

Pension Update

Volume 2002.10, October 2002

A Publication of the Dallas Police and Fire Pension System



D A L L A S
POLICE & FIRE
PENSION SYSTEM



The Pension System's Role in Pensioner Health Insurance

The Pension System plays a limited role in your health insurance coverage as a Police Officer or Firefighter pensioner. The City of Dallas provides health insurance coverage,



Don Rohan, Assistant Administrator

establishes the costs of benefits, and administers the benefits programs. The Pension System's role is to advise the City when a Member completes a retirement application and to deduct insurance premiums from the pension benefits in the amounts the City tells us.

In recent years, the City's Human Resources Department has gone through many changes, including a major downsizing and the outsourcing of many of its former functions. These transitions have affected every City office, the two pension systems, and especially Active Members, Pensioners, and survivors.

Because of these changes, the process of converting from an Active Member to a Pensioner has suffered. The impact to Pensioners is that it now takes two or three months to start the insurance. Though the coverage is effective from the date of retirement, the Pensioner usually must pay the insurance premiums for the two- or three-month period at one time. The City has assured us that it is doing everything possible to correct the

problems and plans to add staff positions to assist Members with their health insurance and other items when they leave Active Service. The City expects this change to resolve delays in health insurance enrollment.

We have reviewed our procedures to see how we could assist the City with this process, and we assure our Members that we will continue to work closely with the City to provide the best possible service to you, our Members.

Tips for a Smooth Retirement

In the year you are considering retiring, you must plan for many changes. A great source of information is the Pension System's PREP (pre-retirement education program). Attend a PREP session as soon as you have five years of Active Service, and start planning for your retirement. Attend a final PREP one or two years before your retirement.

The Pension System can help you decide when to retire or join DROP (deferred retirement option program) by providing an estimate of your retirement income. Make an appointment with a Benefits Counselor at least six weeks before you intend to leave Active Service or join DROP. Be prepared to make decisions that will affect you for the rest of your life. We will get the paperwork started and let you know when you can start receiving a benefit. When you come for your appointment, be sure to bring the following items:

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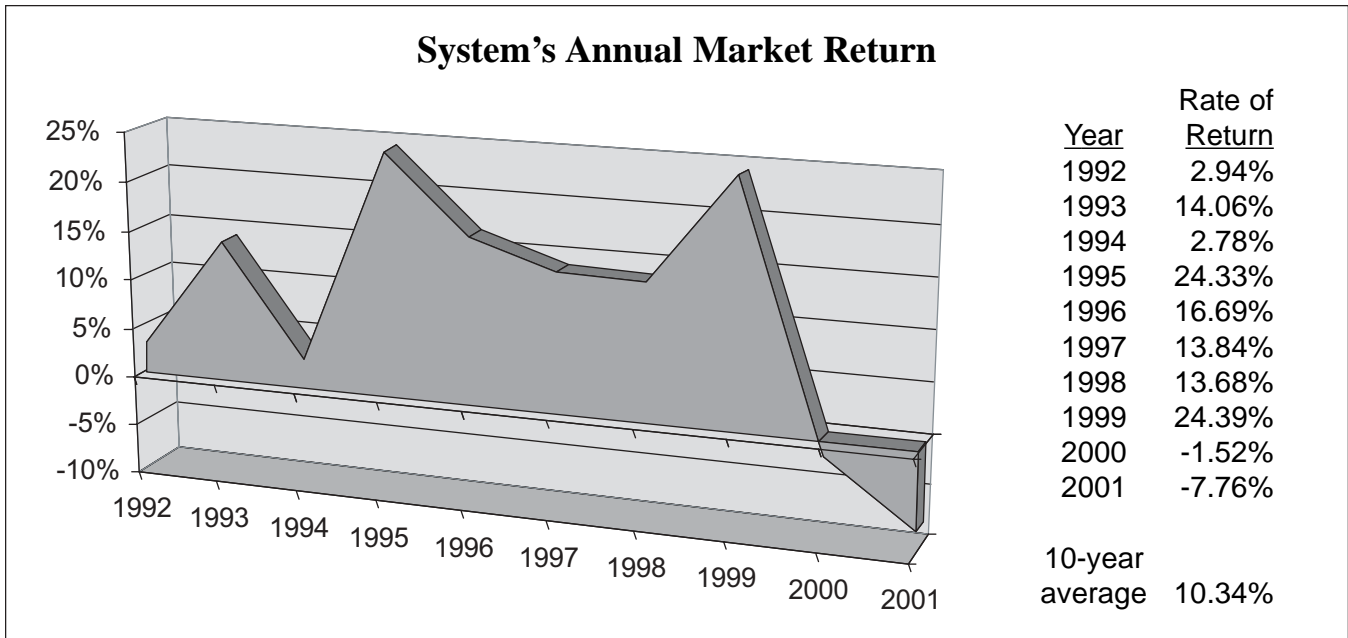
New DROP Interest Rate

The annual interest rate paid on DROP (Deferred Retirement Option Plan) accounts increased from 9.0% to 9.25% on October 1, 2002. The new rate is a result of a change in the Plan Document passed by Members in last year's amendment election.

