

Retirement News Update



1st Quarter 2004

Volume 2 Issue 1

A Quarterly Newsletter for Members of the City of Austin Employees' Retirement System

Director's Corner

As the new Executive Director for COA ERS, this is my first opportunity to share a few thoughts in the Retirement News Update.

First, let me say it is an honor to have been selected to help lead this organization in partnership with the Board of Trustees. I firmly believe that COA ERS is one of the finest municipal retirement systems in the country and I am pleased to be joining an enthusiastic and service-oriented team of employees.

These are challenging times for public retirement systems and COA ERS is no exception. The disappointing market returns of 2000-2003 have taken their toll. Recent market performance is much improved; however, it will take time to fully recover. Still, retirees can take comfort in knowing their retirement benefits are secure. The assets supporting the System currently stand at approximately \$1.3 billion.

Our commitment is to safeguard the System's assets and preserve its long-term financial health and we want you to be fully informed in this process. Last month, you were provided a summary of the System's financial status. I urge you to take time to read this information carefully and contact us if you have any questions or concerns.

I look forward to serving you in the coming years.

Sincerely,

Stephen C. Edmonds

Board of Trustees Certify Election Results

The Nominating and Election Committee met on January 6, 2004 to tabulate the ballots for the 2003 Active Member Election for Places 6 & 7 and Special Election for Place 8.

In the Active Member Election for Places 6 and 7, candidate Cathy Rodgers received a total of 485 votes, candidate Delia Hernandez received a total of 408 votes, candidate Mark Monteith received a total of 402 votes, and candidate Greg Canally received a total of 296 votes. 8 write-in candidates were received for a total of 8 votes. The apparent winner of Place 6 was Cathy Rodgers, and the apparent winner of Place 7 was Mark Monteith. Policy states that two members of the Board may not be from the same COA department.

In the Special Election for Place 8, candidate Francine Gertz received a total of 423 votes, candidate Mike Pope received a total of 318 votes, candidate David Hale received a total of 146 votes, and 12 write-in candidates were

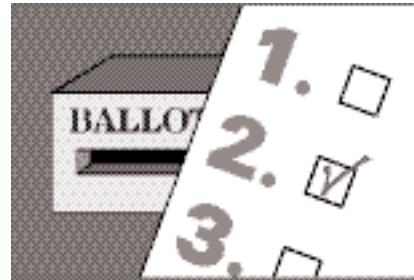
received for a total of 12 votes.

Of the ballots mailed, 12% (958/7740) responded. 18 ballots were considered invalid and not included in the final count. The reasons for invalidation were as follows: 2 ballots - no votes marked; 5 ballots - ballot number cut off;

1 ballot - more than required candidate(s) selected; 10 ballots - received after the deadline.

The Board of Trustees certified these results during their January 27, 2004 meeting. Additionally, the Board elected Cathy Rodgers as the Board Chairperson and Dennis Waley as the Board Vice Chairperson.

**Congratulations
Cathy Rodgers,
Mark Monteith &
Francine Gertz!**



**City of Austin Employees'
Retirement System**

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Phone: (512) 458-2551

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www.coaers.org



Questions and Answers about Disability Retirement

Members with less than five years creditable service may apply for disability retirement only if the disability is a result of an on-the-job accident or injury. Members with five or more years of creditable service may apply for disability retirement even if the disability is not job related. Members who are already eligible to retire may not apply for disability retirement.

termination for inability to perform all employment duties.

Applications for disability retirement benefits are available at the Retirement Office. The Board of Trustees reviews all applications and has final authority in granting disability retirement allowances. Individuals who have retired through this program are required to periodically provide proof of continued disability. In addition, they are required to provide income verification annually to the Board.

Employees who are Members of the COA ERS should be aware that disability retirement benefits are available under certain circumstances. A COA ERS Member is eligible to apply for disability retirement benefits if the individual is mentally or physically incapacitated for the performance of any type of employment duties, and the incapacity is likely to be permanent.

A Member is considered to be in the same membership category (Active-Contributory or Inactive-Contributory) in effect on the date he or she terminated employment with the City for a period of 90 days following termination. This fact enables COA ERS Members to apply for disability retirement benefits for up to 90 days following their

If you need further information about disability retirement or need an application to apply for disability retirement, please call the Retirement Office at (512) 458-2551.

