



Policemen & Firemen Retirement System City of Detroit



Pension Perspectives

AUGUST 1998

VOLUME 1, ISSUE 1

A Welcome Message from the Retirement System

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Retirement System*

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Derrick Royal

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*Shafter Terry, III
Treasurer*

On behalf of the Board of Trustees and the staff of the Policemen & Firemen Retirement System, I am pleased to welcome you to the first issue of our newsletter "*Pension Perspectives*." *Pension Perspectives* will be published twice a year with the goal of providing our active and retired members with a ready source of current information regarding the Retirement System. As regular features you will find the current Retirement System telephone directory, important phone numbers outside of the Retirement System area such as Social Security and health care organizations, upcoming dates to remember, plus answers to commonly asked questions. As special features we plan to provide you with the latest news updates related to the Retirement System and your pension benefits. In this issue you will find news on important items such as the new pension factors, the new phone system and our planned internet site.

Pension Perspectives is being published for your benefit and we encourage you to contact our editor, Bridgett Hardy at the Retirement System Office, City of Detroit, 2 Woodward Ave., Room 908, Detroit, MI 48226 **Attn: Pension Perspectives Staff**. We look forward to your comments and suggestions.

Sincerely,

Thomas Zdrodowski
Executive Secretary

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Actively Speaking

New Pension Factor

As a result of recent collective bargaining agreements, the pension factor for members of the Policemen & Firemen Retirement System has been increased to 2.5% for the first 25 years of credited service and 2.1% for years beyond 25 up to 35 years of service. Effective dates are as follows:

Detroit Police Command Officers Association & Fire Equivalents 7/1/97; Executive Police & Fire Officers 7/1/97; Police Lieutenants & Sergeants Association & Fire Equivalents 7/1/97; Detroit Police Officers Association & Fire Equivalents 7/1/98.

New Disability Program

Recent collective bargaining agreements have included a new Duty-Disability Plan referred to as "The Program". Only members who apply for a duty disability after the effective date of "The Program" for their bargaining unit will be covered by the new duty disability plan. Your collective bargaining agreement contains specifics regarding this new plan. Detroit Police Officers Association & Fire Equivalents effective 7/1/95; All other Police & Fire Members effective 6/30/98.

New Policemen & Firemen "Question and Answer Booklet"

Work has begun on a new "Question and Answer" booklet for the Policemen & Firemen Retirement System. Booklets will be printed in the next few months and will be available in your department.

Important Dates

New Hospitalization Rates - Effective July 1, 1998

Longevity Pay - December 4, 1998

Trustee Elections



Ronald Stempin was re-elected as a Police trustee for the Policemen & Firemen Retirement System for a 3 year term beginning July 1, 1998 and ending June 30, 2001.

Michael V. Nevin was elected as a Fire trustee for the Policemen & Firemen Retirement System for a 3 year term commencing on July 1, 1998 and ending June 30, 2001.

Defined Contribution (Annuity) Interest Rate

The Trustees of the Policemen & Firemen Retirement System have declared a regular interest rate of 16.50% to be credited weekly on all annuity balances for the 1998-99 fiscal year. Effective July 1, 1998 the rate will be compounded weekly rather than yearly.

The questions most asked are:

Q: Can I withdraw some of my annuity money?

A: Members are not allowed to withdraw their annuity unless they have 25 years of service.

Q: Does my annuity deduction stop automatically when I reach 25 years of service?

A: You must contact your payroll department to stop your annuity deduction. The Charter **requires** that your annuity deduction stop at your twenty-fifth anniversary.



New phone system implemented

If you have contacted this office over the last 18 months then you are well aware that a new phone system has been implemented. In order to better meet the needs of our members, we felt it necessary to improve our phone system. The new system has what is called an automated attendant. This means that your call is initially handled by an automatic messaging system. The caller is given menu options that will better route the call so that the caller reaches the intended party. If you already know the 3 digit extension of the party you are trying to reach, you can input that number anytime during the recorded message (a full directory listing is located on page 4).

With as many as 600 calls a day (around the first of every month), it was virtually impossible for 1 or 2 receptionists to handle the volume of calls. The automated attendant channels all calls to the intended party or their voice mail with little or no waiting on the callers end. However, it is very important to understand that you may not get a "live person" each time and in those instances it is important that you leave a detailed voice mail message which includes your Social Security Number. Additionally, the option to reach a live operator is always available by pressing "0" at anytime during the automated message.

Retirement System gets ready for the year 2000

The Year 2000 problem, also called the Y2K virus, has been in the news almost weekly for more than a year now. The Year 2000 problem refers to the difficulties that computers are likely to have on and after January 1, 2000. The problem stems from the tradition of using two digits to represent the year, such as "98" for 1998, in computer programs. A problem arises with the year 2000 because the computer may interpret "00" as 1900. For instance, if you were born in 1929, the programs might calculate your age by subtracting 29 from 00, making you -29 years old! In some cases, the programs can't interpret the 00 at all, causing the entire system to fail.

At the Retirement Systems, there are many systems that will be affected by the Y2K problem. A concentrated effort to analyze the extent of the Y2K problem here and implement repairs has been in progress for just over one year. The repair and replacement process and program testing are scheduled to be completed by mid-1999. Computer hardware that is unable to handle the Year 2000 is being upgraded or replaced.

