

# PENSION UPDATE



*Volume 2005.03, March 2005  
Dallas Police & Fire Pension System*



## Legislative Update

*By Gerald Brown,  
Chairman of the Board*

This year, the NCPERS (National Conference on Public Retirement Systems) Legislative Conference was held in Washington D.C. February 7-9. Representatives from the Board and Staff attended.

This annual conference allows us to meet other trustees and labor leaders from around the country. We share many of the same concerns and issues with these other public employees.

Our group spent the first day touring the Tyson's Corner Mall in Tyson's Corner, Virginia. This is the tenth largest mall in the U.S., and it is undergoing a major renovation and expansion. It is a good example of what can be accomplished with planning and cooperation between a city and a shopping center. The fund currently owns and operates a lifestyle shopping center, is developing two others, and is in the process of purchasing two additional shopping centers in Hawaii. The tour was a good learning experience for us.

The second day was spent in meetings. There were presentations from different groups covering the following subjects:



*Left to Right - Gerald Brown, Board Chairman; Steven G. Shaw, Vice Chairman; State Rep. Dan Flynn, Vice Chairman on Pensions & Investments Committee; Richard Tettamant, System Administrator*

1. Social Security and its problems
2. The President's chance of passing legislation relating to Social Security
3. The President's new savings plans
  - a. Retirement Savings Accounts (RSA)
  - b. Lifetime Savings Accounts (LSA)
  - c. Employer Retirement Savings Accounts (ERSA)
4. Rising costs of health care

The presentations provided information that was useful for our visit on Capitol Hill the next day. We met with the Representatives from our area, along with their aides, and our two Senators. Again, Senator Kay Bailey

*Continued on page 2*

Hutchison and one of her aides listened to and discussed our issues. Senator John Cornyn was on the floor making a speech. His aide was helpful and sympathetic to our issues also.

Representative Sam Johnson's office agreed in principle to introduce legislation that would allow withdrawals from some savings plans tax-free to pay health care premiums. Representative Burgess said he would co-sponsor such a bill. This would be important because Representative Johnson sits on the House Ways and Means Committee. This is not a fix, but it is a beginning in helping our retirees with health care insurance costs. Unfortunately, this will probably be overshadowed by Social Security Reform.

On February 16<sup>th</sup>, Steve Shaw, Richard Tettamant, and I traveled to Austin to meet with the new Chairman and Vice Chairman of the House of Representatives Pension and Investment Committee. The Chairman is Craig Eiland, and the Vice Chairman is Dan Flynn. Representative Flynn lives in Van and represents many of our Members.

## **Congratulations Retirees!**

### **Fire Department**

*Emmett E. Conoly  
John L. Fuller  
Leonard F. Johnson  
George H. Littlefield, Jr.  
Anthony J. Peck  
Ronald Remkus  
Michael L. Weir*



### **Police Department**

*Harold S. Beil  
Dennis J. Brummett  
Danny R. Fisher  
Robert L. Gutkowski  
David S. Hernandez  
Kathy J. Kresse  
Michael R. Meldrum  
Janice C. Siddons  
Ronald V. Statzer*



## **PENSION SYSTEM CALENDAR**

April 1-11 ..... Trustee Election  
April 12-14..... Health Fair 2005  
April 14 ..... Regular Board Meeting  
April 20 ..... PREP Seminar  
May 8 ..... Mother's Day

## **Fire and Police Team Up to Present Health Fair 2005**

The Dallas Fire-Rescue Department and the Dallas Police Department are presenting Health Fair 2005, April 12-14 from 7 a.m. to noon daily at the Dodd Miller Training Academy, 5000 Dolphin Road. This Health Fair is open to all uniformed members of the Fire-Rescue and Police Departments, civilians and retirees of the Departments and their families.

Free services include osteoporosis screening, 12 Lead EKG's, blood pressure, counseling with a Nutritionist, skin cancer screening (visible skin), cholesterol screening from UTSW, sickle cell testing, glaucoma screening and chiropractic adjustments.

Services offered include low cost blood work (\$50), which is a custom profile worth about \$500, inflammatory profiles, thyroid profiles, a VAP test that looks at cholesterol numerous ways, medical massage therapy (pain management), various chiropractic services, and ultrasounds of the carotid arteries (stroke screening), echo of the heart, and aortic aneurysm screening, mammograms and other services will also be available at a low cost.