Know Your Benefits: How are Retirement Benefits Calculated?

The following factors are used to calculate COA ERS retirement benefits:

1. **Total Creditable Service:** Total Years and Months of creditable service, including:

- * Regular Membership service,
 - * Reinstated Membership service,
 - * Military service purchased,
 - * Non-contributory service purchased,
 - * Permissive time purchased,
 - * Converted sick leave, and
 - * Up to one six-month probationary period granted at retirement to members hired before October 1, 1995.
- * Note: Proportionate service is only used to reach retirement eligibility; it is not used to calculate retirement benefits.

2. **Multiplier:** As of January 2002, COA ERS' multiplier is 3.0%.

3. **Final Average Earnings (FAE):** The average of the highest salary earned during 36 months within the last ten years of service. For most Members, this is the average of the last three years worked.

This can be calculated as either a monthly FAE or an annual FAE. Purchases of service credit do not affect the FAE.

To Estimate Retirement Benefits:

1. Multiply **Total Creditable Service** by
2. **Current Multiplier.** This equals the percentage of gross income replaced.
3. Multiply this percentage by **Final Average Earnings.**

For Example:

23	x	3.0%	=	69%										
Years of Creditable Service		Current Multiplier		% of Income Replaced										
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">\$22,000</td> <td style="text-align: center;">x</td> <td style="text-align: center;">69%</td> <td style="text-align: center;">=</td> <td style="text-align: center;">\$15,180</td> </tr> <tr> <td style="text-align: center; font-size: small;">Final Average Earnings</td> <td></td> <td style="text-align: center; font-size: small;">% of Income Replaced</td> <td></td> <td style="text-align: center; font-size: small;">Gross Annual Retirement Benefit</td> </tr> </table>					\$22,000	x	69%	=	\$15,180	Final Average Earnings		% of Income Replaced		Gross Annual Retirement Benefit
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Final Average Earnings		% of Income Replaced		Gross Annual Retirement Benefit										

Members are invited to visit our website at www.coaers.org to estimate retirement benefits using our Monthly Benefit Calculator. Members can also use this calculator to estimate the amount of survivor beneficiary annuities.

The City of Austin Deferred Compensation Plan is sponsoring a series of lunch time "brown bag seminars" this year. These seminars are being held at noon on the third Wednesday and third Thursday of each month. A variety of financial topics will be covered throughout the year. Call (512) 457-9240 for locations and more information.

Active Member Q & A

Q: Can I borrow against my COA ERS retirement funds?

A: Federal law does not allow Members to withdraw portions of contributions or to receive loans from their retirement funds. Members may not transfer or assign any of their deposits or retirement benefits to anyone except pursuant to an authorized tax levy, child support obligation, or qualified domestic relations order entered by a proper court of record.

Annual Affidavits

Once each year, affidavits are mailed to all Retirees and Beneficiaries receiving annuity payments. By signing and completing the affidavit, annuitants confirm that they are alive and continue to be eligible to receive their monthly annuity. The affidavit process is used by many retirement systems to prevent fraudulent payments to people who are not eligible to receive an annuity. Board policy requires that affidavits be notarized.

Affidavits will be mailed June 1, 2004, and are due no later than July 1, 2004. Retirees may stop by the Retirement Office for free affidavit notary services. Annuities may be suspended if affidavits are not returned by that date. Please help us to protect our retirement system by completing your affidavit promptly each year. Thank you in advance for making this a successful process.

We are aware of the fact that returning affidavits during the summer months can be difficult for some retirees. Therefore, beginning in 2005, COA ERS will begin mailing affidavits in March to be returned in April. We hope that this change in schedule will better accommodate our retirees.

Retirees Working for the City of Austin

The statute governing COA ERS places restrictions on Members who retire from the System and then return to work for the City of Austin. The reason for these restrictions is the System needs Active Contributing Members to ensure adequate funding for our long-term liabilities. If a Retiree fills a position that would otherwise contribute to the System, on-going funding for the System may be jeopardized. A Retiree may work for the City of Austin for any length of time as long as the retiree does not work more than 29 hours per week. A retiree working more than 29 hours per week may not work more than 26 weeks in any consecutive 12 month period. Violation of this restriction may result in the suspension of monthly annuity payments.

