

# PENSION UPDATE



Volume 2005.07, July 2005  
Dallas Police & Fire Pension System

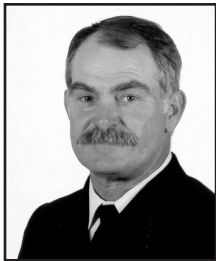


## Important Numbers to Remember:

**5, 20, 32, 50, 55, 59½, 62, 65, 70½**

By Gary W. Edge, Deputy Vice-Chairman and Fire Trustee (Reprinted from *Pension Notes* Volume 2004.08, August 2004)

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.



### **5 Years of Service**

You are vested for benefits with the Pension System.

### **20 Years of Service**

You are eligible to retire or enter DROP (Deferred Retirement Option Plan) with unreduced 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.

### **70½ Years of Age**

In addition to your Pension Benefit, you must

See "Important Numbers" on page 2

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Money in a 457 account may be withdrawn at any time after termination from an employer that sponsors or endorses the plan without paying a 10% additional tax penalty.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 the Pension System office, and talk to a Benefits Counselor.

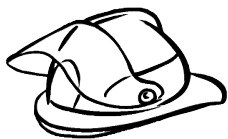
*Gary W. Edge*

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

## *Congratulations Retirees!*

### Fire-Rescue

Robert W. Cason  
Jerry W. Crawford  
Ben T. Nicklas  
Willie Noel, III  
Jerry B. O'Keefe  
Tim Q. Rose  
Rickey D. Smith  
Michael H. Stewart  
William E. Young



### Police

Edwin R. Dresser  
Leonard M. Fuchs, III  
David W. Linthicum  
Kenneth A. Sprecher  
Ronald B. Wilson



## **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 and returned to covered employment.
- 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

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.



## **Chaplain Moore To Retire**

Chaplain Isiah (Ike) Moore, Jr. is retiring after 22 years of service to the Dallas Fire Rescue Department.

Moore began his career with the Department on June 9, 1983. He served as “number four man” on Truck 20, until becoming a full-time chaplain in 1993. He also serves as pastor of St. Phillip Baptist Church in Celina.

Chaplain Moore says that his time as a chaplain has been a rewarding experience. “My greatest joy has been seeing people recover,” he said. “Any time someone walks away alive after an incident, or is helped in a crisis situation or counseling session, I feel that my efforts made a difference, and I’m grateful for the experience.”

*Chaplain Ike Moore*

Chaplain Moore plans to continue serving as a member of the Critical Incident Stress Management (CISM) Team, and as a Board Member of the Otis E. Buckbanks Burial Fund. His future plans include travel, continuing his education, and focusing on his pastoral duties at his church.

## **Taking Money out of DROP**

When taking a Lump Sum Distribution from your DROP account, the following is required:

- Your request must be received in the Pension System office at least 3 working days before the end of the month.
- The request must be a notarized original (no faxes).

Your check will be mailed or will be available for pick-up on the first business day of the month.

### **Pension System Calendar**

July 14.....Regular Board Meeting  
 July 21.....Quarterly Board Meeting  
 July 27.....Financial Planning Seminar  
 August 11.....Regular Board Meeting  
 August 16.....PREP Seminar  
 September 5.....Labor Day  
 (Pension Office Closed)

#### More Seminars

September 14.....PREP Seminar  
 October 19.....PREP Seminar  
 November 7.....Financial Planning Seminar  
 November 15.....PREP Seminar  
 December 2.....Financial Planning Seminar

## **Financial Planning Seminars Scheduled**

As part of the Pension System’s education program, the Financial Planning Seminar is offered several times throughout the year. The next class is July 27, with additional seminars scheduled for November 7 and December 2.

The Financial Planning Seminar is taught by Certified Financial Planners, and subjects covered include investment principles, money management, estate planning, long-term care, college funding, Required Minimum Distribution (RMD), and survivor benefits.

TCLEOS credit is available for the Police Officers who attend the Financial Planning Seminar. Food is provided throughout the day, and spouses are welcome to attend.

To register for the Financial Planning Seminar, a deposit of \$20 is required, and will be refunded upon completion of the class. To register or for more information, call Gail Borneman at the Pension Office at 214.638.3863 or 1.800.638.3861.



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## FIRST CLASS MAIL

*Serving Those Who Protect the Dallas Community*

## ON DUTY...

### **DPD Mounted Patrol Officers**



*(Left to Right) Senior Corporal J.B. Nichols with T-Rex and Senior Corporal H.R. Hulse with Zeus*

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