

Pension Update

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A Publication of the Dallas Police and Fire Pension System



D A L L A S
POLICE & FIRE
PENSION SYSTEM



Managing Your Pension System

On February 2nd through the 6th, some Trustees and staff members of the Pension System went to Washington D.C.



*Lieutenant Gerald Brown,
Fire Department,
Chairman of the Board*

Why We Went

The reason for the trip was threefold. First,

we performed due diligence visits to two of the buildings that the System owns in the area. We established that both properties continue to be good investments of the System's funds.

Second, we reviewed the current legislative environment with Senator Voinovich (Ohio), many distinguished staff members of the House and Senate, representatives of national public pension plan associations, and other national figures at a day and one-half conference sponsored by the National Conference on Public Employees Retirement Systems (NCPERS).

Third, we met with several Congressional leaders from Texas, including Senator Kay Bailey Hutchinson, Representatives Pete Sessions, Ralph Hall, Kay Granger, Martin Frost, Sam Johnson, Eddie Bernice Johnson, Jim Turner, Joe Barton, and Chet Edwards.

What We Said to Our Legislators

We expressed our opposition to mandatory Social Security. President

Bush's Social Security Reform Committee discussed this topic and came out against mandatory membership for public safety workers.

We also discussed the possible legislation that will result from the Enron collapse. We pointed out the differences between public pension plans, such as ours, and private plans, such as the Enron 401(k) plan. It is much easier to be proactive and stop bad legislation than to change it after it is enacted.

It was a satisfying visit. However, we must never let our guard down. I would urge all Pension System Members to continue to write and call your Representatives and Senators, and let them know we are against mandatory Social Security.

Pension Administration

Another aspect of managing the Pension System involves the due diligence required within the administration of the Pension System itself. The internal controls implemented to assure the proper management of the System's processes and assets recently uncovered improper financial transactions by an employee. The Administrator immediately terminated the employee and initiated a thorough investigation. I will provide additional information when it is available.

—Gerald Brown,
Chairman of the Board

Estate Planning — Providing for Beneficiaries While Minimizing Taxes

—Information Provided By Evaleen Davis

One of the more popular topics in our PREP (Pre-Retirement Education Program) sessions is the discussion of wills and estates presented by Evaleen Davis. Ms. Davis is an Attorney and Counselor at Law with a certification in Estate Planning and Probate.



Evaleen Davis at the February PREP session.

Ms. Davis advises that estate planning, for most people, essentially is planning to transfer assets to beneficiaries while minimizing taxes.

When her clients describe how they would like to transfer their assets at death, it never matches what happens if a person dies without a Will. While some clients tell her that minimizing taxes at their deaths is not a concern for them, clients never request to maximize taxes at death.

Will your heirs have an estate tax problem? Add together the values of everything you own: your house, car, furnishings, savings, retirement assets, and the face amount of any life insurance you own. Many people are surprised to find how quickly the list adds up and that they, too, are among the very rich that Congress has deemed it appropriate to tax.



Evaleen Davis presents the basics of estate planning at PREP.

Texas and federal law have answers for those who do not plan for death, incapacity, and taxes. However, these answers can be cumbersome and expensive.

And the time of death or incapacity is probably the worst time to become involved with protracted and complicated court proceedings for guardian-

ship, intestate administration of an estate, and payment of estate taxes.

An estate planning attorney can discuss all of your goals with you to determine the estate plan that is best for you and your family and can prepare documentation to implement your estate plan.

For more information on this subject, plan to attend a PREP session, or contact a specialized attorney.



PREP attendees get an overview of estate planning.

Congratulations Retirees!

Police Department

Kenneth W. Lybrand

Freddy R. Overstreet

Frank H. Reed

Fred M. Sibley

Eddie R. Walt

Jerry L. Stewart



Fire Department

James H. Robinson



PREP Is a Success at New Location

The first PREP (Pre-Retirement Education Program) session for the year was held at the Pension System offices on February 20th. Sixty-two Police Officers, Firefighters, and Spouses attended. Speakers included Don McMillan for Pension System benefits; Tom Clark for Social Security Administration benefits; Evaleen Davis, wills and estates; Deborah Plashko, 401(k) plan; Justin Liptrot, 457 plan; and Sonya Capehart, health insurance. The investment portion of the program was presented by Neil “Doc” Gallagher, a local radio personality. According to comments from attendees, our speakers were both informative and entertaining.

Going to PREP early in your career gives you a good start to op-



Richard Tettamant greets PREP attendees.



February PREP attendees at the Pension System offices.

imize your opportunities; going mid-career allows you to determine if you are still on track; and a near-retirement session gives you opportunities to plan how to best use your accumulated assets.

If you have been a Pension System Member for more than five years and have not attended a PREP session, or if you attended several years ago, reserve space in one of the remaining sessions this year on June 5, August 21, or November 13.

What Is the 100% Joint and Survivor Annuity Option?

The 100% joint and survivor annuity option is a pension payment method that reduces your monthly pension from the standard calculated amount, but continues 100% of that benefit to your Spouse after your death. With this option, you receive less money while alive, but your Spouse will receive a larger benefit after your death than under the standard 50% survivor benefit.

If You Have Children

If you have eligible surviving Children, your Spouse shares the survivor benefit with the Children until they are no longer eligible. When there are no eligible Children, the entire benefit will be paid to your Spouse.

If You Remarry

If you remarry after you leave Active Service, you will be eligible to elect a SWAR benefit (Spouse Wed After Retirement), but the new Spouse will be eligible only for the 50% survivor benefit.

Which Option Is Better?

Whether the standard benefit and survivor plan or

the 100% joint and survivor annuity option is better for you depends on your personal circumstances. You should consider your age and the ages of your Spouse and Children, if any, your health, your financial situation, including your Spouse's dependence on your benefits, and many other factors.

Get More Information

See the FAQ (frequently asked questions) link on our Web site at www.dpfp.org, or contact a Benefits Counselor at 214.638.3863 or 1.800.638.3861 for more information.

Benefits Contacts

- **Health and Life Benefits, Synhrgy**—1.866.213.2756
- **City of Dallas Employee Benefits**—214.670.7002 or 214.670.3581
- **Pension Benefits**—www.dpfp.org, 214.638.3863, or 1.800.638.3861



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News Briefs

- **Benefits Counseling Services**—If you are considering retiring or joining DROP (Deferred Retirement Option Plan), schedule your appointment with a Benefits Counselor 30–60 days before your planned retirement or DROP date. Appointments last about an hour. When you call for your appointment, we prepare a personalized pension information packet for you. We also can mail this information to you before you come in, allowing you time to review the material, consider the various options, and develop questions. You also may want to consult your tax advisor or accountant before making any retirement decisions. For more information, call the Pension System office at 214.638.3863 or 1.800.638.3861.
- **April Calendar**
 - *April 7*—Daylight Savings Time begins
 - *April 11*—Board of Trustees meeting
 - *April 18*—Board of Trustees meeting
- **PREP**—Register for a PREP (pre-retirement education program) session by calling the Pension System office at 214.638.3863. Reserve space for you and for your spouse, if applicable, in one of this year’s sessions on June 5, August 21, or November 13.

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