

Focus On Personal Finance

Most everyone knows that saving money can be a challenge. Even after a new job or a promotion, we inevitably seem to “adjust to our income,” and finding ways to set funds aside never seems to get easier. The more time that goes by, however, means less time to accumulate money for your goals. With this in mind, the following tips and ideas may be useful.

1. Set a schedule and work towards paying off debts, especially items that tend to have higher interest rates (credit cards, car loans, etc). Many financial experts advise setting aside a little bit of extra money each month, however much you can afford, and applying it towards your smallest outstanding debt. Adding this extra money to

the minimum payment due will allow you to pay the debt off more quickly. Once the first debt is wiped out, you can apply all of the money you spent on the smallest debt to the next largest bill, and so on, until your high interest debts have been cleared away. The money you have been spending on this “revolving debt” can then be put into savings ...*Continued on page 2*

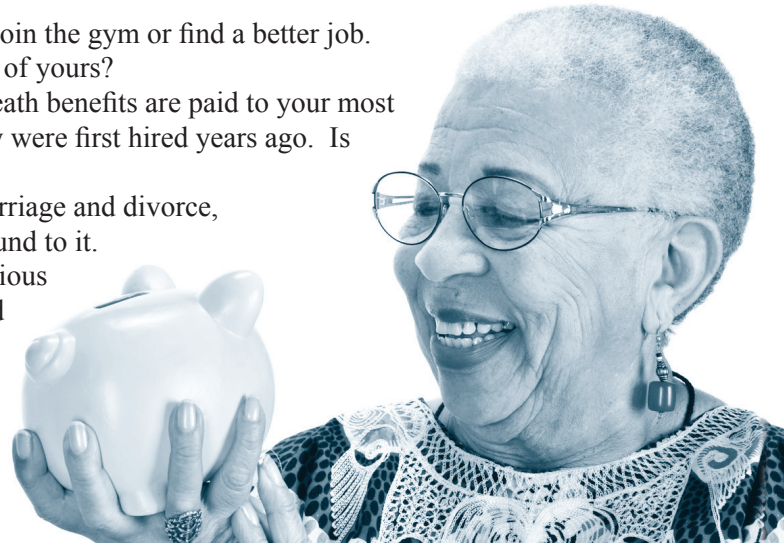
What's Your New Year's Resolution?

Attention all ACTIVE EMPLOYEES!!

Some people make a New Year's resolution to quit smoking, join the gym or find a better job. Why don't you make UPDATING YOUR BENEFICIARIES part of yours?

In the event of your death as an active employee, Ordinary Death benefits are paid to your most recently named beneficiary. For some people, recent is when they were first hired years ago. Is this you?

Considering life-changing events such as births, adoption, marriage and divorce, many people may intend to update their records but never get around to it. Unfortunately, the Board of Pensions does not recognize this precious intention. Ordinary Death benefits are payable to the party named on the most recent form on file with the Board of Pensions. If no form is on file, benefits are paid out in the order as prescribed in the Philadelphia Municipal Retirement Code under §22-701 (Permissible Designations)-- which may not be in the order you would prefer. ...*Continued on page 3*



Direct Deposit: It's Winter-Proof!

The Board will send the monthly pension payments for over 31,000 pensioners directly to their bank accounts on Friday January 31 and Friday February 28. These pensioners can sit in their warm homes knowing that their money is safely in the bank.

The 3,000 pensioners that do not have direct deposit will have their pension checks put in the mail on Friday January 31 and Friday February 28. Their checks might be in their mailboxes that Saturday, or possibly Monday, or maybe even Tuesday. If the weather isn't too bad, they'll be able to take their check to the bank.

If you'd rather get your money in time to enjoy the weekend, call Shanta Van Buren at 215-496-7416 and ask for a direct deposit authorization form today. Or if you decide you're really done waiting for the mail, you can access the direct deposit authorization form on the Board's website at <http://citynet.phila.gov/pensions/Forms.html>. ■

To help us to serve you more effectively, when contacting this Board by mail, please provide your payroll/pension number or the last four digits of your Social Security number and your printed name.

