



VOLUME 2006.08, AUGUST 2006

PENSION BILL SIGNED BY PRESIDENT

By Gerald Brown, Chairman and Fire Trustee



Gerald Brown
Chairman of the Board
and Fire Trustee

The House and Senate finally passed, and President Bush has signed a bill on pension reform. The bill grew out of the pension reform bills from both the House and Senate that we have been telling you about over the last several months. Thanks to all of you who contacted your U.S. Senators and Representatives asking for their support for provisions in the pension bills.

The pension bill mainly includes reforms to private pension plan funding. However, the bill also includes two provisions particularly beneficial to retired public safety officers.

Tax-free Distributions for Health Insurance Premiums

Just as health insurance premiums are deducted tax-free from the pay of Active Members, under this bill Retirees' health insurance premiums may be excluded from taxable income, up to \$3,000 per year. This should save Retirees about \$800 a year in income tax. In order to take advantage of this provision, the Member must:

- have left Active Service at normal retirement age (age 50 with at least 5 years of service credit) unless on a dis-

ability retirement, and

- must elect to have health insurance premiums deducted from the Retiree's monthly benefit, as we do now for most Retirees.

The Retiree will *not* get this tax break if the Retiree:

- left active service before age 50 (other than on a disability pension), or
- self-pays City health insurance premiums (where the Pension System does an automatic deduction from the Retiree's bank account).

This provision will be effective January 1, 2007.

10% Early Distribution Tax

The other provision reduces the age for exemption from the federal 10% early withdrawal tax on DROP distributions.

Under the prior law, if a Retired Member received a distribution (payment) from the Retiree's retirement or DROP account prior to reaching age 59½, death, or disability, the distribution generally was subject to a

See "Pension Bill" on page 2

CONGRATULATIONS NEW RETIREES!

POLICE

Douglas M. Allbach
William D. Hix
C.W. King, Jr.
Mark A. Taylor

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FIRE-RESCUE

Maxie Bishop, Jr.
Kenneth W. Rowe

Meet Our Benefits Counselors

When you come in for your Retirement Counseling appointment, you may meet with Zahidé (pronounced Zah-day) Torresdey, Kathy Bannon, or Erica Ramsey.

Our Benefits Counselors assist members and retirees in the areas of Retirement, DROP, Survivor Benefits, Divorce and Disability.



Zahidé
Torresdey

Zahidé Torresdey graduated from the University of Texas at El Paso with a Bachelor of Business

Administration. She has been a Benefits Counselor at the pension office since February 2001, having previously worked with retirement plans and benefits since 1997.

Zahidé is a Certified Retirement Counselor from The International Foundation for Retirement Education (IN-FRE).

Kathy Bannon joined the Pension office in March of 2003. Kathy has an



Kathy
Bannon

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10 percent early withdrawal tax on the amount includible in income unless an exception to the tax applied.

Under the old law, annuity-like distributions – your monthly benefit payments or DROP distributions of substantially equal payments – normally were exempt regardless of the age at which you left Active Service, and lump-sum distributions from DROP were exempt from the tax if you separated from service on or after the year you reached age 55.

The new law changes the rule so that you are exempt from

the 10 percent penalty tax if you leave active service any time after attaining age 50. We also interpret the change to apply to current Retirees who left Active Service before age 55, but after attaining age 50.

This provision became effective immediately when the legislation was signed by the President on August 17, 2006.

Call a Benefits Counselor for more information.

Gerald Brown
Chairman and Fire Trustee

PENSION SYSTEM CALENDAR

- SEPT. 4: LABOR DAY; OFFICE CLOSED
- SEPT. 14 : REGULAR BOARD MEETING
- SEPT. 20: PREP SEMINAR
- OCT. 12 : REGULAR BOARD MEETING
- OCT. 19: PREP SEMINAR

Benefits Counselors *(Continued from Page 2)*

extensive background in business, healthcare, payroll systems and the computer services industry.

Kathy attended the University of Texas in Austin, and is currently working toward completing her INFRE certification as a Certified Retirement Counselor.

Erica Ramsey has been with the Pension System since 1997, working in various positions

including Receptionist and Benefits Assistant. She currently serves as an Assistant Benefits Counselor.



Erica Ramsey

Erica attended the University of Louisiana at Lafayette, where she studied Public Relations and Journalism.

Address Reminder

If you have recently moved or are planning a move, remember to change your address with your department, and with the city of Dallas payroll department.



The Nurse's Corner — *Information and Concerns*

By **Carol S. Lawrence RN BSN,**
Dallas Fire-Rescue Communicable Disease Coordinator

PROTECT YOURSELF

Naegleria fowleri is responsible for several deaths per year in warm areas of the country such as Florida and Texas. This infection occurs when nasal passages are exposed to contaminated water. Swimming or diving in rivers, lakes, ponds, thermal springs or swimming pools which have not been maintained are common sources for this organism. The ameba enters through the nasal passages and migrates to the brain causing death usually within 10 days. Symptoms include sore throat, severe frontal headache, nau-

sea, vomiting, stiff neck, high fever, hallucinations and eventually coma. July, August, and September are the high-risk months in Texas because the ameba grows rapidly in still warm water. There is no effective treatment for this problem, so be very careful where you swim during these months.

AVIAN FLU

The WHO (World Health Organization) and CDC (Center for Disease Control) are monitoring very closely the cases of Avian flu, which have been transmitted to humans. There have been several deaths so far in various countries. There

have been a few cases that are believed to have been transmitted person to person in a family and one case transmitted from that family to a health care worker. Concerns are that this mutated virus would create a super flu, which would not respond to any flu vaccine, and would possibly respond to only one anti-viral medication. This flu would lead to worldwide illness and death. Remember! Diseases in other countries are as close as the nearest airport.

For more information, contact:

Carol S. Lawrence RN BSN
214-670-7331

From the Administrator

By **Richard Tettamant**
Pension System Administrator



Richard Tettamant

This month, we said goodbye to Don Mc-Millan, who has been a Benefits Counselor with the Pension System since 1990. Don Retired back in February, but agreed to work part-time through August to help with the transition.

We wish Don and his wife Eleanor the best as they travel, relax, and enjoy their retirement.

In this issue of the *First Responder*, we wanted to take some time to introduce our other Benefits Counselors: Zahidé Torresdey, Kathy Bannon, and Erica Ramsey (*see pages 2 and 3*).

Also, we have important information concerning the new Pension Law that was signed by the president on August 17. Gerald Brown, Chairman of the Board of Trustees, has that information for you on page 1.

As always, call us if you have any questions or concerns.

Sincerely,

Richard L. Tettamant

Pension System Administrator

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FIRE PENSION SYSTEM

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