

## The Results Are In!

### City of Philadelphia Employees Chime in on Retirement

The City of Philadelphia recently sent a survey to City employees who have not yet enrolled in the 457 Deferred Compensation Plan. The 457 plan is a great way to save for your retirement – you sign up to make a contribution from each paycheck, and this money is invested in funds that you choose with the goal of earning you even more for your future. You get the convenience of automated payroll deductions, and the earnings on your contributions are tax deferred! With all these reasons to join, the City was curious about why some employees have not taken advantage of the plan. Here's what we learned:

**69% of respondents were aware of the 457 plan (meaning 31% were not).**

**The City received 845 follow-up requests for more information from respondents taking the survey!**

#### Top Reasons for Not Participating:

- 46% Don't know enough about the plan
- 34% Don't know how to get started
- 34% Don't have enough money
- 19% Don't feel comfortable choosing investments
- 18% Other: write-in responses

**For those who don't know much about the plan or feel uncomfortable choosing investments – the City is here to help!** We've developed a range of comprehensive, easy-to-use education resources, starting with the plan website, [www.Philly457.com](http://www.Philly457.com). We offer FREE one-on-one appointments with plan representatives, as well as a schedule of FREE local on-site education seminars designed to help make it easier for you to plan and save for your retirement.

Check the website in the coming months for more about plan benefits and participation. We'll demonstrate why it's easier than ever to take this important step towards saving for your future.

#### Calling All Retirees!

Remember that when you retire from the City, you're still welcome in the 457 plan! As a retired 457 participant, you'll continue to have access to plan resources, including your local representatives, who are always here to help with any questions you might have:

#### Contact your local 457 Retirement Plan Specialists Today!



**Sabrina Wilks**  
Retirement Plans Specialist  
215-568-1964  
swilks@icmarc.org



**Bradley Nyce**  
Retirement Plans Specialist  
215-568-1982  
bnyce@icmarc.org

**Local ICMA-RC Office**  
2 Penn Center Plaza, 17th Floor  
Philadelphia, PA 19102-1712  
215-568-1960



## Attention all ACTIVE EMPLOYEES!!

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.

So 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 BENEFICIARY DESIGNATION CHANGE form\*\*\***

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

*Thank you.*

**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.**

## In This Edition...

- Page 2 - Still Not On Direct Deposit? • Changing Banks? • Staff News • Need A Verification Letter? • Employee Pension Contribution Increases • Attention All Active Employees • Board of Pensions Welcomes OHR's • Benefits Unit • Board of Pensions and Retirement Trustees
- Page 3 - Preparing for your Retirement - By Mail or In Person • Solicitation of City of Philadelphia Employees • Withdrawal Process • Spring 2015 Retirement Education Seminars • 2015 Payment Dates
- Page 4 - Structure of The Board of Pensions & Retirement • Divorce and Retirement • Keep in Touch When You Move • Quarterly Performance • Important Telephone Numbers

## DIRECT DEPOSIT PASSES 32,000

Congratulations to our pensioners who have chosen direct deposit to the tune of over 32,000 monthly payments.

If you are still one of the less than 3,000 pensioners receiving a paper check each month, it's not too late. Call Amber Chaney 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 also access a direct deposit authorization form on the Board's website at <http://citynet.phila.gov/pensions/Forms.html>.

Remember, your monthly pension payment is mailed on the last working day of each month. If you receive your monthly pension payment through direct deposit, your money is usually in your account before you wake up on the day the paper checks are mailed.

## Attention Direct Depositors: Changing Banks?

Please remember to notify the Board if you are changing the bank to which you monthly payment is deposited. To do so, call Amber Chaney at 215-496-7416 and request a direct deposit authorization form. This form can also be accessed on the Board's website at <http://citynet.phila.gov/pensions/Forms.html>.

## Staff News

Congratulations to:

- **Brad Woolworth**, who has been named Chief Investment Officer.
- **Teresa Devine**, who has been promoted to Administrative Officer.
- **Martha Hirschman**, who has been promoted to Departmental procurement Specialist.
- **Tonya Tinsley**, who has been promoted to Pension Counselor Trainee.
- **Amber Jones**, who has been promoted to Clerk 3.

A warm welcome to:

- **Lavonia Jenkins**, who has been hired as an Administrative Technician
- **Amber Chaney** and **Marcella Bratcher**, who have been hired as Clerk Typist 1's.

A fond farewell to:

- **Sumit Handa**, who has taken a position in the private sector.
- **Yvonne Hobbs** and **Debra Sturgis** who have retired after City careers of 29 and 27 years respectively.
- **Daina Stanford**, **Christine Moffitt**, and **Carmen Heyward**, who have been promoted to positions in other City departments.

## Need A Verification Letter?

Letters verifying that you receive a monthly payment from the Board can be obtained by contacting:

**Amber Chaney at 215-496-7416**

*(for last names beginning with the letters A-L) or*

**Pamela Earland at (215) 496-7447**

*(for last names beginning with the letters M-Z).*

## Personal Finances

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 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.

