



Retirement Talk

An Introduction From The Executive Director

I am pleased to introduce the newest publication from the El Paso Firemen & Policemen's Pension Fund—*Retirement Talk*!

Retirement Talk is the Fund's newsletter created especially for retirees of the Fund. Similar to *Let's Talk Retirement*, which was created for the active members of the Fund, *Retirement Talk* is a publication designed for our retired members. In this publication, you will find articles of importance to you as a retiree of the Fund, helpful information on retirement in general, and topics that we hope will be of interest to you as you enjoy the retirement phase of your career.

As always, we are committed to seeking new and innovative ways to inform and reach our membership. We hope this latest publication will be of benefit to you and that the information contained within will keep you informed, offer knowledge, and provide some laughter and light-hearted moments.

Is Relocation In Your Retirement Plan

After retirement, many look forward to relocating to be closer to family, warmer weather, or communities with a retirement lifestyle and more activities for retirees to enjoy. According to www.topretirements.com, the top 10 retirement communities for 2010 included the following:

1. Asheville, NC
2. Sarasota, FL
3. Prescott, AZ
4. Paris, TN
5. Austin, TX
6. Green Valley, AZ
7. Winston-Salem, NC
8. Beaufort, SC
9. San Diego, CA
10. Fort Myers, FL



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Important Notes

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- You may want to determine whether you qualify for a tax exclusion of your retirement income.
 - Boredom busters for retirees can enhance life and offer added benefits.
 - Read *Buy Ketchup In May And Fly At Noon* for some interesting "best time" tips.
 - Determine whether you must take a required minimum distribution (RMD) in 2011.

Did You Know

- According to the *Guinness Book of World Records*, the largest snowflake ever recorded was 8 inches by 15 inches. It occurred in Montana in 1887.
- Every snowflake has 6 sides.
- There is no truth to the saying, "it is too cold to snow". Snow can fall when it is very cold as long as there is moisture in the air.
- The record snowfall in a 24 hour period in the United States occurred in Silver Lake, Colorado in 1921. During this 24 hour period, 6 feet and 4 inches of snow fell.

Source:
http://kids.lovetoknow.com/wiki/Winter_Trivia_for_Kids

Tax Time Returns

When you first retired from the Fund, you may recall learning whether you qualified for a tax exclusion on your retirement income. However, you may have forgotten what this means and how to calculate the appropriate amount.

The tax exclusion allows individuals who paid taxes on contributions made to the Fund prior to January of 2002 to receive tax relief. Because contributions to the Fund prior to this date were already subject to federal income tax at that time, you qualify to recover a portion of your previously taxed contributions. Likewise, if you purchased service with after-tax funds, you qualify to receive an exclusion in order to avoid being taxed twice on those funds.

To determine the amount of the tax exclusion for those who qualify, the Fund follows the IRS Simplified Method. In this calculation, the total amount of your previously taxed contributions is divided by a number obtained from the tables provided on the IRS Simplified Method Worksheet. The amount of this exclusion remains the same for each monthly payment, even if the amount of your

pension changes. However, the recovery only continues until you or your spouse have received all of your previously taxed contributions.

For further information regarding this tax recovery method, please refer to IRS Publication 575 *Pension and Annuity Income* or consult with a professional tax advisor.

"Taxes: Of life's two certainties, the only one for which you can get an automatic extension."

~Author Unknown



2010 Fallen Comrades

January	Date	Department	August	Date	Department
Norbert J. Scanlan	8	Fire	Juan P. Santiago	3	Police
February			Francisco Hernandez	4	Fire
Robert L. Monroe	3	Fire	Kenneth Wolf	6	Fire
Robert E. Wilde	4	Fire	September		
Elbert S. Underwood	7	Fire	Lewis K. Ussery	19	Fire
Mark J. Gagnon	25	Police	October		
March			Joseph C. Leitch	2	Fire
Halver C. Vance	20	Fire	Karl McDonough	13	Police
May			November		
Raul Holguin	23	Fire	Jose M. Avalos	6	Police
Milton R. Lege	27	Police	Victor S. Colunga	12	Police
June			Joe D. Quinones	21	Fire
Joe C. Chacon	20	Police	William W. Goss	28	Fire
Elton Arnett	29	Fire	December		
July			Gerald A. Palmer	1	Police
Norman Hutchins	5	Fire			
Javier J. Martinez	9	Police			

"We understand death for the first time when he puts his hand upon one whom we love." ~Madame de Stael

Feeling The Retirement Blues

Ahhh, retirement...the point at which one feels that sense of contentment in reaching that ultimate freedom—no more work. You can do what you want to do on your time and live life spontaneously. No more clearing vacation time with the office or getting to bed early to get to work on time. Sounds like a perfect world...but is it?

