

CITY OF POMPANO BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM

NEWSLETTER

JANUARY 2009

This newsletter is intended to provide you with updated information about the General Employees' Retirement System. Included with this newsletter is a new Summary Plan Description which has been updated to include information about all changes to the Retirement System through September 2008. The information contained in the Summary Plan Description is intended to provide you with specific information about the Retirement System and your retirement benefits but is in no way intended to replace or modify the Code of Ordinances.

GENERAL INFORMATION

The Pension Office is located at 555 South Andrews Avenue, Suite 106, Pompano Beach, Florida 33069. All mail should be sent to this address.

Madelene L. Klein – Executive Director
Cecilia V. Salerno – Office Clerk

Phone (954) 782-2660 or (954) 782-2704
Fax (954) 942-7901

The Board of Trustees meets on the third (3rd) Tuesday of each month at 1:30 P. M. at the Pension Office. All meetings are public and anyone may attend. Ten (10) days prior to each meeting, notices are sent to all departments throughout the City. Meeting agendas are posted 48 hours prior to each meeting at various locations throughout the City. If your department would like to receive copies of meeting agendas on a regular basis, please make arrangements through the Pension Office.

BOARD OF TRUSTEES

The Board of Trustees is comprised of seven Trustees, each serving a three-year term. Three Trustees are elected by Plan Members, three are appointed by the City Commission, and one is appointed by the other six Trustees. The current Trustees are as follows:

John J. Hackett, Chairman	Board Appointed
Reginald W. Watkins, Vice Chairman	Commission Appointed
Mark Eddington	Employee Elected
Leeta Hardin	Employee Elected
Michael Miller	Commission Appointed
George Mitchell	Employee Elected
Michael P. Nido, M. D.	Commission Appointed

PROFESSIONAL SERVICE PROVIDERS

Board Attorney	Cohen & Rind, P. A. Miami Lakes, FL
Plan Actuary	Public Pension Professionals Oakland, CA
Plan Auditor	Goldstein Schechter Koch Hollywood, FL
Plan Custodian	Salem Trust Company Deerfield Beach, FL
Asset Consultant	Southeastern Advisory Services, Atlanta, GA
Small/Mid Cap Value	Buckhead Capital Atlanta, GA
Large Cap Value	DePrince Race & Zollo Winter Park, FL
Infrastructure	JPMorgan New York, NY
Mid Cap Core Growth	Munder Capital Birmingham, MI
Core Real Estate	Principal Global Investors Chesterfield, MO
Index Fund	Rhumblin Advisers Boston, MA
Fixed Income	Richmond Capital Mgmt. Richmond, VA

EMPLOYEE AND RETIREE UPDATE

Since January 2008 the following Plan Members have retired:

Normal Retirement
Elijah "Pat" Larkins
Kathleen A. McGinn

Early Retirement
None

Vested Normal Retirement
None

DROP Entry
Marilyn E. Graham
Ronald D. Hutchins
Ronnie E. Kowal
Leonard M. Mateya
Peter H. Morongell
Joyce G. Parkinson
Janice Rolle
Patrick W. Sweny
Timothy T. Tracey

DROP Exit
Wayne Cherry
Lillie Drake
Ronald Jones
Nicholas Likourgou
Johnnie C. McElhaney

Leroy Smith, Jr.
Robert Vanscoter
James Williams

Service Connected Disability
None

Non-Service Connected Disability
None

Since January 2008 the following deaths have occurred among Plan Members:

Pre-Retirement Deaths
Anthony Gassett
Hallan Senat

Post-Retirement Deaths
Jewell C. Blue
Richard P. Bradley
Leona Lacey
Ruth Miller
Carole L. Sommer

RETIREMENT SYSTEM INFORMATION UPDATE

Board of Trustees News

As you are aware, a Trustee election was held on November 20, 2008. The candidates running for election were Mark Eddington, Water Distribution Supervisor, and Helen Gray, City Engineer. A total of 326 votes were cast, either in person or by absentee ballot. Mr. Eddington received 223 votes, Ms. Gray received 102 votes, and 1 vote was cast as "other". Mr. Eddington was declared the winner and will serve a new three year term as Trustee. To fill the Commission-appointed term expiring in 2008, the City Commission reappointed Reginald W. Watkins to the Board. Mr. Eddington's and Mr. Watkins' new terms will expire in December 2011. Earlier this year the Board welcomed Michael Miller, who was appointed by the City Commission to fill the vacancy caused by Bradley P. Tuyn's resignation from the Board late last year. Mr. Miller's term will expire in 2009.