Under the new provisions, we determine the interest rate by averaging the System's rates of return over the previous ten years. The average return during the last ten years is approximately 10.34%.

See the chart below. Under provisions in the Plan Document, the interest rate cannot go below 8% or above 10%. It also cannot change more than 0.25% from the preceding year's rate.

If you have questions about the DROP program, please see our Web site at www.dpfp.org, call the Pension System office at 214.638.3863 or 1.800.638.3861, or send us an e-mail at info@dpfp.org.



The ten-year average of the annual market return on the Systems' investments for the preceding ten calendar years is 10.34%. The long-term rate of return on plan assets used to value the liabilities of the System is 8.5%.

Pensioner Health Insurance, continued from page 1

- Birth certificates for you, your spouse, and your children
- Marriage license
- Social Security numbers for your spouse and children
- Medical certification for handicapped children
- Voided check for direct deposit

After you have decided when to retire and completed the paperwork, the Pension System's Board of Trustees will approve your retirement. The Board meets one time per month to make such decisions.

In addition to the Pension System office, check with your own Payroll Department to provide proper notification, complete paperwork, and turn in equipment. For health benefits, contact the City of Dallas Benefit Service Center at 1.888.873.7692.

The Pension System exists to serve its Members. When you have a question about your Pension benefits or a concern, please contact us at 214.638.3863 or 1.800.638.3861. You also can request information by e-mail at info@dpfp.org.

The News in Brief

- **Annual Reports Complete**—The *2001 Annual Report* containing financial information about the Pension System is complete. If you would like a copy, please see our Web site at www.dpfp.org, or call the Pension System office at 214.638.3863 or 1.800.638.3861.

Your copy of the *Condensed Annual Report* should have arrived at your home via the U.S. Postal Service. If you have not received your copy, call the Pension System office. Please also verify with your Payroll Department and the City of Dallas that your correct mailing address is on record.

- **Pension Service Purchases**—If you are making a Pension Service Purchase, please send your checks to the Pension System office at 2301 N. Akard St., Ste. 200, Dallas, TX 75201.
- **End-of-Year DROP/Retirees**—If you plan to enter DROP or to retire at the end of this year, please let us help you by estimating your monthly pension for you.

If you are ready to sign on the dotted line, call two weeks in advance of when you would like your counseling session. If you schedule your appointment in advance, we will have all the estimates and worksheets ready when you arrive. To receive the time and attention you may require, schedule an appointment as soon as you can, and give yourself time to answer important tax and lifestyle questions. Completing the move to DROP or retirement takes 30 days to six weeks.

Bring the following items to your counseling session:

- Birth certificates for you, your spouse, and children
 - Marriage certificate
 - Social Security numbers for your spouse and children
 - Voided check for direct deposit
- **In the Line of Duty**—The second edition of *...In the Line of Duty* contains the original 61 Dallas Police Officers killed in the line of duty with updates and 12 new chapters. All proceeds

will be given to “Widow’s and Orphan’s Fund” and “Wish Upon a Star.”

You can order a book for \$20 (hand delivered) or \$23 (mailed). Make your check to “Police Press.” Send your check to Steve Elwonger, Police Press, P.O. Box 59777, Dallas, TX 75229.

- **PREP for 2003**—Prepare for your financial future in a PREP (Pre-Retirement Education Program) session in 2003. Members with five years of Pension Service are welcome. To attend, you must send a \$20 deposit. To reserve a space for you and your spouse, call the Pension System office at 214.638.3863 or 1.800.638.3861, and find the PREP session that fits your schedule. Join us at PREP, and prepare for your future!
- **We Are Here to Help**—We thank Members for providing feedback (both pro and con) on articles in the *Pension Update*. We do our best to provide clear, understandable information. If you have a comment, please call us at 214.638.3863 or e-mail us at info@dpfp.org.

Pension System Calendar

- **October 31**—*Happy Halloween!*



- **November 14**—*Board of Trustees meeting*

- **November 28–29**—*Thanksgiving Holiday, Pension System office closed*





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Look Who Retired This Month... Congratulations Retirees!



Fire Department

Earnest P. Copeland

Larry W. Knight



Police Department

Ronald L. Herrington

Bobby L. Rich

Jack T. Swafford, Jr.

Kenneth H. Walters



Board of Trustees

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Gary W. Edge

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John Mays

Rector C. McCollum

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Maxine Thornton-Reese

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