After many people retire, they make initial plans to travel, visit family or friends, and to simply take it easy. However, after a few months of retirement living, retirees often find themselves facing the retirement blues. Boredom sets in and they find they have nothing to fill the time.

If this sounds all too familiar to you, now is the time you may want to consider other activities to enrich your life. Boredom busters to help while away the retirement hours will differ from one individual to the next, so it is important to explore many alternatives.

Focus on your health. With the added time in your schedule, you could join a health club and find classes specific to your age group. You may even make some lasting friendships with others in these classes. You could attend cooking classes and learn to cook healthy, participate in the Silver Sneakers program in your area (www.silversneakers.com), organize a neighborhood walking group, or simply decide to walk on your own at a local track or mall.

Expand your knowledge. Do you have an interest in an activity you never had the time to explore? Enroll in a class (online or in person). The variety of classes available is unlimited—woodworking, literature, foreign language, scrapbooking, painting, and more!

Volunteer in an area of interest. Do you like pets? You may consider volunteering to walk dogs at your local shelter. Do you like reading to children? Check with your local library. They may have a need for volunteers to read to children during the week. Become a retired senior volunteer and explore a number of possibilities (www.seniorcorps.org).



Become a consultant. Some retirees find that they actually miss working in their area of specialty once they retire and are eager to participate in the same line of work, but not on the same schedule. Why let all of your experience fall by the wayside? Let your former employer know of your interest in this area. You never know, you may be just what they are looking for, and as a consultant, many employers are willing to pay more because of your reduced hours and because they get a break on insurance and other employment costs.

Seek other employment opportunities. There are a number of employment options for individuals with flexible schedules. You could fulfill a temporary work assignment in a specialized area, participate in seasonal employment during the holidays or summers when many workers are eager to take vacation, or find a non-profit organization for which you have an interest and discover opportunities to assist in that organization's mission. Ultimately, you may even consider starting a new career or an internet based business to fit the hours you are willing to dedicate.

Whatever activities you choose to participate in during your retirement can help you maintain that sense of belonging and self-worth. The options are endless and are up to you!

"...after a few months of retirement living, retirees often find themselves facing the retirement blues..."

When Is The Best Time

Do you want to read an interesting book that offers insight to the best time to buy items, do things or even go places? Try reading *Buy Ketchup In May And Fly At Noon* by Mark Di Vincenzo. Here are a few fun topics to wet your appetite to read more.

Which is the best day of the week to exercise? According to this book, Monday is best because it tends to set the psychological tone for the week which results in a desire to ex-

ercise more often during the week.

When is the best time of day to buy shoes? Late afternoon is best because this is when your feet have swelled and are at their largest size. Therefore, they will fit great in the morning and continue to fit throughout the entire day.

Visit www.buyketchupinmay.com for more fun tidbits and how to purchase the book!

Upcoming Board Meetings

January 19, 2011
February 14, 2011
March 16, 2011



Do You Need To Take A RMD

Uniform Lifetime Table

Age	Factor
70	27.4
71	26.5
72	25.6
73	24.7
74	23.8
75	22.9

NOTE: For the complete table, refer to IRS Publication 590.

If the sole beneficiary of your IRA is your spouse who is more than 10 years younger than you, you will need to use a different table. Please consult IRS Publication 590 for this information.

Otherwise known as the required minimum distribution, the RMD is an IRS requirement that states once you become age 70 1/2 you must begin to draw a specific amount from your retirement accounts.

Although RMDs for 2009 were suspended due to a provision in the "Worker, Retiree, and Employee Recovery Act of 2008", this provision was only applicable to the 2009 tax year. Therefore, RMDs are required for the 2010 tax year and beyond.

If you have a traditional IRA, you must begin a distribution by April 1, following the year that you turn 70 1/2. Note that the April 1 date applies only to the first year of your distribution. Following the first year, your distribution must be taken by December 31. If you turned age 70 1/2 in 2010, you must take your first RMD by April 1, 2011. You are not required to take a RMD from a Roth IRA.

To determine the amount of your RMD, you will need to know your account balance as of December 31 of last year and your age on December 31 of this year. From the appropriate table, locate the distribution period factor based on your age and divide the account balance by this value.

For example, if your traditional IRA account balance as of December 31, 2010 is \$100,000, you will be 72 years old on December 31, 2011, and your spouse, who is the sole beneficiary of your IRA, is 6 years younger than you, your RMD for 2011 would be \$3,906.25 (\$100,000 divided by 25.6).

For more information, please refer to IRS Publication 590 or consult a professional tax advisor.

El Paso Firemen & Policemen's Pension Fund

Chase Tower
201 E Main, Suite 1616
El Paso, TX 79901-1340
Phone: (915) 771-8111
Fax: (915) 779-6693
www.ElPasoFireAndPolice.org

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