



VOLUME 2007.10, OCTOBER 2007

Second Reading of Budget Set for November 8

At the regular Board meeting scheduled for November 8, a second and final reading of the 2008 Administrative and Professional Services Budgets is planned.

The proposed budget may be changed or amended at this time. These meetings are opportunities for you to provide

input to the Board. The budget will be considered at 10 a.m. at the Pension System office, 2301 N. Akard Street, in the first floor Conference Room.

Please feel free to call your Trustees or the System's office if you have any questions.

Deferred Retirement Option Plan (DROP)

If you like the idea of building a nest egg for retirement, the Pension System offers you a great way to build it while you are still employed. The program is called the Deferred Retirement Option Plan – or DROP.

What is DROP?

The Deferred Retirement Option Plan, or DROP, is a program that allows you while still working to build a nest egg for retirement in addition to the regular pension benefit that you will receive after you leave Active Service.

What are the requirements for Active Members to participate in DROP?

To qualify for DROP, you must be in Active Service when you enroll and be eligible to retire and immediately receive a pension benefit.

How does DROP work?

Here are the key features:

With DROP, you continue working and earning a paycheck after you are eligible to begin receiving a pension from the Pension System.

Your monthly contributions to the Pension System stop when you become a DROP participant. This means your monthly paycheck will be larger.

Instead of actually paying you a pension, the Pension System puts your regular monthly pension benefit into an account on your behalf – and you earn interest on the account.

You are entitled to any annual adjustments and benefit supplements that you

See DROP on page 2

DROP (continued from page 1)

would have received if you have actually retired – and these will be included in deposits to your DROP account.

After you enroll in DROP, you cannot change your decision.

What happens when I leave Active Service?

When you leave Active Service, you will decide:

- How to receive your monthly pension benefit

–You can choose to receive your regular monthly pension payments directly, have them deposited to your bank account or have all or a portion of your benefits credited to your DROP account and receive payment later.

- Whether to take money from your DROP account

–You can choose to take the full amount in your DROP account in a lump sum at any time after you leave Active Service. You also can choose to take periodic payments at your request or regular monthly installments added to your monthly benefit payment. Your balance in DROP continues to earn interest while it remains in your account.

Federal law requires you

to start taking money from your DROP account when you reach age 70½. You can change your deferral or payment election at any time before age 70½.

If you leave Active Service before the year you attain age 50, you could be subject to a 10% early distribution tax on amounts paid to you before age 59 %. The Pension System urges you to meet with a tax or financial advisor before you decide when and how to receive distributions. By planning carefully and getting help from an expert, you can make the best possible decision and avoid or reduce any adverse tax consequences.

Is DROP right for me?

When you enroll in DROP, you are not entitled to earn increased pension benefits through pay increases or ad-

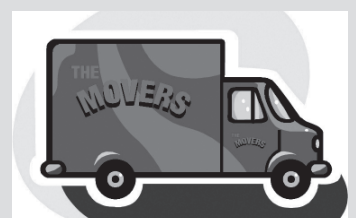
ditional years of Pension Service. A Benefits Counselor can explain the DROP rules to you in detail and point out the advantages and disadvantages of participating in DROP.

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This article provides a general overview of DROP. It is intended to increase awareness of the options available to you, but it does not give legal or financial advice. For additional information, refer to your Member Handbook or the Plan Document (available on our Web Site: www.dpfp.org). You may also talk with a Benefits Counselor or attend one of our education programs. You may call us at 214.638.3863, 800.638.3861, or reach us by e-mail at info@dpfp.org.

Moving? Please Update your Address!

If you are moving soon, or if you have recently moved, please update your address with your department, and with the City of Dallas payroll department. The addresses we use are provided to us by the City payroll department each pay period.



Open Enrollment Reminder from the City of Dallas

The City of Dallas has announced that their annual open enrollment for insurance benefits is November 5 through November 21.

What is Annual Enrollment?

Annual enrollment is the time of year for you to review your benefit elections and determine if changes are required in order to choose the combination of benefits that are best suited for you and your family.

Important Enrollment Dates

Annual Enrollment: November 5th – November 21st

Correction Period: November 26th – December 7th

Confirmation Statements:
Mailed Week of November 26th

2008 Enrollment Guides

– Will be available for Departmental pickup and distribution the week October 22nd

– Will be posted on City's Web site the week of October 22nd

2008 Summary Plan Description (SPD)

– Will be posted on City's Web site week of October 22nd

Benefit Election and Changes

Any benefits that you select or any changes you make dur-

ing annual enrollment will be effective for a 12-month period, January 1, 2008 through December 31, 2008. You will not be allowed to make any changes during the year unless you have a family status change.

Benefits Service Center

To enroll by phone, call the Benefit Service Center at 1.888.873.7692 from 8:00 AM to 5:00 PM CST, Monday through Friday during the Annual Enrollment Period.

Enrollment Methods

For 2008, you may utilize the BSC or the HRIS system to make changes to your medical, dental, vision, and life insurance benefits. If you experience technical difficulty you can call 1.866.804.3884 for assistance.

Benefits That Will Not Change for 2008

The City of Dallas will continue to provide its current six PPO Plans and EPO Plan through United Healthcare.

For 2008, all rates will remain the same as 2007 for our active employees and retirees under the age of 65.

The dental HMO and Indemnity plans will continue to be administered by Safeguard. For 2008, all rates will remain the same as 2007.

Spectera will continue to offer vision services. For 2008, all rates will remain the same as 2007.

Marsh@WorkSolutions (1.800.557.1046) will continue to administer the Short and Long Term Disability programs through Hartford and Metropolitan Life Insurance companies.

Group Life Insurance

– Basic Life Insurance (City-paid) will increase from \$40,000 to \$50,000 for all eligible employees, effective January 1, 2008.

– Supplemental Life Insurance (Employee-paid) - Nov. 5 - Nov. 21 will be the time when you can change your coverage amount. For this, Contact the Benefits Service Center at: 1.888.873.7692.

PENSION SYSTEM CALENDAR

-  NOV. 8: REGULAR BOARD MEETING
-  NOV. 13: QUARTERLY FINANCIAL BOARD MEETING
-  NOVEMBER 15: FINANCIAL PLANNING SEMINAR
-  DEC. 13: REGULAR BOARD MEETING

From the Administrator

By **Richard Tettamant**,
Pension System Administrator



Richard Tettamant

In this newsletter, we wanted to remind you again that the Board is in the process of determining the Budget for 2008 (*see page 1*). Also, there is a general overview of the Deferred Retirement Option Plan (DROP) (*also on page 1*).

We wanted to pass along some reminder information from the City of Dallas, regarding the annual open enrollment for City insurance (*See page 3*). Please remember to call the City's Benefit Service Center at 1.888.873.7692.

Even with the seeming uncertainty of the markets, the System's investments year-to-date are up, and if this market continues, the System will have a good year. The Board has implemented a new asset allocation plan over the last six months. The last new manager should be funded soon. This will be detailed on the Web site when this is complete.

Remember, we are here to serve you, so contact us if you have any questions or concerns. You may call us at 214.638.3863 or 1.800.368-3861. You may log into our Web site at www.dpfp.org, or you may e-mail us at info@dpfp.org.

Sincerely,

Pension System Administrator

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