



Policemen & Firemen Retirement System City of Detroit



Pension Perspectives

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Proposed 13th Check Distribution Delayed

On October 4, 2000 a memorandum of understanding was signed by the City of Detroit Budget Director, the four Police & Fire Bargaining Associations and the Retired Detroit Police & Fire Association relative to a "13th Check Agreement".

That memorandum states that in the event there would be a full funding credit, as determined in the Annual Actuarial Valuation report adopted by the Board of Trustees, for fiscal years commencing July 1, 1999, exceeding one hundred million dollars, there shall be a distribution of one third of the amount exceeding \$100,000,000 as follows:

- a. Forty percent would be allocated as a credit to the employer for employer contributions toward the normal cost contribution.
- b. Thirty percent would be distributed to the active employees by a transfer of funds to their defined contribution plan account.
- c. Thirty percent would be distributed to the retired employees or beneficiaries with their monthly retirement check.

Online Benefit Estimator now available

In the last issue of Pension Perspectives, we reported that the Online Benefit Estimator was in the final stages of development. We are happy to report that this feature is now available on our website www.rscd.org. Visit our website in order to generate an estimate of your retirement benefits.

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This new feature allows members to input information and generate their own estimate of benefits. You can create different estimate results by altering your service time, or average

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Actively Speaking

Recent bargaining unit agreements

The following tables outline the recent bargaining unit agreements reached with the City of Detroit.

| BENEFIT | DPOA | LSA |
|---|---------------------------------------|---------------------------------------|
| 1. Longevity added to AFC Amount added | Effective 7-1-00 Last Full Payment | Effective 7-1-98 Last Full Payment |
| New Longevity Schedule: 5 years = 1% 11 years = 2% 16 years = 3% 21 years = 4% | Effective 7-1-99 | Effective 7-1-00 |
| 2. Laid off time included to determine eligibility to retire | Effective 6-30-01 | Effective 7-1-98 |
| 3. D.R.O.P Plan | Yes | No |
| 4. Optional Annuity Withdrawal | Effective 7-1-00 | No |
| 5. Escalator Compounded | No | Effective 7-1-98 |
| 6. Three Year AFC | No | No |
| 7. 75% Retirement Option | Effective 7-1-00 | Effective 7-1-00 |

| BENEFIT | DPCOA | EXECS |
|---|---------------------------------------|---------------------------------------|
| 1. Longevity added to AFC Amount added | Effective 7-1-98 Last Full Payment | Effective 7-1-98 Last Full Payment |
| New Longevity Schedule: 5 years = 1% 11 years = 2% 16 years = 3% 21 years = 4% | Effective 7-1-00 | Effective 7-1-00 |
| 2. Laid off time included to determine eligibility to retire | Effective 7-1-98 | Effective 7-1-98 |
| 3. D.R.O.P Plan | Yes | Yes |
| 4. Optional Annuity Withdrawal | Effective 7-1-00 | Effective 7-1-00 |
| 5. Escalator Compounded | Effective 7-1-98 | Effective 7-1-98 |
| 6. Three Year AFC | Effective 7-1-00 | Effective 7-1-00 |
| 7. 75% Retirement Option | Effective 7-1-00 | Effective 7-1-00 |



Termination of Annuity Deductions on Twenty-Fifth Anniversary

The provisions of the Policemen and Firemen Retirement System require that all members must contribute five percent (5%) of their base pay into a Defined Contribution (Annuity) Account until the member has completed twenty-five years of creditable service.

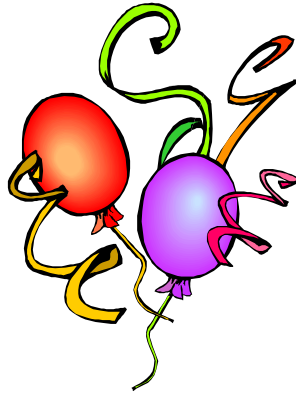
It is **required** that deductions into the Defined Contribution Account be stopped once the member has completed twenty-five years of creditable service.

Police personnel **must** file either a Blue Slip Form DPD31 or a Form DPD568 with your payroll department when you reach your twenty-fifth anniversary date.

Fire personnel should have their deduction stopped automatically by their payroll department. If it does not stop you must contact the Fire payroll department.

Detroit Celebrates its' 300th Birthday All Year Long

2001 promises to be a very special year for the City of Detroit. It's not every year that a city can celebrate turning 300, but that is exactly what Detroit will do all year long.



Founded in 1701 by Antoine de la Mothe Cadillac, Detroit was originally established as a French fur trading outpost. The Tricentennial celebration will encompass many events, throughout the year, to highlight Detroit's rich history.

The year long celebration got under way on December 31, 2000 when the Detroit Century Box was opened. The box was originally sealed in 1901 by then Mayor William C. Maybury. The box contained letters from prominent citizens of Detroit in 1901 that spoke of different aspects of Detroit society including business, labor, medicine law, journalism and art.

The box also contained a letter from Maybury in which he expressed great pride in the achievements made during the 19th century such as the ability to travel from Detroit to Chicago by railroad and steam power in less than eight hours, and to New York City in less than 20 hours, also the ability to communicate by telegraph and telephone over distances that at the opening of the 19th century were insurmountable.

Organizers of the events expect thousands of individuals and hundreds of businesses, museums, schools performing arts organizations to participate in the celebrations.

