



Pension Review

SUMMER / FALL 2014

**INSIDE THIS
ISSUE:**

PROP Interest Rate Change 2

Trustee Training 2

APRS Appoints New Trustee and Vice Chair 3

Retiree Insurance Open Enrollment 3

Keep Us Updated 3

Financial Planning Seminar 4

Maximize Your Retirement 4

**BOARD OF
TRUSTEES**

- Peter Morin, Chair
- Tim Atkinson, Vice Chair
- Kendall Thomas
- Chris Perkins
- Mike Jung
- Jim Beck
- Andrew Romero
- Chesley Wood
- Art Alfaro
- Kathie Tovo
- Elaine Hart

2013 Audit and Actuarial Valuation and 2014 Mid-Year Report

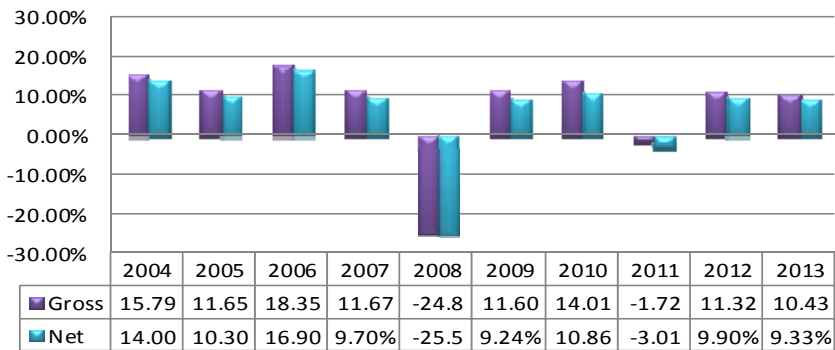
The December 31, 2013 audit shows the System's financial statements presented fairly, in all material respects, the financial status of the City of Austin Police Retirement System and the changes in its financial status for the year then ended in conformity with generally accepted accounting principles. This is the highest standard of measurement that can be issued as an audit opinion.

The 2013 audited Net Assets Held in Trust Available for Pension Benefits at year-end was \$595,110,402 as recorded by the System's independent auditor Montemayor Hill and Company, PC. This asset value is 10.43% higher than 2012.

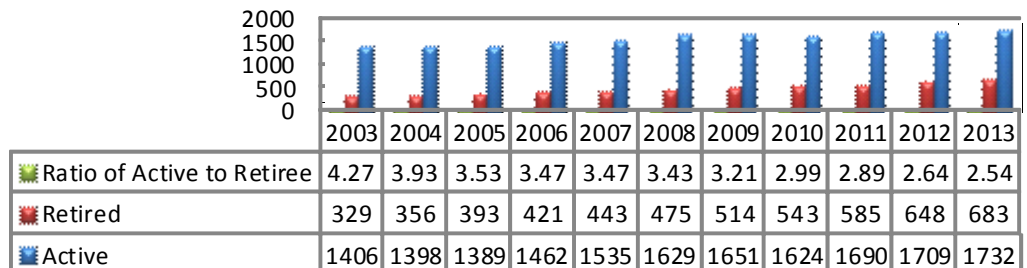
The 2013 actuarial valuation showed the unfunded actuarial accrued liability is \$306,202,257 that can be amortized in 28.9 years as presented by the System's actuary, Foster & Foster. This is just under the Texas Pension Review Board guideline of 30 years.

The June 30th mid-year report as presented by The Bogdhan Group, Investment Consultant shows the fund has grown to \$620 million (unaudited), which is 4.0% greater than the year-end \$595 million (audited).

10 Fiscal Year Returns



Membership Totals 10 Year History



PROP Interest Rate Change

The Austin Police Retirement System's Board of Trustees set the Post Retirement Option Plan interest rate at the Regular Board Meeting on August 20, 2014. **The board voted to reduce the interest rate to 2.25% from 2.50% until August 31, 2015.**

PROP members who wish to have a distribution from their PROP account need to keep in mind that distributions only occur on the last day of each month. The APRS PROP Policies and Procedures state that "no distribution can be made until the last day of a calendar month that is at least 25 days after a Distribution Form has been received and accepted by the System's administrative office." **Please plan early for any distributions you may need.**

Retired members under the age of 69 who wish to enter into the PROP can do so by electing to defer all or a portion (\$250 or more) of their monthly annuity into the PROP account. For more information on the PROP program, contact Michelle Ruland, Benefit Services Manager at (512) 416-7672.

APRS Trustee Training



How can you be certain your pension Board

knows what it's doing? Like so much of civil service, specific training is required to become good at what you do. Whether you are a police officer, firefighter, librarian or municipal clerk, you are frequently receiving new training for the performance of your work. The same is true for the Trustees you elect to the Board of this pension plan. At least twice a year they can attend specific pension investment and administration benefit training conferences offered

by the Texas Association of Public Employee Retirement Systems, an organization that exists primarily to help their member systems in educating trustees.

