

Financial Security for Your Golden Years



Retirement Board

Joe Breister
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Member Elected

Brian Larson
Vice-Chairman
BoCC Appointed

Sandra Damron
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Sitting El Paso
County Treasurer

Monnie Gore
Secretary
Member Elected

Julie Johnson
Board Member
BoCC Appointed

New Director focuses on benefits, costs

The El Paso County Board of Retirement selected Howard Miller as Executive Director after an extensive search. Miller replaces Plan Administrator Dave Klemmer. Klemmer served for almost 12 years — from August 1997 to May 2009.

Miller has spent his career administering public pension plans, most recently in Texas. There, he worked with pension plans that ranged in size from among the largest in the nation, like the City of Houston and Harris County, to plans serving smaller county employers.

“It is both an honor and a privilege to serve those who are serving their community. It’s a responsibility I take very seriously,” Miller said.

In the 5 months that Miller has been Director, he has spent the majority of his time talking about funding, expenses and open communication for all stakeholders.

“We talk a lot about funding when discussing your El Paso County Retirement Plan. It comes down to making sure the benefits promised can be provided for retirees, current members, and those who have yet to

serve,” he said.

Miller believes it is important to look at the plan within a broad context and think about how plan decisions not only affect costs, but can also influence the choices members make. According to Miller, focusing only on costs may leave unanswered the questions about how a plan fits into an individual employer’s overall benefit package and how it will serve employers’ needs in tomorrow’s work environment.

Miller says the El Paso County Retirement Plan is a retention tool and it factors heavily into an employee’s individual decisions about retirement. Ultimately, employers can’t control when employees decide to retire; however, the employer’s benefits — including health care — will factor into their decisions, Miller says. Outside considerations such as changes in Social Security and Medicare benefits also influence employee decisions.

“We want to give employers and members meaningful insights so that they can make sound decisions not just today, but for the future, as well,” Miller said.

Board takes steps to secure your future

Like most pension plans around the country, the El Paso County Retirement Plan was profoundly affected by the financial markets of 2008. Your board has acted decisively to help secure the future of your retirement plan.

An analysis of the effect of 2008 investment losses and the plan’s overall funding status revealed that if no changes were made, the plan would cease to exist in 30 years. To protect the future of the plan and your retirement benefits,

the trustees took the following actions:

- Future contributions from members and employers will increase incrementally going forward. In 2010, contributions will increase to 6.5%, in 2011 to 7.0%, and 2012 to 7.5%.
- New hires will have a lower tiered-benefit multiplier of 2.00% for their first 10 years of service. This increases to 2.11% for their second 10 years of service, and 2.22% for

all years above 20.

- All members must have five years of service in order for their beneficiaries to receive matching funds from the plan. All beneficiaries will have the same benefit options whether married or single.

These changes are important first steps toward creating a more securely funded retirement plan for you and your loved ones.

Vesting: Make the most of your time while working

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Vesting with your El Paso County Retirement Plan is an important step toward a more financially secure retirement. But vesting also qualifies you for other EPCRP benefits that can be helpful to you and your loved ones.

The basics

With your El Paso County Retirement Plan, you're vested when you've earned five years of credited service with your employer. Once you're vested, you have the right to a retirement benefit when you meet the age requirement. You keep that right even if you leave your current job, as long as you don't withdraw your contributions.

Vesting with EPCRP isn't like vesting with a private-sector retirement plan. You don't get extra money if you're vested and you withdraw your EPCRP contributions. If you choose to withdraw, you will only receive your accumulated contributions and interest. You also give up your right to a retirement benefit in the future.

Options for you and your loved ones

If you leave your current job and you're already vested, you can keep your contributions with EPCRP. Plus, your contributions will keep earning interest, which is currently 3% compounded monthly. You can withdraw your contributions later or choose to start a monthly benefit for life once you are eligible.

Being vested also qualifies your beneficiary for our Protection for Your Survivors benefit. This benefit can provide your loved ones with peace of mind should you pass away before you retire.

This benefit gives your beneficiary one of two ways to benefit from your EPCRP contributions. He or she can choose to receive double your accumulated contributions in a single payment or your beneficiary can defer payment until you would have turned age 55 and start receiving a monthly benefit.

This Protection for Your Survivors benefit covers your beneficiary as long as you are vested and you don't withdraw your contributions — even if you leave your current job.

For more information

As you can see, vesting with EPCRP has advantages for you and your family. For more information about vesting and your retirement benefits, check out your Income for Your Retirement handbook, available online at www.epcretirement.org.

Timing is everything when it comes to Social Security

If you're like most people, you are counting on Social Security as a source of retirement income. When you start taking your Social Security benefit is a big factor in how much you'll receive each month.

Social Security gives you three options when it comes to timing the start of your benefit. For all of these options, you must have at least 40 quarters worth (10 years worth) of Social Security contributions to qualify for a benefit:

- **Full retirement:** When you start your benefit at your full retirement age — between 65 and 67, depending on your birth year (see chart).
- **Early retirement:** When you start your benefit at age 62 up to your full retirement age.
- **Delayed retirement:** When you start your benefit after your full retirement age up to age 70.

Better sooner than later?

You can start your Social Security benefit as early as age 62. That's the same age you qualify for full El Paso County Retirement Plan benefits. While it might be tempting to start your Social Security and EPCRP benefits at the same time, it's not without drawbacks. Most significantly, if you start your Social Security benefit early, that benefit will be permanently

reduced. (In contrast, 62 is full retirement age for EPCRP, so any benefit you start with EPCRP at age 62 is a full benefit for life.)

For example, a vested EPCRP member was born in 1950 and decides to take his Social Security benefit at age 62. His Social Security benefit will be 75% of what he would have gotten had he waited four years until his full retirement age, which for Social Security is age 66.

Taking your Social Security benefit early can also reduce the amount your wife or husband might receive as a spousal benefit. In our example above, early retirement could reduce the Social Security spousal benefit for the wife of the retiree above by 30%.

Worth the wait

For every year you delay taking Social Security past your full retirement age, your Social Security benefit will increase by a certain percentage, depending on your birth year. And that increase is permanent.

Using the example above, our vested EPCRP member decides to wait and start his Social Security benefit at age 68. His Social Security benefit would be 116% of what his benefit would have been had he started it at his full Social Security retirement age of 66. Keep in mind that this delayed retirement credit does not apply after age 70, so waiting until your 75 birthday doesn't earn you any extra benefit.

Crunching the numbers

The Social Security Web site (www.ssa.gov) offers a number of estimate calculators to help you with your retirement planning. To find them, visit the SSA Web site and click on "Retirement."

You can also learn more about how your Social Security benefits may work with your pension benefits in the "Adding It Up" section of your Income for Your Retirement plan handbook from EPCRP. This handbook is available on our Web site (www.epcretirement.org) — just click on Plan Description.

Source: Social Security Administration Web site (www.ssa.gov)

Birth Year	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