All medical reports will be provided to the individual receiving the tests at the fair, or mailed to the individuals home. No health information is given to employers.

For more information, call Carol Lawrence, RN (EMS Office) at 214-670-7331 or 469-323-5775.

# Benefit Supplements and Annual Adjustments

If you have at least 20 years of service credit, you will receive a **Benefit Supplement** in addition to your monthly pension benefit upon your retirement AND reaching 55 years of age. The Benefit Supplement was established in 1988 in an attempt to help retirees with their high insurance costs. The benefit paid at that time was the higher of \$50 per month or 3% of an eligible retiree's total monthly benefit (not including the Benefit Supplement amount). In 1991, the Benefit Supplement amount was raised to the current amount which is equal to the higher of \$75 or 3% of an eligible retiree's total monthly benefit (not including the Benefit Supplement amount). The Benefit Supplement was also extended to those Pensioners retired under a service-connected disability at that time.

The System also increases each eligible retiree's (Plan A or B) monthly benefit on October 1 of each year. This increase is called the **Annual Adjustment** and is 4% of the retiree's original base benefit each year. The Annual Adjustment accumulates each year, but is not compounded. This means that the same amount is added each year to the retiree's total benefit.

As stated above, the Benefit Supplement is calculated on an eligible retiree's total monthly benefit. Unlike the Annual Adjustment, the Benefit Supplement is compounded each year. If the retiree's benefit is greater than the \$75 minimum, the amount increases each year because the retiree's total benefit increases as new Annual Adjustment amounts are added to the retiree's benefit.

The two increases are determined separately and cannot be viewed as one increase of 7%. See below for an example of a benefit calculation with Annual Adjustments and Benefit Supplement.

## **Example calculation:**

Years of service = 22.5

Highest 36 months of computation pay = \$144,567

Service percentage is	$22.5 \times .03 = .6750$
Average computation pay is	$144,567/36 = \$4,015.75$
Base pension amount is	$4,015.75 \times .6750 = \$2,710.63$
Annual adjustment is	$\$2,710.63 \times .04 = \$108.43$

If a Member retired or went into DROP at age 50, the Member would have 5 years of annual adjustments by the time he or she reached age 55. The benefit would then be:

Total annual adjustments equal:	$\$108.43 \times 5 = \$542.15$
Base plus total annual adjustments:	$\$2,710.63 + 542.15 = \$3,252.78$
Benefit Supplement is then:	$\$3,252.78 \times .03 = \$97.58$

The retiree's monthly pension benefit would be:  $\$2,710.63 + 542.15 + 97.58 = \underline{\$3,350.36}$

The following year, the monthly benefit would again increase by \$108.43 to \$3,361.21. The new Benefit Supplement would be:  $\$3,361.21 \times .03 = \$100.84$ .

The new monthly pension would be  $\$3,361.21 + 100.84 = \underline{\$3,462.05}$ .



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## Trustee Election

Firefighters have two candidates for Active Fire Trustee, Place 1. The candidates are Gerald Brown and Willie Reynolds. Fire Trustee election ballots will be mailed to the home address of Active Firefighters on March 31. The telephone number for voting, your Personal Identification Number (PIN) and other related instructions necessary to vote are included in the letter. The voting period begins on Friday, April 1, at 8 a.m. and ends on Monday, April 11 at 12:00 noon.

Police officers will not need to vote in the upcoming Trustee election. Sergeant Steve Umlor is the only candidate for Active Police Trustee Place 1. Dallas Police and Fire Pension System election procedures provide that when a candidate is unopposed, that candidate will be declared elected without a vote when the Board certifies the election results.



*Sgt. Steve Umlor  
Police Trustee*

Gerald Brown, Chairman  
Steven G. Shaw, Vice Chairman  
Gary W. Edge, Deputy Vice-Chairman

Donald W. Hill  
John M. Mays  
Rector C. McCollum  
Maxine Thornton-Reese  
George J. Tomasovic  
Steven H. Umlor  
Richard H. Wachsman

Richard L. Tettamant,  
Administrator

Brian F. Blake  
Assistant Administrator

Donald C. Rohan,  
Assistant Administrator



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