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or deducted automatically from your paycheck and put into the City's deferred compensation plan.

2. Examine your insurance policies (home, auto, life, etc) on a yearly basis to make sure you are getting all of the coverage you and your family need at the best possible price.

3. Have defined goals and work towards them. It is often easier to save money when you are doing so for a specific purpose. For example, is your goal to put away \$1,000 into an emergency fund? Or perhaps to take a vacation you have always wanted when you retire? Knowing what you are saving for, how much it will cost and how long it might take can be motivational.

4. Take a look at expensive items each month (cable, cellular phone plans, etc). Are your providers giving you the best possible deal? Is there a specific service (or portion of the service) you could do without? Shop around and see if a better option is available to you.

5. Remember to have fun! Sometimes thinking about saving, budgeting and debt can seem boring or intimidating. And some financial articles and blogs can be very scary when discussing the seemingly huge numbers they suggest having in your bank account or 401(k) plan. Always remember that saving even a little is better than saving nothing at all, and remember to treat yourself as you achieve a specific savings goal or pay off a debt.

If one of your goals is saving more for retirement, you should contact ICMA-RC's knowledgeable and helpful retirement planning specialists, Sabrina Wilks (215-568-1964) or Brad Nyce (215-568-1982), to learn more about the deferred compensation plan and the option(s) that may best fit your needs. ■

Quarterly Performance

COP Pension Plan

For the quarter, the Pension Plan generated a return of 4.19%.

Equity Markets

The third quarter was the 5th year anniversary of the financial downturn. Since 2008, the markets have appreciated approximately 140% from the low point that occurred in March of 2009. Equity markets delivered strong performance in the third quarter as the Federal Reserve Bank signaled continued monetary stimulus, causing stock markets to rally despite anemic growth in companies profits. Stock markets gained in July, but pulled back in August as investors became concerned about the Fed's timeline for "tapering" its asset purchases and fears of a military strike in Syria increased due to the alleged use of chemical weapons by the Assad regime. By September, talk of a diplomatic solution to the chemical weapons concerns in Syria and the increased likelihood that Fed Vice-Chair Janet Yellen would replace Ben Bernanke, resulted in a strong market rebound. The S&P 500 returned 5.24% during the quarter and the Dow returned 2.12%.

The Eurozone began to show signs of coming out of recession as the economy finally expanded after six quarters of negative growth. European indices were up on the quarter with the MSCI Europe Index gaining 13.66%. Struggling Emerging market economies began to improve as fears of a crisis subsided and the Chinese economy showed signs of stabilization. The MSCI Emerging Markets Free Index was up 5.90%.

Fixed Income, Commodities and Currencies

The performance of the bond markets during the third quarter was segmented with high yield, international, emerging market, and senior loans seeing a recovery while Treasuries and Municipal bonds remained weak. The Fed's decision not to begin the process of tapering its asset purchased increased the risk

appetite for investors and fueled the stock market rally for equities and also resulted in positive returns for fixed income high yield and corporate bonds. In particular, high yield bonds outperformed relative to other fixed income assets as it has demonstrated a history of outperformance in rising interest rate markets. The Barclays U.S. Aggregate Bond Index returned 0.57%, the 1-3 year U.S. Government Bond Index returned 0.29%, and the Credit-Suisse High Yield Bond Index returned 2.39%.

Commodities saw significant gains during the third quarter, but faced a significant pull back towards the end of September driven by the potential for a U.S. Government shutdown and a market oversupply in grains. Gold was the clear winner during the quarter trading above \$1,328 and once, up 8.25% on the quarter, however, gold is still down 20% on year. U.S. crude oil futures also showed significant strength and were up 6% on the quarter. Lastly, the dollar declined 4% against the Euro and fell 1% against the Yen. ■

Staff News

Christopher DiFusco has joined the Board from the Law Department, serving as Director of Investments. Daina Stanford has moved to a position in the Investment Unit, supervising its administrative and clerical staff.

