



# Pension Matters

Issue

09

June  
2017

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## Benefit Statements

Benefit statements are generated annually for active, employee participants. Retirees *will not* receive an annual benefit statement. As a participant in the El Paso City Employees' Pension Fund, you may be eligible for certain benefits which are based on your salary and years of pension service credit. The Texas Government Code requires that we provide you with information each year regarding your participation in the Fund. This year's benefit statements are anticipated to be released in June 2017 with data reflected as of December 31, 2016.

The benefit statement details the pension service credit and the total contributions to the Fund. The information provided is an estimate based on available personnel and payroll records, which are believed to be accurate and complete; breaks in service; part-time employment; pay-back of a refund; or the buy-back of temporary, provisional, or unclassified service credit may not be accurately reflected in your balances.

You are encouraged to visit our website at [www.eppension.org](http://www.eppension.org) where you can review Section 2.64 of the El Paso Municipal Code, as well as the Summary Plan Description. Additionally, an online benefits calculator on our website allows you to perform pension benefit projections based on given hypothetical situations. Please keep in mind that employee contributions and pension benefits may be subject to a court order, called a Qualified Domestic Relations Order, which may affect the distribution of contributions and pension benefits.

### Action May Be Required:

If, for any reason, you believe that the balances presented in the statement are inaccurate or incomplete, you must notify the El Paso City Employees' Pension Fund in writing. Failure to contest the validity of the balances presented in the statement by the date as indicated on your statement will be construed to mean that you accept those balances as correct for all purposes.

## Board of Trustees Approved an Ad-Hoc COLA for Qualified Retirees

The Actuary Committee for the El Paso City Employees' Pension Fund (the Fund) recently met to review the latest actuarial valuation, the returns of the investment portfolio, and the recent Consumer Price Index. To access the complete actuarial valuation and other financial reports, please visit [www.eppension.org](http://www.eppension.org). See Page 3 in this newsletter for information on the Fund's financial performance.

The Actuary Committee made a recommendation that the Pension Board of Trustees grant a Cost of Living Adjustment (COLA) for retirees. On May 17th during the regular meeting of the El Paso City Employees' Pension Fund, the Board of Trustees approved an ad-hoc COLA payment to be granted to qualifying retirees and beneficiaries. A one-time payment in the amount of \$800.00 will be made to retirees who retired and beneficiaries who became eligible prior to July 1, 2016. The anticipated payment date is July 21, 2017.

## Board Compliance

As required by the State Legislature, the State Pension Review Board (PRB) developed and administers the Minimum Educational Training (MET) Program for the Board of Trustees and the Pension Administrator. All Trustees and the Administrator must maintain continued education as stipulated by the PRB. Training compliance is reported to the PRB.

The PRB requires that seven credit hours of training be completed in the core content areas within the first year of service. The Pension Administrator and all Trustees, whose service start date is prior to January 2, 2015, have completed the MET Program requirement for the first year of service within the deadline of December 31, 2016.

For subsequent years, the PRB established a Continuing Education mandate that requires Trustees and the Administrator to complete four credit hours in either core or non-core content areas within each two-year period.

The Fund was an accredited sponsor of Core MET activities for 2015 and 2016. In 2017, the Fund became an accredited sponsor of both Core and Continuing Education MET activities for a period of four years.

## Congratulations to Our Retirees!

The following retirements were approved by the Board of Trustees of the El Paso City Employees' Pension Fund between October 2016 and March 2017:

