

# Let’s Talk Retirement

## From The Executive Director

I am pleased to be writing my first column for *Let’s Talk Retirement*. It is an honor and privilege to work for those on the front lines that serve and protect our community.

Under the leadership of the Board of Trustees and along with a very dedicated staff, I pledge to you that the El Paso Firemen & Policemen’s Pension Fund will continue its mission to safeguard retirement funds, to administer benefits fairly, and to provide cost effective services to our members.

The best way to learn about your EPFPPF benefits is to ask the EPFPPF. We are experts in the specifics of your plan. The EPFPPF was created specifically for Fire Fighters and Police Officers of the City of El Paso and has administered their pension fund for over 25 years. We understand our members, their benefits, and their retirement goals. The EPFPPF staff can give you benefit information specific to your individual situation and we charge no fees or commissions. Our counseling staff is available for an appointment to meet with you in person or over the phone to assist you in your retirement planning needs.

We are committed to seeking new and innovative ways to inform members and beneficiaries about their retirement fund and benefits including this newsletter and our newly designed website. The EPFPPF offers many different ways to provide information to you about your benefits and to answer questions about your benefit structure. Information on the EPFPPF website is available at any time and contains all pertinent literature regarding your benefit structure, Board meetings, many of our commonly used forms, and even financial information regarding the status of the Fund.

Planning for retirement in this economy has become an ever increasing challenge for both newly hired and seasoned employees. The staff and associated professionals of the EPFPPF are dedicated to ensuring the continued solvency of the Fund and the well being of its members into their retirement years. With prudent planning and oversight, dedication of staff, and an attentiveness to the retirement industry overall, the EPFPPF is here to help you attain your retirement goals.

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### Important Notes

- It is important to identify the correct amount of withholding.
- A Defined Benefit Plan is an advantage.
- Disability Retirement is a retirement option available through the Fund.

## Planning To Move?

If you have recently moved, do not forget to notify the Fund office of your new address information.

To ensure that important notices, 1099R documents, newsletters, and other Fund mailings reach you, it is important to provide updated address information to the Fund. Additionally, you should notify the City of El Paso of these changes as the information contained in the PeopleSoft program should be updated as well.



## Retirement Tip



A simple action item you can do to take responsibility for your retirement is to set a goal. Think about what kind of lifestyle you would like in retirement, where you want to live, or what hobbies you may want to enjoy when you retire and then set a goal now to help make your retirement plans happen.

"I think I can save \$30 a paycheck." might be a doable goal for now. You can start with a small amount now and increase it when your circumstances change—like when you get a raise, you get a bonus, or when a loan payment ends.

If you pay for your plans now, you will thank yourself later!

## Withholding—How Much Is Enough?

Determining the proper amount of withholding to claim on your pension payment can be tricky and if you don't estimate the amount correctly, it may cost you in a couple of different ways.

If you claim too many withholdings, you may receive an income tax refund, but this means that you have basically offered the IRS an interest free loan throughout the year. If you claim too little in your withholdings, you will end up owing taxes and if you can't afford to pay the amount right away, you may also owe interest and penalties as well.

So, how do you determine what is the right amount for you to withhold? For the most accurate information, you should seek the guidance of a professional tax preparer who can examine your financial situation and make the proper assessment. However, if you are simply seeking general information, you may want to be aware of how withholding works.

The objective in establishing the proper amount of withholding should be to have just enough in tax withheld from your check to prevent you from having to owe taxes when your return is due, or, at least keep the amount of your taxes due to a minimum.

There are two key elements which determine the amount of your withholding: the number of allowances you want to claim and whether you want taxes to be withheld at the mar-

ried or single rate. Since the married status withholds at a lower withholding rate, this should generally be selected if you are married and filing a joint return. Therefore, if you are married but filing separately, you may want to consider opting for the single rate. Yes, even if you are married, you can withhold at the single rate. You may also choose to withhold an optional additional amount. It is important to know that the more allowances you claim, the less the amount of tax will be withheld from your check.

When your circumstances change, note that you can change your withholding election at any time. To make a change you will need to complete a new W-4P form and submit it to the Fund office. You may contact the Fund office, or download the form from either the Fund or the IRS websites.

For more information on withholding, please visit the IRS website at [www.irs.gov](http://www.irs.gov) for complete publication information.



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*"...the more allowances you claim, the less the amount of tax will be withheld from your check."*

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## Receiving Pension Checks Can Cost You Money

Although receiving a pension check by mail can offer a sense of pride in receiving a well deserved reward for your work, the time it takes for the check to reach your mailbox may actually cost you money.

When a pension check is mailed, it can take between 7 to 10 mailing days to reach you, and there is always the possibility that it could be lost in the mail. If you add up the amount of days it could take for you to receive your check each month, over the course of a year, you could be missing out on two to four months of interest—interest you could be earning on those funds.

If you do not already have direct deposit and would like to enroll, please visit our website at [www.ElPasoFireAndPolice.org](http://www.ElPasoFireAndPolice.org), click on the *Forms* tab, and select the *Electronic Funds Transfer Authorization* form. Then, complete and return the form to the Fund office.

## A Defined Benefit Plan Is Advantageous

With a growing focus on the economy and fears of a prolonged recession, a glimmer of hope to all members of the El Paso Firemen & Policemen's Pension Fund should be that the Fund is a defined benefit plan.