LaTanya Brown has returned to the Board's Health and Welfare Unit.

Erica Mouzon has been hired as a Clerk Typist 1 in the Active Services Unit, Christine Moffitt has been promoted to Clerk 3 and Shanta Van Buren has been promoted to Data Services Support Clerk

Brian Johnston, Greg Richardson, Kristen McCullough and Norma Hutchinson have accepted promotions to other City departments.

Finally, a fond farewell to the Board's 2013 retirees: Martin Toohey, John Foulkes, and Denise Cappone. ■

(What's Your New Year's... Continues) So for 2014, make a resolution to take action by updating your beneficiaries. It is not only helpful for the Board to know-- but it is more comforting for loved ones when the benefit distribution is based upon your preference.

*****Contact your Human Resources Department for a BENFICIARY DESIGNATION CHANGE form*****

TO HR DEPARTMENTS: Please make sure to immediately forward a copy of the form to the Board of Pensions. Thank you. ■

Board of Pensions Web Site

Did you know the Board of Pensions has a web site?

If you are interested in learning more about various aspects of your Pension Fund, the Pension web site is available through phila.gov. Information including investments, annual reports, actuarial valuations, Plan 10, deferred compensation, and the Pension Code governing all aspects of the Fund can be accessed through our web site.

For those who would like to see how the Fund's investments have performed from 2007-2011, simply access the Investment Unit tab to review the performance summaries.

Interested in learning about the City of Philadelphia 457 Deferred Compensation Plan? The deferred compensation tab will provide access to the 457 web site administered by ICMA-RC. The site provides a wide array of information, including a description of the Plan and registration information.

The rules governing all aspects of Plan benefits can be reviewed by accessing the Public Employees Pension Code link. The Code is updated on a regular basis and can answer many questions you may have regarding your benefits.

In the months ahead, the Pension Board will continue to work with the City of Philadelphia Office of Innovation & Technology to enhance the web site by providing access to commonly used forms and documents. ■



Withdrawal Process

A member who separates from service because of reasons other than retirement, death or disability, may be eligible to receive a withdrawal of their pension contributions. After a member separates, their department forwards an official copy of the member's Report of Separation (R.O.S.) to this Board. Upon receipt of the R.O.S., a letter outlining the member's withdrawal rights and responsibilities along with the necessary documents required to process the withdrawal is forwarded to the member's address of record. Taxable refunded contributions may be paid directly to the member or rolled over into a traditional IRA or qualified retirement plan. If paid directly to the member, twenty percent (20%) in federal taxes is withheld. There are no taxes withheld from withdrawals rolled over into a traditional IRA or qualified retirement plan. Once we have received a member's withdrawal request, along with the all other required documents, the member's application is processed on the next available Pension Withdrawal. Please note that a member may not borrow against their pension contributions.

For additional information regarding pension withdrawals, feel free to contact Shahied Lloyd at 215-496-7407. ■

Spring 2014 Retirement Education Seminars

The Retirement Planning Seminars are targeted toward active employees within five years of retirement and cover retirement benefits, retiree health & welfare benefits, deferred compensation, DROP, and financial education. Seminars are scheduled for the following dates:

January	14	(Plan Y)
February	25	(Plan J)
April	8	(Plan Y)
May	20	(Plan J)

The one-day F.U.T.U.R.E. seminar is designed for vested employees 35-49 years old who want to get a head start on planning for their retirement. Topics covered include pension benefits, deferred compensation, legal considerations and financial education. Seminars are scheduled for the following dates:

February	4	(Plan J)
March	18	(Plan Y)
April	29	(Plan J)
June	10	(Plan Y)

HOW TO SIGN UP:

See your department's training officer for a registration form. Your training officer will send your form to the Board of Pensions. The Board will return approved forms to your training officer, who will return the approved form to you. All registration forms for these seminars must be submitted through your department's Training Officer. The Board cannot accept registration forms directly from employees. ■