<u><b>Airport</b></u> Bellegarde, Elizabeth Elliott, Mary Neville Forsyth, Thomas Hernandez, Rosalva Lucero, Pedro Martinez, Rosa Leticia Quinonez Jr., Jose	<u><b>EPWU cont'd</b></u> Valdez, Carlos Angel Valles, Roberto E. Vargas, Joseph R. Viado Sr., Rodolfo S.	<u><b>Municipal Court</b></u> Burnett, Debora Frutos, Susan Margaret Trevizo, Erick
<u><b>Capital Improvement</b></u> Baldonado, Greg	<u><b>Health</b></u> Betha, Leticia Davila, Eduardo Martinez, Sylvia Moreno, Cesar Octavio	<u><b>Parks &amp; Rec.</b></u> Duran, Eliseo Flores, Martha B. Reeves, Alfred R.
<u><b>City Attorney</b></u> Gordon, Laura P.	<u><b>Planning &amp; Inspections</b></u> Carrillo, Luz D. Shipp, Barbara Ann	<u><b>Police</b></u> Beemer, Chester Duenas, Lourdes Romero, Melissa A. Ruedas, Vivian Velazquez, Sylvia Olivas
<u><b>Comm &amp; Human Dev</b></u> Pitts, Kevin Scott Shaar, Anthony C.	<u><b>Human Resources</b></u> Saenz, Patricia	<u><b>Public Health</b></u> Balderrama, Maria Beatty, Sue E. Cutter, Minerva
<u><b>Comptroller</b></u> Martinez, Andres A.	<u><b>IT</b></u> Spencer, Mary	<u><b>Purchasing</b></u> Jimenez, Maria S.
<u><b>EMS Fire</b></u> Aguirre, Alfredo Lara, Daniel Mendez, Jaime Moreno, Gumaro Simien, Charles L.	<u><b>Int'l Bridges</b></u> Pope, Mary	<u><b>Streets &amp; Maint.</b></u> Aguilar, Martin Flores, Julian Flores, Luis Sergio Frias, Eduardo Alberto Macias, Victor Moreno, Teodoro Ortega, Lorenzo Ramirez, Rudy Rodriguez, Alfred Sevilla, Enrique Toro, Israel C. Urueta, Albert
<u><b>EPPD</b></u> Canada, Leslie Crowe, Richard Allen Cruz, Josefina	<u><b>Library</b></u> Jimenez, Anna M. Weiss, Geneva	<u><b>Zoo</b></u> Alarcon, Normando Luebke, Jerry Allen
<u><b>EPWU</b></u> Barron, Louie Becker, Ronald Gerard Flores, Gerardo Gallardo, Francisco Gonzalez, Timoteo Holmes, Janet L. Knapp, Michael Martinez, Ricardo Mendizabal, Ernesto Miller, Phillip Charles Montalvo, Jorge I Moreno, Manuel Munoz, Ruben Mendoza	<u><b>Mass Transit</b></u> Aceves, Maria Alvarado, Jose Calderon, Arturo De La Cruz, Angie Gosseck, Richard Harris, Glenn W. Hernandez, Jorge Lugo, Alejandro Melendez, Jose Moreno, Joel Reyes Jr., Juan Short, James Tellez, Albert Zarate, Lorenzo	
<u><b>MCAD</b></u> Garcia, Jesus J. Garza, Sarah	<u><b>MPO</b></u> Meza, Efen Ramos, Ida	
<u><b>Municipal Clerk</b></u> Lozano, Rosa Paz, Beatriz Rios, Socorro F. Subia, Ricardo		

## Tax Time Woes

Have you filed your taxes? Did you have too much or not enough tax withheld? You can update your elected deductions at anytime. All you need is Form W-4P. Simply visit [www.eppension.org](http://www.eppension.org), print the W-4P form, notarize and mail to our office. Or, visit us in person at 400 W. San Antonio Suite B.

Form 1099R, which details the annual pension distribution, was mailed to retirees to the address on file. If your mailing address has changed, please submit a change of address form to the Pension Administration Office. See Page 3 for additional contact information.

## Pre-Retirement Planning

The Pre-Retirement Planning Session is scheduled for August 8, 2017. The informational session helps to prepare participants for retirement. The morning and afternoon sessions will be held at the Workforce Learning Center located at 218 N. Campbell Street. Register in advance by sending an email with employee name, Kronos ID number, department name and name of training to [trainingregistration@elpasotexas.gov](mailto:trainingregistration@elpasotexas.gov). Please note that the location is subject to change and possible rescheduling will occur if expected attendance does not meet the minimum requirement. Please visit the News page of the Pension website at [www.eppension.org](http://www.eppension.org) to view the session announcement.

## Pension Payment Schedule

Pension benefits are paid on the last business day of each month. Each pay date is indicated with a red circle.

JULY							AUGUST						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1			1	2	3	4	5
2	3	4	5	6	7	8	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28	29	30	31		
30													
SEPTEMBER							OCTOBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	1	2	3	4	5	6	7
3	4	5	6	7	8	9	8	9	10	11	12	13	14
10	11	12	13	14	15	16	15	16	17	18	19	20	21
17	18	19	20	21	22	23	22	23	24	25	26	27	28
24	25	26	27	28	29	30	29	30	31				
NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2
5	6	7	8	9	10	11	3	4	5	6	7	8	9
12	13	14	15	16	17	18	10	11	12	13	14	15	16
19	20	21	22	23	24	25	17	18	19	20	21	22	23
26	27	28	29	30			24	25	26	27	28	29	30
							31						

Pension benefits are paid on the last business day of each month. When the last day of the month falls on a Saturday or Sunday, the preceding business day shall be the pay date.