Retiree Snapshot

After 29 years of service with the City of Austin, Ron Rundberg has been enjoying his retirement by traveling and pursuing his interests in history and wildlife. After visiting many national parks, wildlife refuges, talking with rangers, wildlife biologists and others concerned with wildlife conservation, Ron's interest has been sparked from history itself to include natural history, biology, zoology and ornithology. He contributes articles to the "Traveler" magazine and volunteers at the Water Prairie Chicken National Wildlife Refuge.



We regret to inform you that the following retirees have passed away between September 1, 2003 and January 31, 2004:

Eugene Banduch	Maurine Johnson
Rubin Barrera	Leroy Jones, Jr.
Reginal Basey	Thomas Lanmon
Glen Bell	Robert Leibas
Lyda Burge	Edward Molina
Sam Clark	Euneatia Newman
Charles Craig	William Owens
Faustino Fabela	Jessie Partridge
Leo Fletcher	Harold Petty
John Gamble	Irma Pugh
Alberto Gamez	David Turello
Wayne Golden	Vickie Smith
Arthur Greenwood	Julian Whetsell, Jr.

We also extend our condolences to the family and friends of those Members of COA ERS who were active City of Austin employees:

Daniel Clinker
Lyndon Hester

City of Austin Water & Wastewater Retiree Breakfast

When:

First Monday of each month
@ 9:00 AM

Where:

Waterloo Ice House
8600 Burnet Road
Austin, TX 78757
Phone: 458-6544

For more information contact
Gus Neitsch at 930-3900.

Everyone goes dutch...

This event is not sponsored by the COA ERS.

COA ERS Receives Certificate of Achievement

The City of Austin Employees' Retirement System's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2002 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Upcoming Dates to Remember

March 18th - Pre-Retirement Seminar
March 23rd - COA ERS Board Meeting
March 31st - Retiree Pay Day
April 15th - Pre-Retirement Seminar
April 27th - COA ERS Board Meeting
April 30th - Retiree Pay Day

COA ERS Board of Trustees

Cathy Rodgers, Board Chair
Dennis Waley, Board Vice Chair
Janet Bartles, Trustee
Eyna Canales-Zarate, Trustee
Reagan David, Trustee
Francine Gertz, Trustee
Ed Golden, Trustee
Elizabeth S. Gonzales, Trustee
Jackie Goodman, Mayor ProTem
Sheila (Matthews) Hale, Trustee
Mark Monteith, Trustee

Retirement News Update is a publication of the City of Austin Employees' Retirement System and is distributed for the information of COA ERS active, vested, and retired members, and their beneficiaries.

Please keep your address up to date!

ACTIVE MEMBERS - Please contact City of Austin Payroll Dept. at 974-3001 to change your address.

RETIRED & VESTED MEMBERS - Please submit a change of address in writing to the COA ERS office.

Retirement Strategies Presentation

Presented by the City of Austin Employees' Retirement System

Find Out:

When can I retire?
How can I purchase service credit?
How much Permissive time can I buy?
What is Proportionate Retirement?
Do I qualify for the DROP?

Our informal question and answer sessions will help you plan for retirement.

To request a presentation for your department, please call the Retirement Office at 458-2551.



COA ERS Staff

Executive Director

Stephen C. Edmonds

Executive Assistant

Cheryl Nelson

Operations Manager

Rhonda Plentl

Member Services

Member Services Specialists

Johne Behner

Laura L. Fugate

Zandra Mencer-Jones

Member Services Coordinators

Craig Finkelstein

Teresa Cantu

Operations

Administrative Supervisor

Jesse Ortega

IT Coordinator

Melissa Adams

Office Coordinator

Lee DeGaugh

Office Assistant

Korrie Hoskins

Finance

Finance Manager

Donna Boykin

Financial Analyst

Barbara Rangel

Website Suggestions?

If you have any suggestions regarding information you would like to see posted on the COA ERS website, please email them to jesse.ortega@coaers.org.

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The COA ERS is committed to compliance with the ADA.
Reasonable modifications and equal access to communications will be provided upon request.