Divorce and Retirement

If you are applying for your pension benefits or you are currently receiving a pension benefit and you get divorced, your benefits could be affected. If you mandated to provide a portion of your pension to your spouse, a domestic relation order is the legal document that outlines how your pension benefit will be divided between you and your former spouse. If you do not timely provide the domestic relations order to the Board of Pensions, your benefits could be delayed. ■

Solicitation of City of Philadelphia Employees

It has come to the attention of the Board of Pensions and Retirement (the Board) that certain financial institutions have solicited certain City of Philadelphia employees, claiming to be affiliated with the Board.

The Board does not endorse solicitations by any financial institution, nor does the Board have any arrangement, contractual or otherwise, with any financial institution regarding our members. The Board has demanded that any financial institution soliciting members cease and desist from any and all misleading solicitations.

If any employee or retiree receives any further solicitations from a financial institution stating that they are working with the Board, please contact the Board. The Board will forward the matter to the City Solicitor’s Office and to the Pennsylvania Attorney General Bureau of Consumer Protection.

Note: ICMA-RC is the Board’s administrator for the deferred compensation plan. Communications from ICMA-RC as your deferred compensation administrator should not be categorized as solicitations as outlined above. As part of the services provided to the Board, ICMA-RC has a no fee financial advisor available to answer any questions you may have regarding your finances or retirement plan. Please call 215-568-1960 if you would like to schedule an appointment with the ICMA-RC financial advisor.

Tax Info

In late January 2014, the Board of Pensions and Retirement will be printing and mailing the 2013 tax statements. The 1099-R, a federally mandated information return, contains important withholding information that you will need to file your federal taxes.

Board employees are available to answer questions about the contents of your 1099-R; however tax-related questions should be directed to a professional tax advisor. The

contact information for the IRS is 1-800-829-1040 and the Pennsylvania Department of Revenue is 1-888-PATAXES. Additionally, both organizations have websites: www.irs.gov and www.revenue.state.pa.us.

Many organizations offer special services for retirees, including IRS publications and IRS counseling options. Additional information about these resources is available by calling the IRS or by visiting www.irs.gov/Individuals/Seniors-&-Retirees.

Board of Pensions and Retirement Trustees:


Rob Dubow	Chairperson, Finance Director
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Shelley Smith, Esq.	City Solicitor
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Albert D’Attilio, Esq.	Director of Human Resources
Richard Negrin, Esq.	Managing Director
Andrew Thomas	Elected Employee Representative
Ronald Stagliano	Vice Chairperson,
	Elected Employee Representative
Veronica M. Pankey	Elected Employee Representative
Carol Stukes-Baylor	Elected Employee Representative

2014 Payment Dates-Clip and Save

Regular monthly pension payments for 2014 are scheduled for the dates listed below. Direct deposit payments will be in your account on these dates. For non-direct depositors, the dates below are the dates on which checks will be mailed. Except for December, these payment dates are always the final working day of the month.

January	31	February	28	March	28
April	30	May	30	June	30
July	31	August	29	September	30
October	31	November	28	December	17

IMPORTANT TELEPHONE NUMBERS

Board’s Main Number 215-496-7400	District Council #47 Health & Welfare 215-893-3775	Pension Withdrawal Applications 215-496-7407	
Board’s Fax Number 215-496-7420	DROP Applications 215-496-3149 215-496-7470	Police Law Enforcements Health Benefits (LEHB) 215-763-8290	
City Administered Life Insurance 215-686-0859	Firefighters Local #22 215-440-4400	Purchase of Service Applications 215-496-7451 215-496-7452	
Deferred Compensation 215-568-1960	FOP 215-629-3600	Retiree Direct Deposit Application 215-496-7416	Retiree City Administered Blue Cross 215-496-7422
District Council #33 Health & Welfare 215-895-3300	Pension Estimate Appointments 215-496-7430		Retiree City Administered Keystone Health Plan East 215-496-7423