# FUND AND BOARD OVERVIEW

## Financial Performance

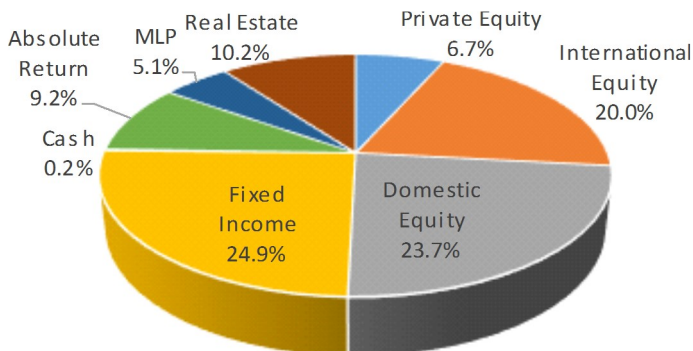
The El Paso City Employees' Pension Fund closed the 2016 fiscal year, which ended August 31, 2016, with a decrease of approximately nine million dollars in market value over Fiscal Year (FY) 2014. The decrease is primarily a result of a decrease in the fair value of investments due to the performance of the capital markets during the year.

The Auditor's Report, Actuarial Valuation, and the Annual Financial Report for FY2016 have been posted on the Pension website. These reports reflect the financial performance of the Fund. The following table provides a comparison of the valuation results for FY2016 and FY2014. To access the complete reports, please visit [www.eppension.org](http://www.eppension.org).

	FY2016	FY2014
<b>Active Members</b>		
Total	4,217	4,149
Average annual pay	\$37,073	\$37,024
Average age	46.5	46.8
Average service	10.6	10.7
<b>Retired Members</b>		
Total	2,863	2,627
Average current annual benefit	\$18,333	\$17,660
Average age	69.4	69.1
<b>Assets</b>		
Market value	\$ 723,103,443	\$ 732,528,317
Actuarial value	\$ 749,026,818	\$ 663,063,411
<b>Valuation Results</b>		
Unfunded actuarial accrued liability (UAAL)	\$ 196,745,280	\$ 196,681,524
Funding period	17 years	11 years

## Asset Holdings as of August 31, 2016

The following pie chart reflects the asset allocation for FY2016. To view the complete Annual Financial Report visit [www.eppension.org](http://www.eppension.org).



## Pension Board Election Results

The Pension Fund (the Fund) was established by the City of El Paso to provide participants retirement benefits. It is administered by the Board of Trustees (the Board.) The Board is composed of nine members including four City employees who are qualified to participate in the Fund. The four employees serving on the Board are elected to serve a three-year term. An election to fill two of those positions was held in April 2017.

Employees, Karl Rimkus and Robert C. Studer, were elected by their peers. Rimkus is the Environmental Compliance Program Manager with the Environmental Services Department. He has served on the Pension Board since 2012 and is presently Board Chairman. Rimkus is also a member of the Fund's Investment Committee and Chairman of the Facilities and Maintenance Committee. Studer is the Executive Budget Advisor with the Office of Management and Budget. It was a close race between Studer and incumbent Mario R. Hernandez; Studer won his seat by three votes. He brings a new perspective to the Board as this will be his first term as a Trustee on the Pension Board.

Trustee Attendance Records For the Regular Monthly & Special Board Meetings October 2016 - March 2017						
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
<i>Karl C. Rimkus, Chairman</i>	Yes	Yes	Yes	Yes	Yes	Yes
<i>Rene D. Peña, Vice-Chair</i>	Yes	Yes	Yes	Yes	Yes	Yes
<i>Ed Archuleta</i>	No	Yes	No	Yes	Yes	Yes
<i>Mario R. Hernandez</i>	Yes	Yes	Yes	Yes	Yes	Yes
<i>Rep. Lily Limón</i>	Yes	No	Yes	Yes	Yes	Yes
<i>Presi Ortega</i>	No	Yes	Yes	Yes	Yes	No
<i>Christina Stokes</i>	Yes	Yes	Yes	Yes	Yes	No
<i>Rep. Jim Tolbert</i>	Yes	Yes	Yes	Yes	No	Yes
<i>Rebecca L. Torres</i>	Yes	Yes	Yes	Yes	Yes	Yes

The Board of Trustees' monthly meeting is regularly held every third Wednesday of every month.

