then the income payment amount(s) will be recalculated using the annuity purchase rates in effect at that time.

Annuities have limitations. INCOME Promise SelectSM, a single-premium immediate fixed annuity, is issued by Nationwide Life Insurance Company, Columbus, Ohio.

- Contracts with total premium amount over \$1 million will require a Large Case Questionnaire and approval from Nationwide.
- To expedite the process, please submit a copy of this quote with the application.



INCOME Promise SelectSM

Single-Premium Immediate Fixed Annuity - Quote and Illustration Report

Single Life with 5 Years Term Certain Illustration Table

Age at Income Date	Income Date	Income Year	Payment: Monthly	Cumulative Payments ⁴	Tax Free Amount: Monthly ⁵	Available Withdrawal Amount ⁵	Death Benefit ⁵
61	3/8/2013	1	\$3,292	\$3,292	\$0	\$176,181	\$180,554
62	3/8/2014	2	\$3,292	\$42,795	\$0	\$143,056	\$147,072
63	3/8/2015	3	\$3,292	\$82,297	\$0	\$108,596	\$112,324
64	3/8/2016	4	\$3,292	\$121,800	\$0	\$72,748	\$76,263
65	3/8/2017	5	\$3,292	\$161,303	\$0	\$35,454	\$38,839
66	3/8/2018	6	\$3,292	\$200,805	\$0	\$0	\$0
67	3/8/2019	7	\$3,292	\$240,308	\$0	\$0	\$0
68	3/8/2020	8	\$3,292	\$279,811	\$0	\$0	\$0
69	3/8/2021	9	\$3,292	\$319,313	\$0	\$0	\$0
70	3/8/2022	10	\$3,292	\$358,816	\$0	\$0	\$0
71	3/8/2023	11	\$3,292	\$398,319	\$0	\$0	\$0
72	3/8/2024	12	\$3,292	\$437,821	\$0	\$0	\$0
73	3/8/2025	13	\$3,292	\$477,324	\$0	\$0	\$0
74	3/8/2026	14	\$3,292	\$516,827	\$0	\$0	\$0
75	3/8/2027	15	\$3,292	\$556,329	\$0	\$0	\$0
76	3/8/2028	16	\$3,292	\$595,832	\$0	\$0	\$0
77	3/8/2029	17	\$3,292	\$635,335	\$0	\$0	\$0
78	3/8/2030	18	\$3,292	\$674,837	\$0	\$0	\$0
79	3/8/2031	19	\$3,292	\$714,340	\$0	\$0	\$0
80	3/8/2032	20	\$3,292	\$753,843	\$0	\$0	\$0
81	3/8/2033	21	\$3,292	\$793,345	\$0	\$0	\$0
82	3/8/2034	22	\$3,292	\$832,848	\$0	\$0	\$0
83	3/8/2035	23	\$3,292	\$872,351	\$0	\$0	\$0

⁴ Cumulative payments as of Income Date.

⁵ These values are based on equivalent length months and assume no previous withdrawals have been taken. They are provided for illustration purposes only. Actual amounts will vary based on the timing of the actual transactions and changes in the 10-year SWAP Rate.

All guarantees and protections are subject to the claims-paying ability of Nationwide Life Insurance Company.



INCOME Promise SelectSM

Single-Premium Immediate Fixed Annuity - Quote and Illustration Report

Single Life with 5 Years Term Certain Illustration Table

Age at Income Date	Income Date	Income Year	Payment: Monthly	Cumulative Payments ⁴	Tax Free Amount: Monthly ⁵	Available Withdrawal Amount ⁵	Death Benefit ⁵
84	3/8/2036	24	\$3,292	\$911,854	\$0	\$0	\$0
85	3/8/2037	25	\$3,292	\$951,356	\$0	\$0	\$0
86	3/8/2038	26	\$3,292	\$990,859	\$0	\$0	\$0
87	3/8/2039	27	\$3,292	\$1,030,362	\$0	\$0	\$0
88	3/8/2040	28	\$3,292	\$1,069,864	\$0	\$0	\$0
89	3/8/2041	29	\$3,292	\$1,109,367	\$0	\$0	\$0
90	3/8/2042	30	\$3,292	\$1,148,870	\$0	\$0	\$0
91	3/8/2043	31	\$3,292	\$1,188,372	\$0	\$0	\$0
92	3/8/2044	32	\$3,292	\$1,227,875	\$0	\$0	\$0
93	3/8/2045	33	\$3,292	\$1,267,378	\$0	\$0	\$0
94	3/8/2046	34	\$3,292	\$1,306,880	\$0	\$0	\$0
95	3/8/2047	35	\$3,292	\$1,346,383	\$0	\$0	\$0
96	3/8/2048	36	\$3,292	\$1,385,886	\$0	\$0	\$0
97	3/8/2049	37	\$3,292	\$1,425,388	\$0	\$0	\$0
98	3/8/2050	38	\$3,292	\$1,464,891	\$0	\$0	\$0
99	3/8/2051	39	\$3,292	\$1,504,394	\$0	\$0	\$0
100	3/8/2052	40	\$3,292	\$1,543,896	\$0	\$0	\$0

