

PENSION UPDATE



Volume 2004.08, August 2004
Dallas Police & Fire Pension System



5, 20, 32, 50, 55, 59½, 62, 65, 70½

Do These Numbers Mean Anything to You?

As a member of the Dallas Police & Fire Pension System, these numbers represent years of service or your age and are very meaningful and beneficial to you as you plan your retirement.



*Gary W. Edge,
Deputy Vice-
Chairman
of the Board
& Fire Trustee*

5 Years of Service

You are vested for benefits with the Pension System.

20 Years of Service

You are eligible to enter DROP (Deferred Retirement Option Plan) or receive benefits from the Pension System.

32 Years of Service

You no longer have to make contributions to the Pension System.

50 Years of Age

- With five years of Pension Service, you are eligible to retire with unreduced benefits, or
- You are eligible to enter DROP with unreduced benefits.

55 Years of Age

- You may begin drawing the Benefit Supplement, if you are retired or in DROP and have 20 years of Pension Service.

- You are eligible to retire and not pay 10% tax penalty on DROP distributions.

59½ Years of Age

- 401(k) Plan—You are (1) eligible to withdraw from your account before termination of employment and (2) no longer subject to 10% tax penalty.
- DROP—If you had previously taken substantially equal payments before age 55, then you would be eligible to change the amount taken monthly at age 59½ without additional tax penalties.

62 Years of Age

You are eligible for early Social Security benefits at a reduced amount.

65 Years of Age

- You are eligible for full Social Security benefits, if not taken earlier.
- Medicare benefits begin.
- Medigap Health Insurance plans begin with the City of Dallas Health Insurance Plan.

These numbers represent years of service or your age and are very meaningful and beneficial to you as you plan your retirement.

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Numbers, continued from page 1

70½ Years of Age

You must begin minimum required distribution from your DROP account. In addition to your Pension Benefit, you must start taking distributions from your DROP account to satisfy federal tax requirements.

457 Plan

Money in a 457 account may be withdrawn at any time after termination from an employer that sponsors or endorses the plan without paying a 10% additional tax penalty.

Summary

Hopefully, this article has made you aware of how you should plan for your future, and hopefully, it

helps you make your plans for retirement. I have only covered the general rules on each topic, and the tax issues are complicated. If you have any questions about this article or any Pension questions, please feel free to call me at the Pension System office, Station 55C, or contact a Benefits Counselor.

—Gary W. Edge,
Deputy Vice-Chairman of the Board & Fire Trustee



Congratulations Retirees!

Fire Department

- John C. Allen*
- Kelly S. Harris*
- Boyd Lewis*
- Walter M. Neal*
- Claude W. Prewitt*
- John H. Quarles*
- Roy D. Rand*
- Rodney L. Vike*



Police Department

- Bruce E. Adams*
- Richard V. Crosby, Jr.*
- Frank L. Hearn*
- Jimmy D. Holt*
- Raymond C. Nettles*
- Matthew E. Schmidt*
- Thomas S. Shelton*



Texas Coins From U.S. Mint

U.S. Mint commemorative quarter-dollar coins honoring Texas, released in 2004, are available by using the U.S. Mint’s secure website, www.usmint.gov or by calling 1-800-USA-MINT (872-6468). The quarter’s design incorporates an outline of the State with a star superimposed on the outline and the inscription, “The Lone Star State.” A lariat encircling the design is symbolic of the frontier spirit and the cattle and cowboy history of Texas.



Military Leave & Other Pension Service Purchases

Your pension benefit is based on your Pension Service. You may purchase additional Pension Service if any of the following situations apply to you.

- You had an authorized leave of absence, including absence for military service.
- You did not contribute to the Pension System during your first year of service as a Police Officer or Firefighter.
- You withdrew contributions after a previous period of Pension Service with the System.
- You are divorced, and your former Spouse withdrew part of your pension contributions in a lump sum as part of a divorce settlement.

If you are eligible for a military leave buyback, you have only a certain amount of time to make your pension service purchase without accrued interest.

To purchase Pension Service, you may pay by one or a combination of the following means.

- Direct, after-tax payment by check
- Tax-deferred rollover or transfer from another qualified plan or IRA
- Transfer of funds from the City's 457 deferred compensation plan

If you recently returned from military service, please contact the Pension System office about your Military Leave Buyback Option.

You may purchase all or a portion of the Pension Service available for purchase. Partial purchases of Pension Service must be made in whole year increments. The Pension System will determine the cost of a partial purchase based on the most recent years available to you for purchase.

If you are interested in making a Pension Service purchase, contact the Pension System office.



Firefighter Fundraiser

The 343 Memorial Climb will be held on September 11, 2004, at Ameritrust Field in Arlington. The charity climb is named in honor of the 343 firefighters who died September 11, 2001, in New York, and it supports firefighters who currently risk their lives every day. The money raised from this fundraiser will go to two organizations, the Firefighters National Trust (FNT) and the International Association of Fire Fighters (IAFF) Fallen Firefighters Fund. Participants get sponsors to pledge a donation amount for each flight of stairs climbed at the ballpark. For more information, see www.343memorialclimb.com.



Pension System Calendar

- **September 6**—Labor Day, Pension System office closed
- **September 9**—Board of Trustees meeting
- **September 11**—343 Memorial Climb
- **October 14**—Board of Trustees meeting; First public reading of Pension System's 2005 budget
- **October 18-21**—Board of Trustees meeting

August 2004

- **What Do These Numbers Mean to You?**
- **New Retirees**
- **Texas Coins**
- **Military Leave**
- **Firefighter Fundraiser**
- **Pension System Calendar**

Pension System Refreshes Website
Message From the Chairman

Our website has a new look. As part of our ongoing efforts to improve communications to Members, we refreshed the look of our website. Go to www.dpfp.org, and look at all the information that is available to Pension System Members. The site contains information about Board Meetings and also has forms for retirement and joining DROP (Deferred Retirement Option Plan).



*Gerald Brown,
Chairman of
the Board &
Fire Trustee*

We hope you will enjoy the new look and find the information easy to locate. If you have any comments or questions or comments, please contact the Pension System via e-mail at info@dpfp.org.



—Gerald Brown,
Chairman of the Board & Fire Trustee

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