

# Retirement News Update

A Publication of the City of Austin Employees' Retirement System

Available online at [www.coaers.org](http://www.coaers.org)

1st Quarter 2016

## Board Election Results

Two active member trustees were elected to the COAERS Board of Trustees in early December. The Nominating and Election Committee met on December 7, 2015 to tabulate the votes for the 2015 Active Member Elections for Places 6 & 7. Michael Benson is the winner of Place 6 with 424 votes, and Francine Gertz is the winner of Place 7 with 363 votes. Of the other candidates, Julia Robbins received 295 votes; Chris Anderson received 87 votes; and two write-in candidates received one vote each.

The Board commended the Nominating and Election Committee for their dedication to this important process.

## Congratulations to Mr. Benson and Ms. Gertz!



## Thank You to Board Member Julia Robbins

We would like to recognize the service of our outgoing Board Member, Julia Robbins. Ms. Robbins worked tirelessly as Chair of the Investment Committee over the past two years.

We thank her for her dedication to COAERS.

## New COAERS Website

COAERS has a new website! Along with a more modern design and adaptation for mobile devices, we have some new features such as the ability to register online for pre-retirement seminars and request e-newsletters. We also have more information about our investments.

Go to [www.coaers.org](http://www.coaers.org) and check us out! Make sure to answer the short survey on the homepage and let us know how we're doing.



## COAERS Issues 1099-R Tax Forms

If you received a payment from COAERS during 2015, either as a retiree, terminated member, or beneficiary, you will receive a Form 1099-R for your 2015 tax return. COAERS will mail the forms at the end of January 2016. Form 1099-R, which reports your taxable pension earnings for the 2015 tax year, will be mailed to the address on file with COAERS. The Form 1099-R provides information you will need to complete your tax return.

## City Issues New 1095 Tax Forms

Retired members of COAERS who continued insurance coverage with the City will be receiving a new Form 1095 from the City of Austin this year. This is a new IRS form that describes what medical insurance coverage was made available to you during 2015. You will need to keep this form to assist in preparing your tax return.

# Active Member News and Notes

## Annual Member Statements

Each year, COAERS mails Member Account Statements to all members with funds on deposit with the System. These statements include information regarding your retirement membership date, contributions you made during 2015, interest credited as of December 31, 2015, and both taxable and non-taxable service purchases made during 2015. For active-contributing members, the year-end balance on your annual statement will not match the retirement contribution balance on your City of Austin pay stub. The City does not include any interest, creditable service purchases, or prior refunds when calculating lifetime-to-date retirement contributions. Please review your statement carefully and contact COAERS if you have any questions or concerns about your statement. The statement is provided for information purposes only and allows you to verify our records. It is not a guarantee of benefits.

## 2015 Interest Posting

At the November 24, 2015 Board Meeting, the COAERS Board of Trustees set the interest rate paid on member deposits at 2.14%. Interest is credited as of December 31, 2015, on deposits in members' accounts as of January 1, 2015.

## Saving for Retirement:

### The Three-Legged Stool Approach

Financial planners often refer to the “three-legged stool” in describing the most common sources of income during retirement. Traditionally, the three legs are Social Security benefits, a defined benefit (DB) pension plan, and supplemental individual savings like a defined contribution (DC) plan.

Today many workers currently lack access to all three legs, as roughly 78 million American workers (both public and private) don't have access to a retirement plan at work. However, City of Austin employees have access to all three, and the “three-legged stool” approach provides an opportunity to achieve financial security in retirement.

The first leg, Social Security, provides guaranteed, cost-of-living adjusted income for life and is the foundation of most Americans' retirement. However, it was never meant to be the single source of income in retirement.

The second leg, a defined benefit plan such as your COAERS pension, will provide a guaranteed monthly income stream for your life, and its unique features make it a good value for the money. The pooled nature of it, where the pension contributions from members are put together in the same pot and the assets are managed professionally, can help achieve “economies of scale” — getting you to a target benefit at about half the cost. Pensions also typically provide other important benefits such as disability protection and survivor benefits.

The final leg of the stool is individual savings. There are many ways to save for retirement, such as saving through a defined contribution (DC) plan. The City of Austin offers employees the opportunity to participate in a deferred compensation plan. You can find out more about the City's deferred compensation plan here: [www.dcaustin.com](http://www.dcaustin.com).

It's important to keep in mind all three of these income streams in planning for your financial security in retirement, and it's never too late to start!



## With Deepest Sympathy



We extend our condolences to the family and friends of those members of COAERS who were active City of Austin employees who have passed away:\*

**Andre Colvin**

Date of Death 10/22/15  
Aviation

**Johnathan Jamerson**

Date of Death 9/24/15  
Parks & Recreation

**Richard Knight**

Date of Death 9/27/15  
Development Services

**Stacie Long**

Date of Death 10/17/15  
Public Works

**Raymond Rodriguez**

Date of Death 11/19/15  
EMS

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

# Retired Member News and Notes

## Cost of Living Adjustment Consideration

Each year, the Board of Trustees obtains a report from its actuary concerning the feasibility of a cost of living adjustment. By law, an adjustment can be granted only if the actuary recommends it and certifies in writing that the adjustment would likely be sustainable. But based on the System's Funding Policy, the current funded status of the System, and the expectation that the dollar amount of the unfunded liabilities of the System will continue to grow for at least the next several years, the actuary could not recommend a cost of living adjustment. Accordingly, the Board and City Council cannot legally authorize an adjustment.

