

Retirement News Update

A Publication of the City of Austin Employees' Retirement System

Available online at www.coaers.org

3rd Quarter 2009

Beneficiary Designation Form

Every Member (Retired, Active, and Vested) is encouraged to file a beneficiary designation form with COA ERS and keep the form current as life and family status changes occur. By completing and returning the form, you can ensure that your COA ERS lump-sum death benefit will be paid in accordance with your wishes.

If you are an Active Member, it is important to be aware that the City of Austin, your employer, and COA ERS, your retirement system, provide different death benefits, and each entity has its own beneficiary form. COA ERS will pay death benefits based on the most recent beneficiary form on file that specifically designates for retirement benefits. The current version of the City of Austin form does not designate the beneficiaries of retirement benefits. You can download the COA ERS form from our website at www.coaers.org, or you can request it by calling our office at 512-458-2551. This form must be signed before a Notary Public. COA ERS provides notary services free of charge to our Members for COA ERS business.

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did you know?

COA ERS has a big impact on the local economy.

COA ERS pays out around \$100 million in benefits each year, most of which is spent here in Central Texas. It's a common misperception that this translates into \$100 million in annual government spending. Actually, over the past ten years, about 23% of the funding for our retirement system came from the City (with a relatively small portion of that from the General Fund). The remaining 77% came from a combination of employee contributions and investment earnings.

A recent study, "Pensionomics," by the National Institute on Retirement Security, analyzes the economic impact of public pensions, state by state. The estimate for the State of Texas of the economic impact per dollar of benefits paid is \$1.44. This means that \$100 million paid out in benefits translates to \$144 million in economic activity. On average in Texas, each tax dollar invested in public pensions supports \$8.32 in total economic activity. For more information, the study may be accessed at www.nirsonline.org.

Why COA ERS Will Not Release Personal Information over the Phone or Email

From time to time, COA ERS Members, financial institutions or government entities call the Retirement Office to obtain personal or financial information regarding retirement accounts. Most of these requests for information are legitimate; however, for the protection of our Members, COA ERS staff will not release any personal or financial information over the phone or by email. If you request personal retirement information, staff will mail it to your address on record. To request information by fax, COA ERS requires that you submit a photo ID and a signed authorization for the release of the information. Requests for financial information from other institutions, such as banks, mortgage companies, or other government agencies, must include the COA ERS Member's release with the Member's signature and social security number. For security reasons, these requests are only accepted and responded to via fax or posted mail; Members are also encouraged not to send personal information to COA ERS via email. We understand that this may be inconvenient at times, but we are committed to the security of personal and financial information.

Active Member News and Notes

Vesting and Retirement

What does it mean to be “vested”?

As a Member of COA ERS, you become vested as soon as you have 5 years of Creditable Service. Vesting is a very important step towards earning a retirement benefit. A Vested Member whose retirement contributions remain in the Retirement System is entitled to receive a lifetime benefit. The Member can apply to receive the benefit upon reaching retirement eligibility.

How is Creditable Service determined?

Creditable Service is a combination of membership service (period of time during which an eligible employee pays into and keeps on deposit the required retirement contributions into COA ERS) and other types of purchased or proportionate service credit. (You can obtain more information about purchased or proportionate service credit by reading the FAQs on our website at www.coaers.org or by calling the Retirement Office.) A Member's Creditable Service will be adjusted for leaves of absence periods and other breaks-in-service. *(Cont. on page 4)*

Disability Retirement

Employees who are Members of 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 if the individual is physically or mentally incapacitated for the performance of **ALL** employment duties, not just the person's City of Austin job, and the incapacity is likely to be permanent. Members with less than 5 years of Creditable Service are only eligible to apply if the disability is the result of an on-the-job accident or injury. Members with 5 or more years of Creditable Service may apply even if the disability is not job related. However, Members who are already eligible to retire with COA ERS (age 62, age 55 with 20 years of service, or any age with 23 years of service) are not eligible for disability retirement.

Members who are terminated from City employment for inability to perform all employment duties must make application for disability retirement benefits within 90 days of termination. *It is the Member's responsibility to confirm his/her date of termination and to apply for disability retirement benefits within the 90-day period. (Cont. on page 4)*

Pre-Retirement Seminars

If you are thinking about retiring from the City of Austin within the next two years, you may want to attend a Pre-Retirement Seminar. Representatives from COA ERS, the City of Austin Benefits Department (Retiree Healthcare), and Deferred Compensation present valuable information for planning your retirement. The seminar is generally offered the third Thursday at 2:00 p.m. at the Retirement Office, 418 E. Highland Mall Blvd.