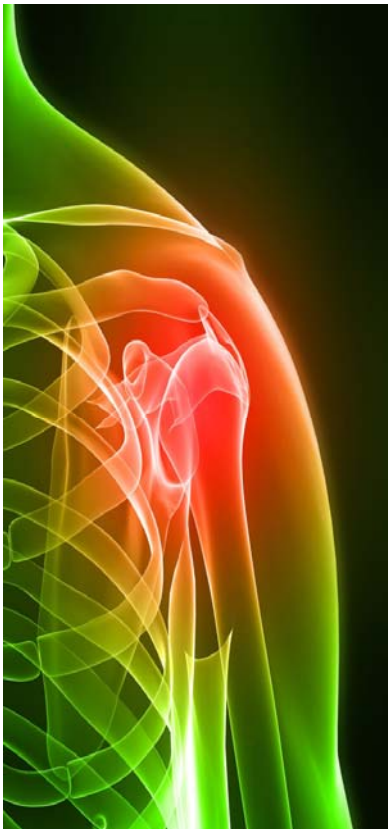
Simply stated, a defined benefit plan is an employer sponsored retirement plan in which benefits paid are based on a formula that incorporates salary history, length of service, and a multiplier—not the return of the invested funds. For this reason, a defined benefit plan averts the risk of lessened or altogether eliminated retirement funds for its members.

Because investment risk and portfolio management fall under the control of the Fund, members need not worry about making adjustments in investment options. This differs from a defined contribution plan in which members themselves select investment options and in turn, may suffer portfolio losses which will affect their benefit payouts.

Essentially, a defined benefit plan provides you with a guaranteed retirement benefit (provided you qualify) as long as you continue to work for your employer and participate in the plan. Additionally, in the case of the El Paso Firemen & Policemen's Pension Fund, benefit payments continue to be paid to your qualified survivors even after your death.

Although the economy can affect the financial position of a defined benefit plan, the benefits to its members are secure. Because earned benefits are promised to be paid, it is extremely important for the fiduciaries of the Fund to evaluate the performance of various investments and make appropriate adjustments when necessary. If significant downfalls in the economy occur, plan provisions for new members may need to be revised to ensure that a guaranteed benefit will be available once that new employee retires.

*"...a defined benefit plan averts the risk of lessened or altogether eliminated retirement funds..."*



## What Is A Disability Retirement?

When most think of the El Paso Firemen & Policemen's Pension Fund, they think of retirement benefits in the traditional sense. However, the Fund also provides a Disability Retirement benefit to individuals who meet the eligibility requirements and are approved by the Board of Trustees.

If you are unable to work as a police officer or firefighter due to an injury received or disease contracted while in the line of duty or as a result of a condition not by your own wrongful conduct, you may be considered for Disability Retirement. You must be able to provide medical proof, satisfactory to the Board of Trustees, that you are incapacitated from the performance of duty as a police officer or firefighter.

The process of applying for disability benefits begins with contacting the Fund office to schedule an appointment. During the appointment, a Benefits Specialist will counsel you on the appropriate forms to complete and advise you of the need for medi-

**Upcoming Board Meetings**

April 21, 2010  
May 19, 2010  
June 16, 2010

**Upcoming Office Holidays**  
(office will be closed)

**Memorial Day**  
May 31, 2010

**Fun Money Fact**

What is the average life span of a Federal Reserve Note? It varies. See below.

\$ 1	-	21 months
\$ 5	-	16 months
\$ 10	-	18 months
\$ 20	-	24 months
\$ 50	-	55 months
\$100	-	89 months

Source: U. S. Department of the Treasury, Bureau of Engraving and Printing: [www.bep.treas.gov](http://www.bep.treas.gov).

cal information to substantiate your request. After receiving these documents, the Fund office may determine that an Independent Medical Examination is required and if so, will arrange and pay for this exam.

Once the required forms and all medical information is obtained, your case is then presented to the Disability Committee for review. If necessary, additional documentation may be requested following this meeting.

Upon receipt of the Disability Committee's recommendation, the Board of Trustees will make a determination of approval or denial. If approved, the effective date of your Disability Retirement is the date of the Board meeting approving your request.

Disability benefits continue for as long as you remain disabled. However, if the Board has reason to believe you are no longer incapacitated, please note that your disability can be reviewed for possible termination.

### Upcoming Board Election

This year, one Board member position representing the Police division will be up for election. Currently, this position is being held by Commander Mark Austin

Members of the Police division will receive information concerning this election in the near future. However, if you would like further information, please contact the Fund office.



## Calling All Heroes

By their nature, individuals employed in fire and police positions display acts of heroism daily while performing their jobs. However, do you know a member of the Fund who is an extra-ordinary hero that touches the lives of others outside of their job duties? If so, we would love to hear from you.

Tell us about why they are a hero—do they reach out to others in need, perform selfless acts of kindness, or extend a helping hand in the community? Tell us of their story and we may feature them in an upcoming issue of **Let's Talk Retirement!**

Please send your submission along with you name and phone number to the Fund at:

El Paso Firemen & Policemen's Pension Fund  
ATTN: Let's Talk Retirement  
Chase Tower  
201 E Main, Suite 1616  
El Paso, TX 79901-1340

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PLEASE  
PLACE  
STAMP  
HERE

Mailing Address Line 1  
Mailing Address Line 2  
Mailing Address Line 3  
Mailing Address Line 4  
Mailing Address Line 5