TEXPERS, now in its 25th year of operation, hosted its Annual Conference in Fort Worth in March, and will host its Summer Forum in Houston in August. Those Trustees who attend the training sessions first learn about their legal responsibilities as fiduciaries for their members. They also learn about current investment trends and the best administrative practices for keeping overhead costs low – and benefits as high as possible. Getting this

training through TEXPERS often means their giving up 4-5 days of personal time, including Saturdays and Sunday to attend.

If you ever have a question about how your pension gets some of the information it uses to make investments, take a look at the TEXPERS site www.TEXPERS.org and check out their conferences' agendas. You'll get a sense of the diverse training your Trustees receive in the performance of their job and it may give you a new perspective on what it takes to be a Trustee on the pension board.

Note:
Pension Statute prohibits the release of any personal information regarding APRS members including, but not limited to, retiree names.

APRS Appoints New Trustee and Vice-Chair

The Austin Police Retirement System would like to welcome it's newest Trustee, Andrew Romero. Andrew was appointed to the active-member trustee position after long-time Trustee, Fred Fletcher, resigned his position to become Chief of the Chattanooga Police Department in Tennessee. His appointment will expire in December 2015 at which time it will become an elected position once again.

Andrew has a degree in Business and Journalism from the University of Texas and currently serves as the Chair of the Austin Police Association Political Action Committee.

Tim Atkinson was appointed by acclamation to complete Fred Fletcher's unexpired Vice-Chair term to December 2015.



Retiree Insurance Open Enrollment

Retiree Insurance Open Enrollment begins October 13th and runs through November 16th this year. Your 2015 coverage information packets will be mailed to your home address the first week of October.

Open Enrollment presentations will be held October 17 and October 24 at the Learning & Research Center on 2800 Spirit of Texas Drive. City staff and vendors will be available from 8:00 a.m. to 12:00 noon for enrollment assistance and to answer questions. Free seasonal flu shots are being offered between 8:00 a.m. to 10 a.m. both days.

Remember these key dates:

- Open Enrollment packets mailed - early October
- Open Enrollment begins - October 13, 2014
- Open Enrollment ends - November 16, 2014
- Benefits changes effective Jan. 1, 2015

For more information about retiree insurance or Open Enrollment, call the Human Resources Department at 512-974-3284.



Keep Us Updated

The system's Attorney requests that all members update their addresses, record release forms, health insurance forms, beneficiary statements and wills as often as necessary to reflect lifestyle changes such as a death or change in marital status and to help us stay current with your records. It is very important that the Pension Office have updated forms on file every time there is any type of change in order to serve you better.

Retired members can go to www.ausprs.org to obtain these forms. All forms can be mailed to the Pension Office at P.O. Box 41089, Austin, TX, 78704 . Active members should update their information with APD HR. When updating your information, please include your name, phone number, date, e-mail address, social security number and signature for verification purposes.

**City of Austin Police
Retirement System**

**PO BOX 41089
Austin, TX 78704
Phone: (512) 416-7672
Fax: (512) 416-7138**

**Check us out on the web at:
www.ausprs.org**

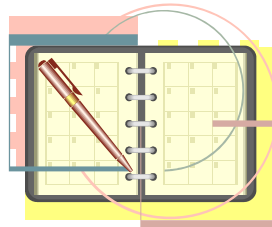
**Staff:
Sampson Jordan, CEO
Stephanie Willie, Deputy Director
Michelle Ruland, Benefit Services
Manager
Vernon Webb, Financial Manager
Rose Frank, Administrative Assistant**

Financial Planning Seminar

APRS will be holding a Financial Planning Seminar geared toward members with 10 or more years of service on October 16, 2014.

Seating is limited and is granted on a first come, first served basis. If you are interested in attending, please contact Rose Frank at rfrank@ausprs.org or (512) 416-7672.

A \$10 reservation fee along with the Registration form must be on file with the Pension Office to hold your reservation at the seminar. The \$10 fee will be refunded upon your attendance at the seminar.



Tips for Maximizing Your Retirement

Begin Planning Early

If you haven't yet, it's important to think about the lifestyle you want in retirement. Get started today. You'll find a benefits calculator on the APRS website that will help you in retirement planning. Create long term goals, say flexible and reevaluate them as needed throughout your career.

Increase Your Savings

Even a small increase in your monthly savings rate can pay big dividends later. The City of Austin's 457 Deferred Compensation Program is a great way to put away tax-deferred dollars as a supplement to your pension. There are also "catch-up" options that might be beneficial to those closer to retirement. If you haven't joined the 457 plan, consider doing so. If you already have a 457 plan, think about increasing your contribution as you get salary increases throughout your career. Deferred Compensation funds can also be used to purchase additional service credits at APRS.

Consider Working Longer

If you are a late saver, choosing a later retirement date will give you longer to build your savings while simultaneously increasing your pension and helping you get closer to your retirement financial goals.

Reduce Expenses

Cutting back on expenses now can mean having a lot more money to save for life in retirement. A shorter vacation, or eating out one less time each month can lead to big savings over just a few years.