



Policemen & Firemen Retirement System City of Detroit



Pension Perspectives

AUGUST 2002

VOLUME 4, ISSUE 2

*Board of Trustees
Policemen & Firemen
Retirement System*

*William L. Fairweather
Elected Member-Fire
Chairperson*

*Johnny Golden
Elected Member-Police*

*Laura Isom
Elected Member-Police*

*Kwame Kilpatrick
Mayor*

*Mark Knowles
Elected Member-Fire*

*Jerry Oliver Sr.
Chief of Police*

*George Orzech
Elected Member-Fire*

*Derrick Royal
Elected Member-Police*

*Tyrone C. Scott
Fire Commissioner*

*Alberta Tinsley-Talabi
Councilperson*

*Clarence Williams
Treasurer*

Deferred Retirement Option Plan (Drop Plan)

The Detroit Police Officers Association, the Detroit Police Command Officers Association, non-union executives of the Police Department and the Fire equivalents of these Police ranks are soon to be covered by a new retirement benefit called the Deferred Retirement Option Plan (DROP).

Under the DROP eligible members who have completed at least twenty-five years of creditable service will be able to “elect to retire” while continuing to work in their current position. Lay-off time and pre-employment military service cannot be included in the twenty-five years of service required. No additional service credit will be earned for retirement once the election to DROP is made.

The DROP benefit is a payment which will be paid into a “DROP account” and invested as directed by the DROP member. All fees related to the investment of the DROP funds will be the responsibility of the member. The amount deposited each month would be 75% of the monthly retirement benefit that would have been payable had the member actually retired on his/her DROP date. Funds deposited into the DROP account cannot be withdrawn until the member terminates employment with the department. Effective the first of the month after a member terminates employment the monthly retirement benefit will be increased to the full 100% benefit and taxable payments will be made directly to the member.

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Board of Trustees election results

Police Inspector Laura Isom was re-elected to the Board of Trustees for a three year term beginning July 1, 2002 through June 30, 2005.

Battalion Chief William L. Fairweather was re-elected to the Board of Trustees for a three year term beginning July 1, 2002 through June 30, 2005.

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Actively Speaking

Refunds/Rollovers of your Defined Contribution (annuity) Account

If you are contemplating a withdrawal from your Defined Contribution (Annuity) Account please be aware that the Retirement System Staff cannot give tax advice nor can they recommend or endorse any company or agent of any company that provides rollover accounts.

If you have any questions about the Retirement System rules regarding withdrawals contact our Annuity Division at the extensions listed on page 4 of this newsletter. Do not totally rely on information about the Retirement System's withdrawal rules provided by any rollover agent or non Retirement System source as we have found that such information may not always be accurate. The rules governing withdrawals may be different for a member who is retiring compared to a member who is making an in service withdrawal.

Always check with Retirement System staff to verify **any** retirement related information provided by a source outside of the Retirement System's office.

Effective January 1, 2002, the maximum allowable contributions to IRAs for eligible taxpayers increased from \$2,000 in 2001 to \$3,000 in 2002. The number will increase by a \$1,000 in 2005 and again by \$1,000 in 2008 when the limit reaches \$5,000. You may be able to deduct these contributions, depending upon your income level. As always, you should check with your financial advisor to see how these changes effect you.

For more information on these changes, visit the IRS website at www.irs.gov.



Reporting a death to the Social Security Administration

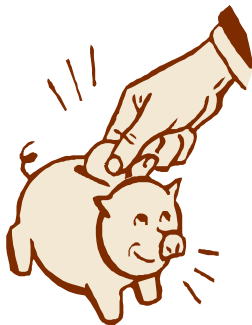
When you need to report a death to the Social Security Administration, follow these steps:

The person responsible for the beneficiary's affairs should notify Social Security of the beneficiary's death by calling this toll-free number 1-800-772-1213. If monthly benefits were being paid via direct deposit, notify the bank or other financial institution of the beneficiary's death. Then request that any funds received for the month of death and later be returned to Social Security as soon as possible. However, if benefits were being paid by check, do not cash any checks received for the

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Federal Tax Law changes effect retirement savings

Federal tax law changes for 2002 make it more attractive to save for retirement. The Economic Growth and Tax Relief Reconciliation Act of 2001 or what is more commonly known as EGTRRA, made several rule changes for contributing to traditional and Roth IRAs.



See related article on reporting a death to the Policemen and Firemen Retirement System on page 3.

Have you recently moved?

If so, then you must update your address with the Retirement System if you are a retired member or with your human resources representative if you are still an active employee. Important correspondences and information is frequently mailed from this office so it is imperative that this office has the correct address information from its members.



Retired members can change their address by contacting the Retirement System for a Change of Address form or submit written notification which must include the old address, new address, your social security number, the date, and your signature. The change of address form can also be downloaded from our website www.rscd.org if you have internet access. Active employees must contact their individual Human Resource department for their change of address update.



FRIENDLY REMINDERS

Please use blue or black ink when filling out forms or when sending correspondences to the Retirement Systems.



The Retirement System website has a Benefit Estimator that you can use to calculate your potential monthly pension upon retirement. Visit our website at www.rscd.org

Reporting a member death to the Retirement System

What should you do when reporting the death of an employee/retiree?

First call (313) 224-3362 extension 239. Second provide employee/retiree's name, social security number, date of death. Third give us your name, address and telephone number. After notifying this office of the death we will contact the beneficiary with additional instructions.

What should you do when reporting the death of a dependent of an employee/retiree?

First call (313) 224-3362 extension 239. Second provide your name, address, social security number and telephone number with the deceased name and date of death. After notifying this office of the death we will contact you with additional instructions.