⁴ Cumulative payments as of Income Date.

⁵ These values are based on equivalent length months and assume no previous withdrawals have been taken. They are provided for illustration purposes only. Actual amounts will vary based on the timing of the actual transactions and changes in the 10-year SWAP Rate.

All guarantees and protections are subject to the claims-paying ability of Nationwide Life Insurance Company.



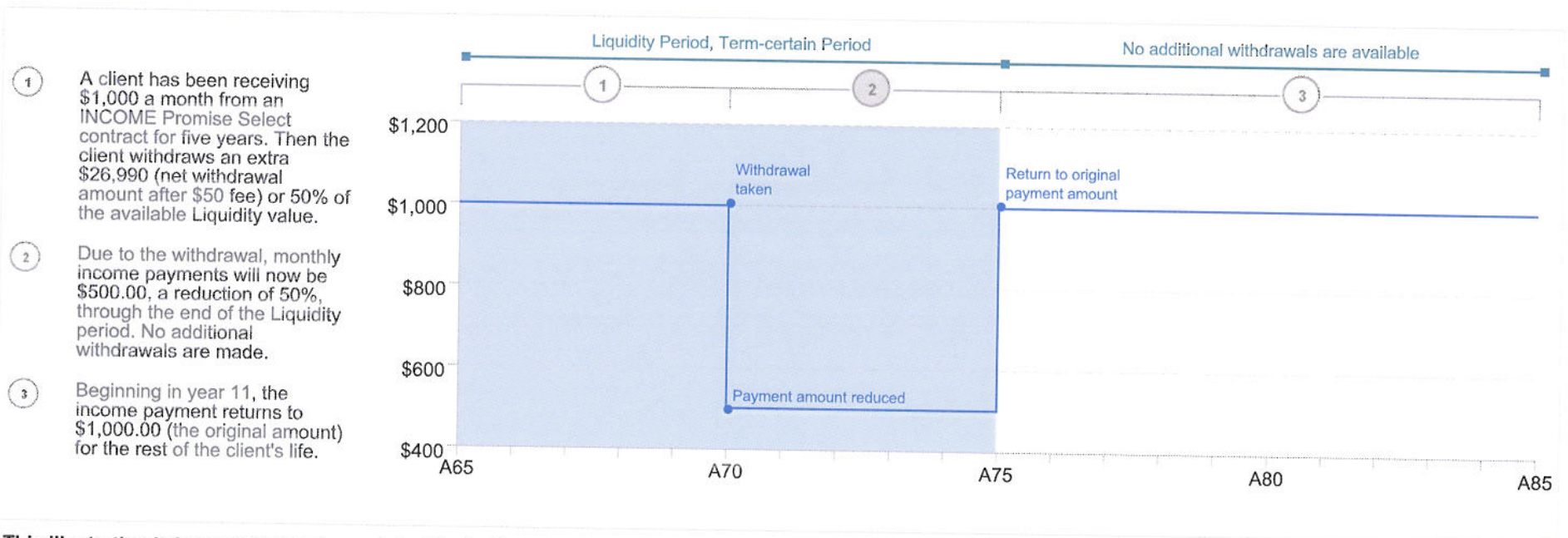
INCOME Promise SelectSM

Single-Premium Immediate Fixed Annuity - Quote and Illustration Report

About the Liquidity Feature

With the Liquidity feature, INCOME Promise SelectSM allows you to create guaranteed income, with the option to take lump-sum withdrawals in the event you need extra cash for an emergency. Here are the key details:

- The liquidity feature is available with any term-certain or cash refund payment options as long as the purchase payment is less than \$1,000,000
- Lump-sum withdrawals can be made during the Liquidity period only; you can withdraw up to 100% of the Liquidity value (multiple withdrawals are permitted)
- If you need to take a lump-sum withdrawal, your future income payments during the Liquidity period will be reduced proportionally
- If payments extend beyond the Liquidity period, then the future payments will continue at the guaranteed amount prior to your withdrawals
- \$50 will be deducted from the remaining Liquidity value or lump-sum withdrawal for each withdrawal taken (the fee is \$100 in New York)



This illustration is hypothetical and meant for illustrative purposes only. It assumes a 65-year-old male, \$181,159.42 purchase payment and a Life with 10-year Term-certain payment option. All guarantees and protections are subject to the claims-paying ability of Nationwide Life Insurance Company. All withdrawals are subject to tax. Please talk with your tax advisor for answers to your specific situation.



INCOME Promise SelectSM

Single-Premium Immediate Fixed Annuity - Quote and Illustration Report

Key Terms

Age at Quote Date - Age of Annuitant when quote is generated.

Age at Income Start Date - Age of Annuitant when income payments begin.

Available Withdrawal Amount - Lump-sum amount available for emergency access through the Liquidity Feature (also known as Liquidity value).

Annuitant - The person whose life annuity payments are based upon.

Beneficiary - The person or entity designated by the owner that will receive the benefits upon the death of the Annuitant(s) depending on the payout option elected.

Owner - The person who possesses all rights under the contract.

Cost Basis - Amount of premium used to purchase the annuity which has been previously taxed.

Cost of Living Adjustment (COLA) - Optional annual increase to the Income Payment Amount.

Death Benefit - Any remaining income payments due after the death of the annuitant(s) based on the option selected.

Income Payment Amount - The amount of guaranteed income the annuitant(s) will receive.

Income Option - The form and type of Annuity Payment stream.

Income Start Date - The date chosen by the Contract Owner to initiate payments (must occur within one year from the Date of Issue).

Joint Annuitant - A person, in addition to the Annuitant, upon whose life annuity income payments may depend.

Liquidity Feature - Allows the Contract Owner to take an unscheduled lump sum withdrawal from the contract.

Minimum Guaranteed Contract Amount - The total sum of guaranteed income payments that will be paid regardless of how long the annuitant(s) lives.

Premium Amount - The total dollar amount paid for the purchase of this contract.

Payment Frequency - The frequency, selected by the owner, which Annuity Income Payments will be made (monthly, quarterly, semi-annually or annually).

State Premium Tax - A tax assessed in some states on the total premium used to purchase annuities.

Tax-free Amount - The portion of the guaranteed income payment that will not be subject to tax for federal income tax purposes.

Quote Expiration Date - Date that your quote becomes invalid.



INCOME Promise SelectSM

Single-Premium Immediate Fixed Annuity - Quote and Illustration Report



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On Your Side

Annuities have limitations. Please talk with your insurance professional to understand the benefits and limitations of INCOME Promise SelectSM.

INCOME Promise SelectSM, a single-premium immediate fixed annuity, is underwritten by Nationwide Life Insurance Company, Columbus, Ohio.

Nationwide, the Nationwide framemark, INCOME Promise SelectSM and On Your Side are service marks of Nationwide Mutual Insurance Company.

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Contract: IAC-0102AO



P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Protective ProPayer® Income Annuity Illustration

Prepared for: Pete Kortum

Prepared by: Tom Noble

Edward Jones

Date of Preparation: 2/7/2013

THIS IS AN ILLUSTRATION ONLY. AN ILLUSTRATION IS NOT INTENDED TO PREDICT ACTUAL PERFORMANCE. EXCEPT FOR THOSE ITEMS CLEARLY LABELED GUARANTEED, RATES AND VALUES SET FORTH IN THE ILLUSTRATION ARE NOT GUARANTEED. COVERAGE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE ANNUITY CONTRACT. THIS ILLUSTRATION IS NOT VALID WITHOUT ALL PAGES.

This is an illustration of the Protective ProPayer® Income Annuity, a Single Premium Immediate Annuity to be issued by Protective Life Insurance Company in the state of Nebraska. This annuity illustration is based on the factors listed below and a current interest rate set by Protective Life Insurance Company. A change in any of those factors or the interest rate will void this illustration.