## Attention DROP Participants

**DROP rollover paperwork must include:**

- Your Name
- Your IRA account number
- Payee Name
- Mailing Address of your financial institution
- Acceptance statement with original signature of your financial official

Please note that all DROP paperwork must be originals. *Unfortunately, we are unable to accept photocopies or faxes.*

## Retiree Medical and Life Insurance

Retiree medical and life insurance benefits are now administered by the Benefits Unit of the City's Office of Human Resources. All inquiries about retiree medical and life insurance benefits should be made directly to Benefits Unit staff as noted below.

Contact information for retiree medical and life insurance is:

|  |              |                            |
|--|--------------|----------------------------|
| <b>Leontyne Freeman</b>                            | 215-686-0612 | Leontyne.Freeman@phila.gov |
| <b>LaTanya Brown</b>                               | 215-686-0614 | LaTanya.Brown@Phila.gov    |
| <b>Stephanie Hill</b><br>(Retiree Personal Choice) | 215-686-0616 | Stephanie.Hill@phila.gov   |
| <b>Sandra Renee Ancrum</b><br>(Retiree Keystone)   | 215-686-0618 | Sandra.Ancrum@phila.gov    |

## Board of Pensions and Retirement Trustees:

|                                 |   |
|---------------------------------|---|
| <b>Rob Dubow</b>                | Chairperson, Finance Director                     |
| <b>Alan Butkovitz, Esq.</b>     | City Controller                                   |
| <b>Shelley Smith, Esq.</b>      | City Solicitor                                    |
| <b>Folasade Olanpekun-Lewis</b> | City Council Representative                       |
| <b>Albert D'Attilio, Esq.</b>   | Director of Human Resources                       |
| <b>Richard Negrin, Esq.</b>     | Managing Director                                 |
| <b>Andrew Thomas</b>            | Elected Employee Representative                   |
| <b>Ronald Stagliano</b>         | Vice Chairperson, Elected Employee Representative |
| <b>Veronica M. Pankey</b>       | Elected Employee Representative                   |
| <b>Carol Stukes-Baylor</b>      | Elected Employee Representative                   |

## Preparing for your Retirement - BY MAIL OR IN PERSON

Once you have made the decision to retire, you must notify your HR department since your appointment with the Board of Pensions can only be scheduled by them. **You have the option of applying for retirement in person or by mail.** Your department will notify you of your appointment date and/or time. If you select the mail option, the date is when your documents will be mailed to you. You will receive a confirmation letter from the Board of Pensions.

Before your appointment date, there are several requested documents you will need to gather. **Please note that failure to bring/submit all required documents will delay processing of your benefit.** If applicable, the following documents are required.

1. Proof of age for yourself and anyone you will name as a survivor (one of the following)
  - a. Birth Certificate
  - b. Passport
  - c. DD-214
  - d. Baptism Record
2. Marriage/Life Partnership Certificate
3. Medical & Prescription Cards
4. Your Social Security card
5. Voided check/ Savings Account # (for direct deposit)
6. Divorce Settlement Agreement and Decree
7. DROP Distribution form (if retiring from DROP)
8. IRA rollover documentation (if retiring from DROP)
9. Documentary proof of all name changes

**If you are applying for retirement by mail, copies of #1 and #2 must be notarized. If you are in DROP, it is highly suggested you contact your financial institution in advance of your DROP end date to get the necessary IRA rollover documentation.**

In general, it takes 45 days from file completion to receive your first pension check. Thereafter, you will receive your payment on the last business day of each month except December (see payment dates in this issue). Your file is not considered complete until all paperwork and verification is received.

Once you retire, your benefit amount is what you will receive for the rest of your life. There are no cost-of-living adjustments. Therefore, if you wish to know what you are eligible for prior to making this life-changing decision, you may personally call 215-496-7430 and request an estimate. This estimate provides your monthly benefit and will enable you to make a more informed decision. All estimates are mailed and determined based on information on file as of the date you contact our office. We do not perform projections.

## 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.

## 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.

## Fall 2015 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:

- September 22 (Plan J)
- October 20 (Plan Y)
- November 24 (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:

- September 29 (Plan Y)
- November 3 (Plan J)
- December 15 (Plan Y)

### How to sign up:

1. See your department's training officer for a registration form.
2. Your training officer will send your form to the Board of Pensions.
3. The Board will return approved forms to your training officer, who will return the approved form to you.