If you have any questions concerning the seminar or want to sign up for an upcoming seminar, please call the Retirement Office at 512-458-2551.

Active Member Places 8 and 9 Board Trustee Election

Are you interested in serving as a Trustee on the Retirement Board? We will be conducting an election for Active Member Places 8 and 9 this year. These places are currently held by Eyna Canales-Zarate and Anthony B. Ross, Sr. The four-year term of office will be from January 2010 through December 2013.

To be eligible to serve on the Board, you must be an Active-Contributory Member of COA ERS. Note that not more than one Active-Contributory Member is eligible for election from any one department. Therefore, employees from the Austin Water Utility and Health & Human Services Department are not eligible to run in this election since those departments are currently represented by Mark Monteith and Francine Gertz. Qualified candidates must submit a completed application to the Retirement Office before 5:00 p.m. or postmarked no later than Friday, September 4, 2009. The application packet is available on our website, www.coaers.org, or at the Retirement Office.

Ballots for this election will be mailed to the home addresses of Active-Contributory Members in October. *Please note:* It is very important that you contact the City of Austin Payroll Dept. at 512-974-3001 to update your address to ensure you receive your ballot. Ballots must be returned to the Retirement Office before 5:00 p.m. or postmarked no later than Tuesday, December 1, 2009.

The Retirement Office is also searching for volunteers to serve on the Nominating and Election (N&E) Committee to oversee this election. To be eligible to serve on the N&E Committee, you must be an Active-Contributory Member of COA ERS. Responsibilities include the development of the election ballot, certification of candidate eligibility, tabulation, and announcement of election results. Please contact Bobbie Simpson at 512-458-2551 by July 15 if you are interested in serving on this committee.

If you have any questions regarding the application process, the N&E Committee, or the election, please contact Rosaree Koepsel at 512-458-2551 x109, or email, rosaree.koepsel@coaers.org.



 With Deepest Sympathy 

We extend our condolences to the family and friends of those Members of COA ERS who were Active City of Austin employees who have passed away.*

Henry H. Salinas
Date of Death 05/07/2009
Convention Center

* Please note, this list only includes those deaths of which COA ERS has been notified.

Retired Member News and Notes

Establishing or Changing Your Direct Deposit

If you want your annuity check automatically deposited into your checking or savings account, or if you want to change the account into which your payment is deposited, you will need to complete an "Authorization Agreement for Direct Deposit" form. You can download the form from our website at www.coaers.org or you can request one from the Retirement Office.

To ensure that your request is processed in a timely manner, you need to provide documentation from your financial institution showing the name of the institution, the type of account (checking or savings), the bank routing number, your name, and account number. COA ERS will only direct deposit your annuity payment to an account where you are specifically named as an owner. COA ERS will not direct deposit to a trust or estate account. For checking accounts, you can provide a voided check that has your name and address pre-printed on the front. Temporary checks will not be accepted. If you have an account that does not provide checks or if you do not yet have a permanent check, a statement of account or a personalized letter signed by a representative of your financial institution will be accepted. For savings accounts, you will need to provide a personalized document signed by a representative of your financial institution.

Please note that forms received after the 12th of the month may not be effective until the following month's payroll. If you have any questions, please contact the Retirement Office.

Tax Withholding

Retirees are encouraged to carefully review their income tax withholding for 2009. Changes in the federal withholding tables were recently implemented which result in an automatic reduction in withholding for many Retirees, even though the "Making Work Pay" credit does not apply to pension income. Whether or not you will have a reduction in actual taxes for the year depends upon your individual situation. We are concerned that many Retirees may end the year without sufficient withholding for taxes. We suggest that you consult with a tax advisor or the Internal Revenue Service if you need assistance in assessing your own personal situation.

Forms to change your withholding may be obtained on our website at www.coaers.org/forms.html or by calling our office at 512-458-2551.

AUSTIN ENERGY RETIREES SEVENTH ANNUAL GET TOGETHER

When: Last Friday in September
6:00 P.M. to ???