Purchase Payment **\$775,712.69**
Expected Effective Date 2/7/2013

Annuity Payment Description

Payments shown below are based on the payout option: Single Life with Certain Period

Payments are guaranteed during the Certain Period.

Payments will continue to be made, after the Certain Period, as long as the Annuitant is alive.

Monthly Payment: \$3,291.89
Date of First Payment: 3/11/2013
Certain Period: 5 year(s), 0 month(s)
Total Guaranteed Payments: \$197,513.40

Life Contingent Payment Information:

Annuitant 1 61 year old Male (10/10/1951)

Summary of Taxation

Cost Basis: \$0.00
Fund Status: Traditional IRA
Non-Taxable Amount of Payments: \$0.00
Taxable Amount of Payments: \$3,291.89
Premium Tax Rate: 0%
Exclusion Ratio: 0.00%

The non-taxable amount is the portion designated by the Internal Revenue Service as a return of principal. The taxable amount is deemed to be interest. The exclusion ratio is the percentage of each payment that is not subject to federal income tax because it represents a return of principal. After the principal is returned, 100% of the payment is deemed to be interest and is therefore taxable. If the purchase payment is made with qualified funds, normally 100% of the payment is taxable. State tax rules may vary. Please consult your tax advisor for information about taxes in your specific situation.

Premium taxes are assessed at the time of distribution and may vary by state or asset type. The payout illustrated has been reduced by the state premium tax only and represents the net amount you will receive. All reporting of state premium tax is the responsibility of Protective Life Insurance Company.

The following information is included for home office purposes only: ELI Reg ID: ED03c20d5-f8fc-4a6b-bf8e-df0506d44b3e

Factors: .82 / 1.73 / 2.44 / 2.93 / 4 / (0) / 13.26

Form #: IPD-2112

2/7/2013 1:53 PM

Tom Noble

Page 1 of 3

Mortality Basis: Gender Specific

Version: 7.6.47

State: NE



Protective ProPayer® Income Annuity Illustration

Prepared for: Pete Kortum

Prepared by: Tom Noble

Edward Jones

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 2/7/2013

THIS INFORMATION IS PROVIDED AS A PROPOSAL ONLY, AND IS NOT A CONTRACT.

This proposal expires with the Company's next rate change. Rates are subject to change at any time without notice.

This proposal is based upon the expected effective date and the date of first payment. The effective date is the date on which the contract is issued. If the actual effective date and/or date of first payment differ from those shown, the actual payments and other values will differ from those shown. If an Owner dies within 30 days of the Supplement Effective Date and before the Annuity Payment Date, we will refund the Amount Applied minus the Annuitization Bonus, if any, to the Beneficiary in a lump sum. Otherwise, we will make payments to the Beneficiary according to the Annuity Payment Option.

Neither Protective Life Insurance Company nor its representatives offer legal or tax advice. Any tax-related statements made in this illustration are based upon general information and represent only one interpretation of current federal tax law as it relates to annuities. Moreover, the tax treatment of annuities is subject to change. Please consult your legal or tax advisor regarding your individual situation before making any tax-related decisions.

The following information is included for home office purposes only: ELI Reg ID: EDe03c20d5-f8fc-4a6b-bf8e-df0506d44b3e

Factors: .82 / 1.73 / 2.44 / 2.93 / 4 / (0) / 13.26

Form #: IPD-2112

2/7/2013 1:53 PM

Tom Noble

Page 2 of 3

Mortality Basis: Gender Specific

Version: 7.6.47

State: NE



Protective ProPayer® Income Annuity Illustration

Prepared for: Pete Kortum

Prepared by: Tom Noble

Edward Jones

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 2/7/2013

Payment Schedule

Year	Monthly Payment	Annual Payment Amount		
		Total	Non-Taxable	Taxable
1	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
2	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
3	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
4	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
5	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
6	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
7	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
8	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
9	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
10	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
11	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
12	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
13	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
14	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
15	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
16	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
17	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
18	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
19	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
20	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
21	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
22	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
23	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
24	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
25	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
26	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
27	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
28	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
29	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
30	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68