Among the highlights of upcoming events:

- July 13-29 — Detroit 300 Festival begins with the Concert of Colors at Chene Park (July 13-15)

- July 18 — Detroit 300 Celebration at Comerica Park
- July 19-21 — Sail Detroit at Hart Plaza, Schooners, brigs and other classic sailing vessels grace the skylines of Detroit

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Apply for Social Security Online

The Social Security Administration has made it possible for certain individuals to apply for benefits online at their website www.ssa.gov. Applicants can utilize the



site to fill out the online application and send that information electronically to the agency. The completed application must be printed out, signed and returned to the Social Security Administration either by mail or in person at a local Social Security Administration office. Along with the signed application, applicants must have other verification documents such as a birth certificate to establish eligibility. These items can either be mailed in or brought in to a local Social Security office. The electronic application is stored in a database and is automatically retrieved when Social Security receives the signed application.

NOTE: In order to apply online, an individual must be at least 61 years and 9 months or older and plan to start receiving retirement benefits within four months.

PENSION PERSPECTIVES

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(313)224-3362
Toll Free 800 339-8344**

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Tek-Sin The Ext. 232
Denise Miller Ext. 224

Editor: Pension Perspectives

Bridgett Hardy Ext. 213

Important Numbers:

Blue Cross/Blue Shield Traditional
(800) 951-BLUE

Blue Care Network
(800) 662-6667

Blue Cross Preferred Plan
(313) 225-0843

Health Alliance Plan
(800) 422-4641

Omni Care
(800) 925-4550

The Wellness Plan
(800) 875-WELL

Total Health Care
(313) 871-7812

Bankers Life
(313) 961-3990

Han Optical Care
(800) 445-2363

Co-Op Optical
(800) 368-5160

Heritage Eye Care
(800) 252-2053

Han Dental Care
(313) 961-3990

Social Security Administration
(800) 772-1213

Policemen & Firemen
Retired Association
(810) 795-1734

Cops Trust (A.B.S.)
(810) 826-4336

*** All fringe benefit questions should now be referred to the Benefits Division of the Human Resources Department. **Toll Free (888) 288-2684 or (313) 224-4809** ***

Retiree's Corner

13th check agreement *continued*

If the proposed 13th check agreement is implemented, eligibility for a distribution would be determined by your status (retired or active) on July 1st of the fiscal year in which a distribution is to be made.

Under the memorandum, retired employees and beneficiaries would receive an equal distribution added to their regular monthly retirement check. Active employees would receive a distribution based on the total number of years and months of pension service credit earned as of the 30th of June preceding the July 1st date.

A dispute has arisen between the parties to the memorandum, and a number of legal issues have been raised. The parties to the memorandum have reached an impasse as to whether the agreement is open ended or is for a finite period of time (i.e. two years). This appears to be headed to the judicial system. The first retiree distribution will not occur on February 1, 2001 as our letter of November, 2000 to retirees anticipated. The Detroit Policemen and Firemen Retiree Association will be kept updated as this situation is resolved.

Retired since 7/1/2000 ?

For those individuals who have retired on or after 7/1/2000, the 75% Option is now an available choice. By now, all members retired since July 1, 2000, should have received a letter and a new estimate of benefits that details what your monthly payments would be with the 75% option selected.

As the letter stated, you will be given a one time

opportunity to change your option if so desired. **(NOTE: you can only change to the 75% option or remain under your current selection).**

If you retired on or after 7/1/2000, and have not received your letter and new estimate, contact Deborah Wilkerson, at the Retirement System office (313) 224-3362 or (800) 339-8344 extension 235.

The Board of Trustees has determined that any election changes must be made by March 10, 2001.

New Defined Contribution (annuity) Option at Retirement

Members now have a new option with respect to their Defined Contribution (Annuity) Fund balance when they retire. At retirement, you are now able to leave your contributions in the Retirement System's Annuity Savings Fund, to be withdrawn in a lump sum at a later date. Your contributions would continue to earn interest at the same rate as active member's contributions earn.

To utilize this option, you must make an election, at retirement, to make a full lump sum withdrawal of your contributions with the actual date of withdrawal deferred to a later date to be determined by you. When you decide to withdraw your contributions, you would contact the Retirement Systems office to begin the process. The Internal Revenue Service requires that your account balance be withdrawn prior to April 1st of the year following the year in which you reach 70 1/2 years of age.

Members of the Police Lieutenants and Sergeants Association and their equivalent Fire Department ranks are not eligible for this option at this time.

Pension Perspectives

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PENSION PERSPECTIVES

Detroit's year long celebration *continued*

- July 20-22 — Sounds of Detroit at Hart Plaza, spotlight on artists who began their careers in Detroit
- July 21 — Celebrity Homecoming Concert at Hart Plaza
- July 22 — Parade of Historic Ships
- July 24 — Cadillac's Landing Re-enactment, commemorating the founding of Detroit by Antoine de la Mothe Cadillac at Hart Plaza
- December 31 — Sealing of the Tricentennial Time Capsule, to be opened in 2101.

In July, details of a public contest for what should be put in the Tricentennial Time Capsule will be announced.

If you would like more information on the events planned for the Tri-Centennial celebration, contact the Detroit 300 organization at (313) 871-1303 or

toll free at 877-338-2001.

The address for the office is Detroit 300, Albert Kahn Building, Suite 310, 7430 Second Avenue, Detroit, Mi 48202. There is also a website at www.detroit300.org.



Online benefit estimator *continued*

final compensation amount.

This feature is a great retirement planning tool. We hope that you will find it helpful to use. Please email webmaster@rscd.org for questions or comments regarding the online benefit estimator.

Note: The estimate you generate is based on information that you input. It does not reflect an actual amount you will receive from the Retirement System. No benefits will be paid based on an online estimate.