Following these steps will help make the process run smoothly and efficiently.



Alternate Trustee selected for Board

Assistant Chief Ella M. Bully-Cummings has been selected by Police Chief Jerry Oliver Sr. to serve as his alternate Trustee on the Retirement System Board of Trustees. Ms. Bully-Cummings replaces Deputy Chief John Clark who retired July 15, 2002.

PENSION PERSPECTIVES

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

Administration

Nick Degel Ext. 204
Walter Stampor Ext. 206
Joe Glanton Ext. 203
Myron Terrell Ext. 202
Cynthia Thomas Ext. 209
Rick Huddleston Ext. 201

Administration Support

JoAnn Harrison Ext. 217
Kenneth Howard Ext. 256
Terrie Lawrence Ext. 258
Janet Lenear Ext. 255
Juanita Waller Ext. 257

Interviewers

Shirley Hill Ext. 218
Betty Lowe Ext. 219

Computations

Deborah Wilkerson Ext. 235
Cheneta Campbell Ext. 236

Re-Exams

Joanne Williams Ext. 238

Pension Payroll

Tasha Cowan Payroll Supervisor Ext. 240
Lenora Plater Death Notices Ext. 239
Glorencia Russell Estimates Ext. 237
Tenecia Stockton Estimates Ext. 246
Samantha Moore Direct Deposit Ext. 221
Debra Tyler Tax Changes/Due City Ext. 227

Annuity

David Cetlinski Ext. 244
Latisha Moon Ext. 243
Danielle Westbrook Ext. 241

Accounting

Marilyn Roc Berdijo Ext. 230
Beverly Scruggs Ext. 225
Angela Keeler Ext. 223
Eddie Park Ext. 228
Rena Presbitero Ext. 231
Mary Fladger Ext. 229
Tek-Sin The Ext. 232

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
(800) 225-9674

Han Optical Care
(800) 445-2363

Co-Op Optical
(800) 368-5160

Heritage Eye Care
(800) 252-2053

Cops Trust (A.B.S.)
(800) 826-4336

Social Security Administration
(800) 772-1213

Policemen & Firemen
Retired Association
(810) 795-1734

*** 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

Glaucoma Screening

People who have Medicare Part B (medical insurance) are now eligible for glaucoma screening once every 12 months. Glaucoma is the leading cause of blindness in African-Americans and in all adults in their sixties or older. If untreated, glaucoma can cause irreversible loss of vision. It's estimated that in the United States, about half of the people with glaucoma don't know they have the condition. For more information about Medicare visit www.medicare.gov or call 1-800-MEDICARE.

Retiree Hospitalization Open Enrollment

The retiree open enrollment dates for hospitalization coverage has been changed to August 1, 2002 through September 13, 2002. This will be the only open enrollment period ordered during 2002 for retirees.

If you wish to change hospitalization carrier, add new dependants to your existing coverage or ask questions about the enrollment you must call the City's Benefits Division at (313) 224-4809, 224-4813 or 888 288-2684. **Please do not call if you are not making a change to your coverage.**

Reporting a death to the SSA (continued from page 2)

month in which the beneficiary died or thereafter. Return the checks to Social Security as soon as possible. Also, a one-time payment of \$255 is payable to the surviving spouse if he or she was living with the beneficiary at the time of death, or if living apart, was eligible for Social Security benefits on the beneficiary's earnings record for the month of death. If there is no surviving spouse, the payment is made to a child who was eligible for benefits on the beneficiary's earnings record in the month of death.

For more information, contact the Social Security Administration at 1-800 772-1213.

Retirement check not in the mail?

NOTE: We ran this article in the very first issue of the Pension Perspectives and felt it was information worth repeating.



If you haven't received your pension check by the 5th of the month, you should contact the Check Disbursement Unit of the Treasury Division at (313)224-3571. If your check has been lost in the mail, they will send you the appropriate forms to stop payment on the check and process a new check for you. If your check has been held for any reason, they will refer you to the proper office.

NOTE: One way to avoid your check being lost is to sign up for Direct Deposit. Direct Deposit insures that your money is in the bank and available on the 1st business day of each month. To obtain the forms necessary to enroll for Direct Deposit, please call (313) 224-3362 ext. 221 or download the form from our website at www.rscd.org.

Pension Perspectives

Retirement Systems City of Detroit
2 Woodward Ave. Room 908
Detroit, MI 48226-3413

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PENSION PERSPECTIVES

Drop Plan (continued from page 1)

At the time an eligible member decides to retire under the DROP he/she must select their retirement option, i.e. whether to leave a benefit to a beneficiary, whether to select pop-up, etc. No option change can be made after the first DROP payment is deposited into the member's DROP account.

Once a member elects DROP and the first DROP payment is deposited in the member's account the member will not be eligible for future disability benefits should they become unable to work under either a duty related or non-duty related injury or illness.

Should a member retired under the DROP die prior to terminating employment with the department the retirement option selected by the member under the DROP will determine if their beneficiary will receive a monthly retirement benefit. Widows and children under eighteen years would not be eligible for survivors benefit or duty death retirement benefits.

The DROP plan will be implemented once the Retirement System receives a favorable ruling from the Internal Revenue Service as to the continued qualified plan status of the Retirement System including the DROP plan.



Did you know?

1. Rubber bands last longer when refrigerated.
2. There are more chickens than people in the world.
3. No word in the English language rhymes with month, orange, silver, or purple.
4. Maine is the only state whose name is just one syllable.
5. A goldfish has a memory span of three seconds.
6. It's impossible to sneeze with your eyes open.
7. In England, the Speaker of the House is not allowed to speak