The following information is included for home office purposes only: ELI Reg ID: EDe03c20d5-f8fc-4a6b-bf8e-df0506d44b3e

Factors: .82 / 1.73 / 2.44 / 2.93 / 4 / (0) / 13.26

Form #: IPD-2112

2/7/2013 1:53 PM

Tom Noble

Page 3 of 3

Mortality Basis: Gender Specific

Version: 7.6.47

State: NE

NA Income® Illustration

Single Premium Immediate Annuity

Prepared For:

Pete Kortum

Issue State: NE

Agent/Representative

, GREAT LAKES FINANCIAL ADVISORS GROUP INC

Date Prepared:

02/07/2013

By



North American Company for Life and Health Insurance,
Annuity Service Center
4350 Westown Parkway
West Des Moines, IA 50266
www.NorthAmericanCompany.com

*This is an illustration only, not an offer or contract. It is not intended to predict future performance.
Benefits are subject to the terms and conditions of the annuity contract.
This illustration is not valid without all pages.*

Page 1 of 1

NA Income[®]

Single Premium Immediate Annuity
Qualified Contract

Annuitant Name: Pete Kortum
Annuitant Gender: Male
Annuitant Age: 61
State: NE

Illustration Date: 02/07/2013
Payment Start Date: 03/11/2013
Payment Mode: Monthly
Premium: \$639,324

OPTION	PREMIUM	PAYMENT START DATE	MODE	PAYMENT	EXCLUSION RATIO ¹
Single Life and 5- Year Period Certain	\$639,323.83	03/11/2013	Monthly	\$3,291.89	0.0%*

Once a Payment Option and/or Mode is selected it cannot be changed. Payment amounts do not reflect applicable State Premium Taxes.

This is an illustration only and your application is subject to approval by North America Company for Life and Health Insurance®. Actual rates will be those in effect on the date the premium is received by the home office. If applicable, locked in rates will apply to transfers received within the allotted rate-lock period.

¹The Exclusion Ratio reflects the percentage of the systematic payment amount that is excluded from taxation.

Proposal Code: 012060

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NA Income[®]

Single Premium Immediate Annuity
Qualified Contract

Annuitant Name: Pete Kortum
Annuitant Gender: Male
Annuitant Age: 61
State: NE

Illustration Date: 02/07/2013
Payment Start Date: 03/11/2013
Payment Mode: Monthly
Premium: \$639,324

SINGLE LIFE AND 5-YEAR PERIOD CERTAIN

Monthly Benefit Amount: \$3,291.89
Monthly Taxable Amount: \$3,291.89
Tax Exclusion Ratio: 0.0%

- Income is payable for the annuitant's lifetime with a guaranteed payment period ranging from 5 to 20 years
- If the annuitant dies before the end of the period certain, payments continue to a named beneficiary until the end of that period certain
- The period certain payment option cannot be set-up to pay out past age 100 for the owner and annuitant

The North American Income[®] annuity is issued on form LS116A or appropriate state variation by North American Company for Life and Health Insurance[®], West Des Moines, Iowa. The North American Income[®] and its features may not be available in all states.

This Illustration is not valid unless all pages are present.

Page 2 of 2

R E S O L U T I O N 2013-45

WHEREAS, Article 10 of Chapter 16 of the Nebraska Revised Statutes sets forth the laws governing the pensions of police officers of First Class Cities; and

WHEREAS, the Police Pension Committee met on Friday, February 8, 2013 to review annuity quotes submitted by the Police Pension Committee, the City and Mr. Janulewicz on behalf of pre-84 retiree Pete Kortum; and

WHEREAS, said recommendation is for the Grand Island City Council to accept the amount of Six Hundred, Ninety-Two Thousand, Eight Hundred, Eight Dollars and Thirty-Nine Cents (\$692,808.39) as the average of three (3) quotes obtained for annuities for Captain Kortum; and

WHEREAS, the financial obligation of the City of Grand Island in meeting the above stated recommendation is One Hundred, Seventy-Two Thousand, Two Hundred, Sixty-Three Dollars and Four Cents (\$172,263.04),

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA,

That the City Council accepts and adopts the recommendation of the Police Pension Committee and directs the City disburse the amount stated above as its financial obligation to meet that recommendation.

Adopted by the City Council of the City of Grand Island, Nebraska, February 12, 2013.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
February 8, 2013	☐ City Attorney