Where: Manchaca Fire Hall

For more information, contact
Wallace Gootman at 512-352-8865.

**This is not a COA ERS sponsored activity.*

With Deepest Sympathy

We extend our condolences to the family and friends of those Retirees of COA ERS who have passed away.*

Kimberly A. Atkins

Date of Death 04/21/2009

Retired from Parks & Recreation

Edith Buchanan

Date of Death 05/24/2009

Retired from Health & Human Services

Mercedes Garcia

Date of Death 03/21/2009

Retired from Brackenridge Hospital

Thomas M. Garza

Date of Death 04/14/2009

Retired from Austin Energy

Joseph W. Hamilton

Date of Death 04/12/2009

Retired from Health & Human Services

David E. Holt

Date of Death 03/17/2009

Retired from Austin Public Library

Kort Jobson

Date of Death 05/23/2009

Retired from Brackenridge Hospital

Eddie D. Liesman

Date of Death 04/14/2009

Retired from Financial Services

Kenneth McDonald

Date of Death 03/03/2009

Retired from Parks & Recreation

Steven Nolin

Date of Death 04/12/2009

Retired from Austin Energy

Leslie M. Olson

Date of Death 03/27/2009

Retired from Public Works

Paul Orta

Date of Death 03/31/2009

Retired from Austin Water Utility

Carlos R. Pineda

Date of Death 05/04/2009

Retired from Parks & Recreation

George Potts

Date of Death 03/27/2009

Retired from Austin Police

Mary Reisor

Date of Death 04/27/2009

Retired from Austin Police

James E. Smiley

Date of Death 05/07/2009

Retired from Public Works

Edith Valdespino-Salazar

Date of Death 03/11/2009

Retired from Health & Human Services

James M. Walker

Date of Death 05/08/2009

Retired from Austin Energy

Ray Wells

Date of Death 02/21/2009

Retired from Public Works

Tillie Zeiss

Date of Death 05/20/2009

Retired from Austin Energy

* Please note, this list only includes those deaths of which COA ERS has been notified.



City of Austin Employees' Retirement System

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Vesting and Retirement *(Cont. from page 2)*

When can I retire?

As a COA ERS Member, you are entitled to apply for and receive a monthly retirement benefit when you meet age and service eligibility requirements. The current eligibility requirements are: age 62, age 55 with 20 years of Creditable Service, or any age with 23 years of Creditable Service. (To meet the age 62 requirement, you must be an Active-Contributing Member at age 62, a Terminated Vested Member, or a Proportionate Member with 5 years combined Creditable Service.)

For your convenience in planning for your retirement, you can estimate your retirement benefit by using the COA ERS website calculator at www.coaers.org. If you are within two years of retirement and would like to meet with a Member Services Specialist, please contact the Retirement Office to schedule an appointment.

Disability Retirement *(Cont. from page 2)*

While the COA ERS staff provides general assistance and information to Members regarding disability retirement applications and procedures, the burden of proof remains on the Member. The Member is responsible for submitting a full and complete notarized application packet. The Board of Trustees reviews all applications and has final authority in granting disability retirement benefits.

If you are approved for disability retirement, you will periodically be required to provide proof of continued disability and will annually be required to provide employment and income documentation to the Board. In addition, Disability Retirees are required to submit to examination by physicians if and when required. The Disability Committee and/or Board have the right to request financial reviews and order examinations of any Member on disability retirement until the Member reaches normal retirement age.

If you need further information about disability retirement, please contact the Retirement Office. Applications for disability retirement benefits are available at the Retirement Office or on our website at www.coaers.org.

Upcoming Events

JULY

- 3** Retirement Office closed in observance of Independence Day
- 16** Pre-Retirement Seminar
- 28** COA ERS Board Strategic Planning Workshop
- 31** Retiree Pay Day

AUGUST

- 20** Pre-Retirement Seminar
- 31** Retiree Pay Day

SEPTEMBER

- 7** Retirement Office closed in observance of Labor Day
- 17** Pre-Retirement Seminar
- 22** COA ERS Board Meeting
- 30** Retiree Pay Day

Retirees: Please contact the **City of Austin Benefits Office** at 512-974-3284 for all information related to your **medical, dental, and/or vision benefits**, such as *change of address, claims, premiums, or information regarding your City of Austin Death Benefit*.

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.