It is important to remember that contributions to the retirement system are structured to finance and pay your lifetime benefit, but this does not include financing to pay for future adjustments to your annuity. Adjustments can be made only when there is extra money beyond what it takes to sustain regular benefits. The City is currently contributing more to the Retirement System under a special agreement to strengthen the system. Additionally, the retirement plan was amended to provide lower benefits to employees hired on and after January 1, 2012. While this has stabilized the financial situation, future cost of living adjustments remain uncertain.

If you are still employed and contemplating retirement, you should keep this in mind when making your retirement decision. It is important to consider all sources of retirement income, including Social Security and personal savings, such as the City of Austin Deferred Compensation Program. We recognize that loss of purchasing power is a significant issue for many retirees, and this is of concern to the Board of Trustees. The first obligation, however, is to comply with plan provisions and administer a retirement system that can pay all lifetime benefits that are promised under the plan.

## Retiree Statements

COAERS sends statements to all retirees at the end of January each year. These statements contain information about each retiree's monthly benefit, comparing the current year to the previous year. Look for your statement in late January or early February. If you make changes to your benefit during the year, such as a change to your tax withholdings or address, you will receive a follow up statement in the mail to confirm your change.



## With Deepest Sympathy



We extend our condolences to the family and friends of those retirees of COAERS who have passed away:\*

**Hoyt Alford, Jr.**

*Date of Death 12/21/15  
Retired from Public Works*

**Carl Anderson**

*Date of Death 11/06/15  
Retired from Public Works*

**Patricia Atkins**

*Date of Death 12/24/15  
Retired from Brackenridge*

**John Deleon, Jr.**

*Date of Death 10/02/15  
Retired from Parks & Recreation*

**Alfonso Delgado**

*Date of Death 11/19/15  
Retired from Financial Services*

**Manuel DeVore**

*Date of Death 9/24/15  
Retired from Austin Water Utility*

**Dorothy Edmondson**

*Date of Death 10/20/15  
Retired from Brackenridge*

**Hylario Gonzales**

*Date of Death 11/01/15  
Retired from Convention Center*

**Harley Grimm, II**

*Date of Death 11/16/15  
Retired from EMS*

**Benny Guerrero**

*Date of Death 10/9/15  
Retired from Austin Water Utility*

**James Harrold**

*Date of Death 11/13/15  
Retired from Austin Water Utility*

**Willie King, Jr.**

*Date of Death 10/25/15  
Retired from Brackenridge*

**Gwendolyn Lawson**

*Date of Death 11/06/15  
Retired from Health & Human Services*

**Lansing Lewis**

*Date of Death 9/12/15  
Retired from Austin Energy*

**Thomas Martinez**

*Date of Death 9/5/15  
Retired from Health & Human Services*

**Frank Mays**

*Date of Death 10/10/15  
Retired from Contract & Land Mgmt.*

**Boyd McDaniel**

*Date of Death 10/27/15  
Retired from Public Works*

**Rosa Perez**

*Date of Death 9/18/15  
Retired from Brackenridge*

**David Rocha**

*Date of Death 12/04/15  
Retired from Austin Resource Recovery*

**Maria Ruiz**

*Date of Death 11/16/15  
Retired from Brackenridge*

**Henry Scheller**

*Date of Death 12/12/15  
Retired from Parks & Recreation*

**Miriam Seidenberger**

*Date of Death 11/19/15  
Retired from Brackenridge*

**Bobby Stewart**

*Date of Death 12/16/15  
Retired from Austin Energy*

**Uzziah Sullivan**

*Date of Death 9/14/15  
Retired from Austin Police*

**James Thornton**

*Date of Death 12/15/15  
Retired from CTM*

**Charley White**

*Date of Death 9/30/15  
Retired from Public Works*

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## COAERS Board of Trustees

Sam R. Jones - *Chair*

Jim Williams - *Vice-Chair*

Michael Benson

Reagan David

Francine Gertz

Elizabeth S. Gonzales

Chris Noak

Leslie Pool

Anthony B. Ross, Sr.

Russ Sartain

Ed Van Eenoo

## Upcoming Events

### FEBRUARY

- 15** Retirement Office closed in observance of President's Day
- 18** Pre-Retirement Seminar
- 29** Retiree Pay Day

### MARCH

- 17** Pre-Retirement Seminar
- 29** Board Meeting
- 31** Retiree Pay Day

### APRIL

- 21** Pre-Retirement Seminar
- 29** Retiree Pay Day



City of Austin Employees' Retirement System

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[www.coaers.org](http://www.coaers.org)

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10% post-consumer waste, with soy-based inks.

## Important Contact Numbers for Retiree Insurance Benefits

If you have elected insurance through City of Austin for your retiree insurance, here are some helpful numbers:

**Medical:** United Healthcare: 1-800-430-7316  
UHC Nurseline: 1-877-440-6011

**Dental:** Delta Dental: 1-800-521-2651  
Assurant Dental: 1-800-443-2995

**Vision:** Davis Vision: 1-888-445-2290

If you need help, please contact the COA Employee Benefits Division at 512-974-3284. Other helpful links can be found at the city benefits web page for retirees: [www.austintexas.gov/retirees](http://www.austintexas.gov/retirees).

## 2016 Retiree Pay Dates

January 29th	July 29th
February 29th	August 31st
March 31st	September 30th
April 29th	October 31st
May 31st	November 30th
June 30th	December 30th

Monthly Annuity payments are made on the last business day of each month.

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

While COAERS has made every attempt to provide correct information, it does not guarantee the accuracy of the information contained or referenced herein.