## CONTACT INFORMATION

Robert B. Ash  
Pension Administrator  
[contact@eppension.org](mailto:contact@eppension.org)

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Deputy Pension Administrator  
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Pauline Castillo  
Benefits Technician  
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# MEET THE PENSION FUND STAFF

Robert Ash is the Pension Administrator of the El Paso City Employees' Pension Fund and serves as Secretary of the Board of Trustees. Mr. Ash has held his position for over 25 years. Under direction from the Board of Trustees, Mr. Ash plans, directs, and implements daily activities of the Fund in accordance with the ordinance, Board directives and policies, and state and federal laws. Karina Chavez, Retirement Coordinator/ Data Entry Clerk, had a Q&A session with the Pension Administrator to provide insight on the status of the Fund.

**K.C.: The Pension Fund is regulated by the El Paso Municipal Code and administered by the Board of Trustees (the Board). The Board directs the safekeeping and investment of funds and orders payments from the Fund in accordance with the Municipal Code. Annually, the Board considers granting a Cost of Living Adjustment (COLA) for retirees. Why does the Board issue a COLA? or Why not?**

R.A.: The Board has always been very concerned about its retirees. The Board of Trustees is authorized in Section 2.64.100A to explore the possibility and cost of providing a Cost of Living Adjustment to retired employees and their beneficiaries. However, no cost of living increase is guaranteed. The Board explores granting a COLA after actuarial valuations are performed. The Board has a policy which identifies many factors which are used in determining their decision; some of the factors are the increase in the Consumer Price Index since the last COLA was granted, the Fund investment performance, the actuarial position of the Fund and the number of years necessary to amortize the Fund's actuarial liability.

**K.C.: The Pension Fund is funded by statutory contribution amounts. Is the current level of contributions sufficient to fund all future benefit payments?**

R.A.: Contributions to the City Employees' Pension Fund are governed by Section 2.64.190 of the El Paso Municipal Code. Currently, Employees contribute 8.95 percent on a pre-tax basis and the City contributes 14.05 percent of a participant's salary. According to the Fund's most recent actuarial valuation, it costs a little over 12 percent of pay to provide the current level of benefits. This is referred to by the Fund's actuary as the Fund's "normal cost." The difference between the total amount of contributions and the normal cost is used to pay-off the existing unfunded actuarial accrued liability. At this time contributions appear sufficient to fund anticipated future benefits; so long as the Fund achieves its actuarial assumptions over time.

Of the seven employees in the Pension Office, there are two Benefits Technicians. The primary responsibilities of a Benefits Technician include assisting City employees with retirement, disability, and survivor benefits. Karina Chavez, Retirement Coordinator/ Data Entry Clerk, had a Q&A session with the Benefits Technicians.

*We are pleased to introduce Pauline Castillo. Castillo joined our team as a Benefits Technician in December of 2016. She has 15 years of Human Resources (HR) experience and earned an Associate of Accounting.*



**Pauline Castillo**  
Benefits Technician

**K.C.: The Pension Plan is a 401(a) defined benefit plan. During your employment with the City's HR Department, you assisted countless new, City employees. What is the most common misconception about the Plan that you encountered?**

P.C.: Many of the new employees didn't even ask about the pension plan that the City of El Paso provides. I, myself, thought that everybody participated. Now, I know that some contract and part-time employees have the option of participating while participation is mandatory for regular full-time employees.



**Esmeralda Aguirre**  
Benefits Technician

*Esmeralda Aguirre joined our team as a Benefits Technician in June of 2015. Aguirre was a student intern for the Fund and earned her Bachelor's Degree in Finance from UTEP.*

**K.C.: In addition to attending the Pre-Retirement planning session offered in collaboration with the City's Benefits Department, what is your advice to employee participants that are ready to retire?**

E.A.: In addition to attending the Pre-Retirement Planning Session another good source for information is our website, [www.eppension.org](http://www.eppension.org). On the website, you will find a pension calculator that will help you get an estimate of your monthly benefit. Remember the calculator is really only as accurate as the information you provide. Also, on the website by selecting the Participants tab, you will find a "Retirement Checklist" that will help you through your retirement process. Once you are ready to retire, start the process by calling the Pension Administration Office at least 45 to 60 days in advance from your tentative retirement date.