Retirement System Internet Site

Retirement System data processing staff are currently hard at work developing an internet site. This internet site will be available shortly and will act as another source of information for active and retired employees. With more and more companies and organizations using the internet to conduct business, we here at the Retirement Systems felt it was imperative that we allow our members automated access to pertinent information. More details about the site will be forthcoming in the next issue of the newsletter.

PENSION PERSPECTIVES

Retirement Systems Directory

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

Administration

Thomas Berriman Ext. 202
 Nick Degel Ext. 206
 Joe Glanton Ext. 203
 Rick Huddleston Ext. 201
 Waltor Stampor Ext. 209
 Tom Zdrodowski Ext. 204

Administration Support

JoAnn Harrison Ext. 217
 Kenneth Howard Ext. 257
 Janet Lenear Ext. 255
 Lori Przybylski Ext. 256
 Debra Tyler Ext. 258

Interviewers

Betty Lowe Ext. 219
 Shirley Hill Ext. 218

Computations

Deborah Wilkerson Ext. 235
 Cheneta Tillmon Ext. 236

Re-Exams

Joe Ann Smith Ext. 238

Pension Payroll

Myron Terrell Ext. 240
 Tasha Cowen Ext. 239
 Rita Cox Estimates Ext. 237
 Juanita Waller Direct Deposit Ext. 221

Annuity

Terry Sobczak Ext. 244
 David Cetlinski Ext. 242
 Latisha Moon Ext. 243
 Tawana Dickerson Ext. 241

Accounting

Marilyn Roc Berdijo Ext. 230
 Cynthia Abrams Ext. 225
 Angela Keeler Ext. 223
 Eddie Park Ext. 228
 Elaine Poznanski Ext. 231
 Rena Presbitero Ext. 229
 Beverly Scruggs Ext. 224
 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
(313) 961-3990

Hans Dental & Optical
(800) 445-2363

Co-Op Optical
(800) 368-5160

Heritage Eye Care
(800) 25202053

Golden Dental Plan
(810) 573-8118

Social Security Administration
(800) 772-1213

Policemen & Firemen
Retirement Association
(810) 795-1734

***** All fringe benefit questions should now be referred to the Benefits Division of the Human Resources Department. (313) 876-0991 or Toll Free (888) 288-2684 *****

Retiree Corner



Court rules on Widows case.

The City of Detroit has filed a lawsuit (Hannan V. City Council) in Circuit Court against the City Council. This case attempts to prevent the Retirement Systems from implementing hospitalization insurance for widows of police officers and firefighters who retired between July 1, 1985 and June 30, 1987 and prior to July 1, 1980 and who selected a straight life retirement allowance.

On April 7, 1998, Judge Claudia Morcum ruled in favor of the City Council but the City of Detroit has appealed the case and we are now awaiting the results of the appeal.

Signature Verification

One of the methods that the Retirement System uses to prevent fraud is to periodically check each retiree's signature. If you receive a signature verification form in the mail, please sign the form and have it notarized and immediately return it to our office. If signing as Power of Attorney, a copy of the Power of Attorney document must be attached. Failure to return the form promptly can result in your pension check being delayed.

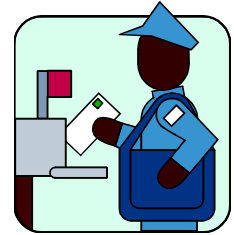
Important Dates

New Hospitalization Rates - August 1, 1998
(Effective July 1, 1998)

Cost of Living Increases - August 1, 1998

Hospitalization & Dental Re-Enrollment -
October 1 - November 15, 1998
(Effective January 1, 1999)

Retirement check not in the mail?



If you haven't received your pension check by the 4th 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 of each month. To obtain the forms necessary to enroll for Direct Deposit, please call (313) 224-3362 ext. 221.



Hospitalization & Dental Re-Enrollment

There will be a hospitalization & dental re-enrollment, this year only, for all retirees from October 1, 1998 through November 15, 1998. Changes made will become effective January 1, 1999.

Pension Perspectives

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

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PENSION PERSPECTIVES



Are you Paying too Much?

This is a question all retirees and active employees should ask themselves about the co-pays they pay each month for their medical coverage. Are you paying needless premiums for dependents you no longer have? Has your child grown up, moved from home, got married, yet you still pay for medical coverage they don't use? Are you divorced, or has your spouse died? Have you reached Medicare age and not reported it to the benefits section? These are just a few of the many reasons why active employees and retirees pay thousands of dollars each year in needless co-pays. You should make it a point to contact the Retirement Systems or the Benefit section whenever there is a change in your dependent status or you or your spouse

becomes eligible for Medicare. A simple phone call could very well put much needed money back in your pocket. **Have you checked your dependent status lately ?**

New Benefits Division

The City of Detroit has established a new Benefits Division as part of the Human Resources Department to handle all Fringe Benefits and better service City employees and retirees. Questions concerning hospitalization, dental, eye care or life insurance should now be referred to this division. Benefits are no longer part of the Retirement Systems... Contact the Benefits Division at (313) 876-0991 or Toll Free at (888) 288-2684.