**All seminar registration forms must be submitted through your department's Training Officer.**

**The Board cannot accept registration forms directly from employees.**

## 2015 PAYMENT DATES CLIP AND SAVE

Regular monthly pension payments for 2015 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 .....  | 30 |
| FEBRUARY ..... | 27 |
| MARCH.....     | 31 |
| APRIL .....    | 30 |
| MAY.....       | 29 |
| JUNE .....     | 30 |
| JULY.....      | 31 |
| AUGUST.....    | 28 |
| SEPTEMBER..... | 30 |
| OCTOBER .....  | 30 |
| NOVEMBER.....  | 30 |
| DECEMBER ..... | 17 |



## Structure of The Board of Pensions & Retirement

The City of Philadelphia Board of Pensions & Retirement was created by the City Charter and is charged with administering the Fund for more than 65,000 active and retired members. As of September 30, 2013, over 34,000 people were receiving some type of benefit from the Fund. The task of ensuring the accuracy and timeliness of benefit payments is among the duties of the Board's staff.

The Board is composed of Trustees. The Trustees include four (4) people elected by employees of the civil service, the Director of Finance, Managing Director, City Controller, City Solicitor, Personnel Director, and a non-voting member appointed by the President of City Council. The Director of Finance acts as the Chairperson for the Board.

The administration of the Fund on a daily basis is delegated by the Board to the Pension Board staff. The Executive Director of the Pension Board reports directly to the Board and is assisted by a knowledgeable and dedicated staff.

The Deputy Director and Chief Investment Officer provide expertise in the areas of benefits and investments respectively. The organization also includes four (4) benefit administrators and staff who work directly with the Deputy Director and Executive Director to ensure the proper evaluation and processing of benefits. A Deputy Chief Investment Officer, along with Investment Officers and staff, work with the Chief Investment Officer to monitor the Fund's investments, work with the Fund's outside consultants and makes investment recommendations to the Board.

The staff also works closely with the City of Philadelphia Law Department in order to comply with all federal, state and local regulatory requirements of the Fund

## 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.

## Keep in Touch When You Move

If you are retired and planning to move, please remember that you must make sure to notify the Board of Pensions of your address change. The Board occasionally receives mail that is returned by the postal service due to an outdated address. If the Board determines that you cannot be located, monthly payments may be discontinued until you contact the Board. To prevent your payments from being stopped, keep the Board up to date on your moves.

## Quarterly Performance

### COP Pension Plan

For the quarter, the Pension Plan generated a return of 1.40%.

### Equity Markets

The equity markets were extremely volatile in the fourth quarter of 2014 which continued into the first quarter of 2015. The volatility in the markets resulted from weak commodity prices following the fourth quarter 2014 decline, concerns about global economic growth, quantitative easing in Europe, and the anticipation of a Fed Funds rate hike cycle scheduled to begin later this year. The top performing sectors for the quarter were Healthcare, posting a return of 6.93%, and Consumer Discretionary, returning 4.80%. The worst performers for the quarter were Energy and Utilities, declining -5.17% and -2.85%, respectively. The S&P 500 Index returned 0.95% and the Dow returned 0.33% for the first quarter.

After performing poorly last year, European shares posted gains in the first quarter as the European Central Bank surprised investors with a stronger than expected quantitative easing, resulting in a very positive initial impact on European stocks and sovereign bonds. The MSCI Europe Index ended the quarter at 3.40% and the MSCI Emerging Markets Index rose 2.28%.

### Fixed Income, Commodities and Currencies

The first quarter of 2015 followed several themes that emerged in the second half of 2014. Of these themes, the increased strength of the dollar, continuing oil volatility, and further divergence of global monetary policy had the most impact on the market for the quarter. The U.S. dollar continued to strengthen relative to many global currencies in the first quarter, reinforced by the quantitative easing in Europe along with the anticipation of the Fed rate hike at home. The Barclays U.S. Aggregate Bond Index gained 1.6% during the first quarter, the 1-3 year U.S. Government Bond Index returned 0.54%, and the Credit - Suisse High Yield Bond Index returned 2.59%.

Commodities continued to decline during the first quarter of 2015, weighed down by the increasing value of the dollar, paired with the slowing growth around the world. The Euro significantly declined since the start of the year, falling over 11% relative to the dollar which rose 8.84% in the quarter. The yen lost 14% for the quarter. Most commodities lost value in the first quarter with only a few appreciating in value. Gasoline was the top commodity performer, rising 20.24% for the quarter; silver and cotton rose 6.4% and 4.7% respectively. The worst performing commodity was in the animal protein sector with lean hogs depreciating -23.13%. Coffee, nickel, sugar, and tin also fell drastically in the quarter.

## IMPORTANT TELEPHONE NUMBERS

### Board's Main Number

215-496-7400

### Board's Fax Number

215-496-7420

### City Administered Life Insurance

215-686-2327

### Deferred Compensation

215-568-1960

### District Council #33 Health & Welfare

215-895-3300

### District Council #47 Health & Welfare

215-893-3775

### DROP Applications

215-496-3149

215-496-7470

### Firefighters Local #22

215-440-4400

### FOP

215-629-3600

### Pension Estimate Appointments

215-496-7430

### Pension Withdrawal Applications

215-496-7407

### Police Law Enforcements Health Benefits (LEHB)

215-763-8290

### Purchase of Service Applications

215-496-7451

215-496-7452

### Retiree Direct Deposit Application

215-496-7416

