



To: Retirees of the Fort Lauderdale General Employees' Retirement System (GERS)

Date: October 3, 2018

Regarding: Updates on the Pension Plan

We are very pleased to report that **your Pension Plan remains in excellent financial condition.** Based upon commonly used metrics, the Plan is very well funded on an absolute basis and among the very best funded pension plans within the State of Florida. Most fortunately, the State has imposed stringent mandates on the funding of public pension plans to ensure that they are adequately funded, unlike the pension plans in other states that you hear about that are in financial crisis.

The City of Fort Lauderdale continues to financially support the Plan and even infused an additional \$146.4M through a pension obligation bond back in the year 2012. The City's funding requirements are determined annually by the Plan's actuary, who performs an extensive evaluation (actuarial valuation) to re-evaluate pension benefit liabilities and determine the funding required to ensure that the Plan remains financially sound. Also contributing to the financial health of the Plan is investment return from a very well diversified portfolio of domestic and foreign equities, various fixed income products and real estate and private equity funds. All the investments are professionally managed and overseen by a professional independent consultant engaged by the Board. The market value of the portfolio was reported as \$674,428,757 as of June 30, 2018. The Plan is in compliance with all Federal and State laws and mandates. Financial information including actuarial reports, audited financial statements and investment performance reports are all available on the Plan's website www.citypension.com.

General administration and fiduciary responsibility for the operation of the Plan resides with the Board of Pension Trustees who meet monthly (usually the second Thursday at noon) to conduct normal business. These meetings are open to the public and you are always welcome to attend. The agendas for upcoming meetings are published on the Plan's website.

Cost-of-living adjustments have long been a concern for retirees. As you probably already know, there are not any provisions for consistent or systematic cost-of-living increases. While a mechanism does exist within City Ordinance for ad-hoc increases, they are subject to prerequisite criteria established by the State and also require the ultimate approval by the City Commission. The Board, in conjunction with the actuarial valuation, evaluates this criteria annually and then informs the City whenever it has been met. Please be advised that for the first time since the year 2010, the prerequisite criteria has actually been met and the matter has been scheduled for consideration during the City Commission Conference Meeting on October 23, 2018 at 1:30 PM over at City Hall. There also exists a strict restriction imposed on the funding of any benefit improvements by the covenants of the pension obligation fund. Anyone interested in attending that meeting should verify beforehand that it is still scheduled. A few of your fellow retirees, Hattie Brinson and Eve Bazer, have been actively monitoring the process and have extended an invitation for you to contact them at kingdomtime@live.com and/or ebazer@bellsouth.net.

AS A REMINDER...

Pension benefits paid via direct deposit are payable on the first business day of the month. Many financial institutions generally do not perform direct deposits on Saturdays, Sundays and Holidays. For those not receiving direct deposit, checks are generally mailed on the 1st of each month.

Your income and tax reporting to the Internal Revenue Service is performed annually and you will be mailed a 1099R Tax Reporting Form for use in filing your taxes every year by January 31.

You may change your tax withholding as often as necessary by submitting a replacement tax withholding form to the Pension Office. The Internal Revenue Service does revise tax tables annually therefore your taxes withheld will usually change slightly every January with a nominal effect on the amount of your net pension benefit.

Your direct deposit information can be updated as frequently as necessary by contacting the Pension Office. You should contact the Pension Office immediately in the event of fraud or your bank account being compromised.

It is imperative that address changes are filed directly with the Pension Office whenever you relocate to ensure delivery of important notices and annual tax reporting. Merely changing your address with the Post Office does not automatically extend to other parties including the Pension Office.

After divorce or remarriage it is imperative to contact the Pension Office to inquire regarding the impact and status of any potential survivorship benefits. The provisions of the Plan and Florida State Law materially impact the payment of survivorship benefits to new and ex-spouses.

STAY CONNECTED!

The Pension Office is your main point of contact for all pension related matters after retirement including address changes, direct deposit changes, revisions of tax withholding and all other general questions with the exception of changes in insurance coverages.

Any concerns or changes regarding the City health, dental, vision or life insurance continued after retirement should be directed to Employee Benefits at the City of Fort Lauderdale at 954-828-5160, not the Pension Office.

Stay connected online with news, forms, agendas for upcoming meetings, minutes from prior meetings publications and other additional information at www.citypension.com.

The Pension Office is located at 316 NE Fourth Street, Suite 2, Fort Lauderdale, Florida 33301 and open during the regular business hours of 8:30 AM to 5:00 PM. The office observes the same holiday schedule as the City of Fort Lauderdale.

The Plan Administrator is Nicholas Schiess and the Pension and Recording Secretary is Jane Dyar.

The Pension Office telephone numbers are (954) 828-5171 or toll-free (888) 269-4447 and the general e-mail box is contact@citypension.com. E-mail and voicemail messages delivered after hours are generally returned the next business day.

Sincerely,



Nick Schiess, Plan Administrator