Trustee Education is extremely important to the Board. During the past year Vice Chairman Watkins earned the Certificate of Achievement in Public Plan Policy (CAPPP) from the International Foundation of Employee Benefit Plans. Six of the seven current Trustees, as well as the Executive Director, continue to maintain their Certified Public Pension Trustees (CPPT) designations through the Florida Public Pension Trustees Association. Continuing education courses are required to maintain these designations.

Retirement Education Workshop January 28, 2009

Mark your calendars! The next Retirement Education Workshop sponsored by the Board of Trustees for all active Plan members will be held on Wednesday, January 28, 2009, from 6-8 p.m. at the Pompano Beach Civic Center. The workshop topics "The Retirement Lies We Tell

Ourselves" and "Staying Optimistic in a Volatile Market" will be presented by Jeff Helms, CFA. Mr. Helms' previous workshops sponsored by the Board were very well attended and generated a lot of positive feedback from members. A flyer containing more details is enclosed with this newsletter. Please RSVP to the Pension Office at (954) 782-2660 no later than January 20th if you are planning to attend. A light buffet dinner will be provided for attendees prior to the start of the workshop.

Ordinance Amendments

There have been no Ordinance Amendments to the General Employees Retirement System since our last update.

Financial Information

An audit of the Plan's financial records is conducted each year

as of the Plan's fiscal year-end of September 30th. As of September 30, 2008, the net asset value of the Plan was **\$104,728,386**, and was comprised of the following asset mix as of the fiscal year-end:

Domestic Equities	49.5%
International Equities	11.8%
Fixed Income	20.3%
Direct Real Estate	12.1%
Absolute Return	4.4%
Cash & Equivalents	1.9%

Member Demographics

As of September 30, 2008, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits Including DROP, and terminated employees entitled to Benefits but not yet receiving them	324
Current employees Vested	228
Current employees Non-Vested	<u>290</u>
Total employees	518

Designating a Beneficiary

Each year, when benefit statements are mailed, or when newsletters are published, we try to stress to active Plan Members how important it is to review your pension beneficiary designations from time to time. For example, if there is a birth in your family or a death of a loved-one, or if you become married or divorced, it would be a good idea to review who your beneficiaries are. A beneficiary is not only possibly entitled to receive a benefit if your death occurs after your retirement -- they are also entitled to receive a pre-retirement death benefit if you should pass away prior to retirement, while still an active or vested member of the Retirement System.

A simple phone call or visit to the Pension Office can confirm that the person or persons you would want to receive your benefit actually will. You may change your beneficiary at any time up until retirement, but for most benefit options you may not change your beneficiary designation after retirement. If you wish to verify your current beneficiary designation or request a new Designation of Beneficiary form please contact the Pension Office. You may also obtain a blank Designation of Beneficiary form on our website. Original beneficiary forms must be completed and returned to the Pension Office in order to be valid.

Pre-Retirement Death Benefits

Many employees are unaware of the pre-retirement death benefit provision in the General Employees' Retirement System, which would provide benefits to your designated beneficiary if you should die while still an active member of the General Employees' Retirement System. If you have been a member of the Retirement System for less than ten years, your designated beneficiary will receive a refund of your employee contributions with accumulated interest, plus an amount equal to your annual salary at the time of your death, paid out monthly over a four year period. If you have been a member of the Retirement System for ten

years or more, your designated beneficiary will receive a monthly benefit for a period of ten years following your death, calculated as though you had retired on the date of death and selected the Ten Year Certain benefit option.

Forfeiture of Benefits

The subject of forfeiture of public pension benefits has been in the news in recent months in part because of the legal troubles of the former sheriff and several police officers in other cities within Broward County. What most employees don't realize is that the State of Florida Constitution, Article II, Section 8(d) states that "Any public officer or employee who is convicted of a felony involving a breach of public trust shall be subject to forfeiture of rights and privileges under a public retirement system or pension plan in such manner as may be provided by law". Florida Statute 112.3173 implements this provision of the Florida Constitution and provides definitions of the specified offenses which may result in the forfeiture of benefits. In addition, there is a possibility that even without a conviction benefits might be subject to forfeiture in certain circumstances. If you would like more information, the Florida Statutes may be found at the following link:

<http://www.leg.state.fl.us/statutes/>

[WWW.POMPGERS.ORG](http://www.pompgers.org)

The General Employees' Retirement System can be found on the World Wide Web at www.pompgers.org. Most retiree forms can be printed from the website, and links are available to plan documents and other retirement-related sites.

E-mail can be sent to the Executive Director at:
POMPGERS@aol.com.

Refunds of Contributions

If you terminate employment with the City, BSO, or the Broward County Library and are not vested or eligible to receive a retirement benefit, you must complete an "Application for Refund of Contributions" before your refund will be processed. If you do not receive a form from the pension office within a few days of giving your notice to your employer, please contact the Executive Director.

As a result of the Federal "Unemployment Compensation Amendments Act of 1992" the taxable portion of your refund of contributions will be subject to a mandatory 20% withholding tax if it is not directly rolled over into a qualified retirement plan, such as an IRA. The taxable portion of your refund of contributions includes all employee contributions made after January 1, 1991, plus any interest you have earned. Each terminating member will be provided with a copy of the IRS "Special Tax Notice Regarding Plan Payments", which explains the direct rollover procedure.

You should receive your refund check approximately three to four weeks after your termination date (last day on the payroll), as long as you have submitted your completed "Application for Refund of Contributions" and all of the required documentation is received by the Pension Office from the Human Resources and Payroll Departments.

POMPANO BEACH LIBRARY AND BROWARD SHERIFF'S OFFICE EMPLOYEES

As of January 1, 2009, there were 37 active Plan Members employed

by the Broward Sheriff's Office, and 4 active Members employed by the Broward County Library System.

Please keep the Pension Office informed as to your employment status with the Broward County Library and/or the Sheriff's Office. We don't always receive employee information updates automatically from the Library or BSO, so please notify us directly if you have a change of address or if you wish to verify or amend your designated beneficiary.

RETIREES AND BENEFICIARIES

Effective May 31, 2008, our Custodian, Salem Trust Company, completed a major conversion of their computer system which generates your retirement benefit payments. As a result, for those of you who were already receiving benefits prior to the conversion date, you will receive two separate Forms 1099-R from Salem Trust Company that will equal the benefits paid to you during the year 2008. In addition, if you have requested for your monthly benefit payments to be deposited into two separate bank accounts, you will receive two separate Forms 1099-R for the period beginning June 2008 going forward.

As a reminder, monthly retirement benefits are payable at the beginning of each month. If you are currently receiving your monthly benefit payments through direct deposit, please note that if the first day of the month falls on a weekend or on a holiday, your benefit payment should be credited to your bank account on the first business day after the payable date.

If you do not already utilize direct deposit and you wish to sign up for the direct deposit of your monthly benefit payments please contact the Pension Office for more information and the proper form to complete. The form is also available for printing on our website. For changes of address, please notify the Pension Office in writing as soon as possible to avoid any possible delays in receiving your checks or other important correspondence relating to your retirement benefit.

If you wish to change the amount of federal taxes being withheld from your retirement payments, you must complete a new Form W-4P. The form is available for printing on our website, or by contacting the pension office.

All forms should be completed and mailed to the pension office as soon as possible so we can update our records and authorize our Custodian, Salem Trust Company, to make the necessary changes to your record. We prefer that you not contact Salem Trust Company directly with these types of changes because more often than not, they fail to forward the changes to us and we then have no way of verifying that the changes you requested were handled properly. However, if you do happen to notify Salem Trust directly, please provide us with a copy of the notification for our records so we can follow up and make sure your request was carried out.

Note: Please check with your tax preparer for the most recent and current tax laws concerning your pension benefits.

If you have any questions concerning the information

contained in this Newsletter, or any questions concerning your pension

benefits, please contact the Executive Director.