



CITY OF ORLANDO GENERAL EMPLOYEES' PENSION FUND NEWSLETTER

Volume 1 Issue 1

June 2007

WHO IS RESPONSIBLE FOR THE PLAN?

Administration and responsibility for the General Employees' Pension Plan is vested with the Mayor and City Council as the Pension Board of Trustees (Board) and the Pension Advisory Committee (PAC).

The Board designates the Chief Financial Officer as Plan Administrator to administer the plan provisions. The PAC is chaired by the Administrator and consists of members designated from each City department and two representatives from each of the two Unions.

The Board and PAC have a fiduciary responsibility to the Plan and its participants and, as such, must exercise prudent judgment in its oversight and administration of the Trust Fund.

Three individuals serve the Board in staff positions: the City Treasurer, Treasury Financial Analyst and Pension Coordinator.

FROM THE DESK OF PLAN ADMINISTRATOR AND CHAIRPERSON REBECCA W. SUTTON

Welcome to the first issue of the General Employees' Pension Newsletter. We hope you will find it a valuable tool. Our goal is to keep everyone informed on what is going on with the pension funds and plans.

The Finance Department recently added a new Pension website for the Police, Fire and General Employees. It contains our plan documents, funding, minutes, contacts, Comprehensive Annual Financial Reports etc.

We plan to add more educational seminars this year regarding retirement planning. The May 22nd and 23rd meetings filled up within a few days of being announced. Therefore, we have scheduled an additional seminar this month for those who were shut out in May. We have already scheduled seminars for August 7th & 8th and

November 6th & 7th. Topics have not been confirmed yet.

The PAC recently interviewed several Small Cap Growth Managers for the Defined Benefit Plan to replace a manager that was terminated due to performance. We should have a recommendation to City Council in July.

For the Defined Contribution Plan, ICMA will be replacing the Vantage Trust American Ultra Fund with the Vantage Trust T. Rowe Price Growth Stock Fund due to performance. ICMA will be sending notices out to participants who have this fund in their portfolio and their options.

Please let us know if there is anything you would like included in the next quarterly issue.

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DEFINED BENEFIT AND DEFINED CONTRIBUTION PLAN HISTORY

The **DB Plan** is a single employer **Defined Benefit Plan** covering all full-time City general employees hired before October 1, 1998 who have not elected to transfer to the Defined Contribution Plan.

Administration and responsibility for the General Employees' Pension Plan is vested with the Mayor and City Council as the Pension Board of Trustees (Board) and the Pension Advisory Committee (PAC).

The PAC serves as an oversight body and as such, reviews and monitors the administration of the Plan and the investment of fund assets and recommends to City Council various actions to be taken.

DB Plan participants contribute 4.88% of pensionable salary, which includes 1.83% to fund the Cost of Living Allowance

(COLA). Employer contributions are based on the actuarially determined rates in accordance with Chapter 112 of the Florida Statutes.

For the year ended, September 30, 2006 the DB Plan net assets increased by \$9.07 million (or 5.5%) as a result of the fiscal year's activities. The plan's funding level increased to 83.85% and is reasonably well-funded.

As of October 1, 1998, the City created a **Defined Contribution Plan (DC Plan-401a)** for all general employees hired on or after that date. At the same time, the existing DB Plan was closed to new participants.

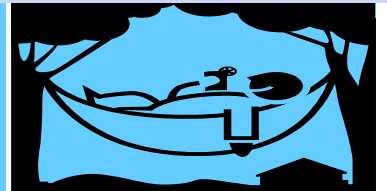
Participants in the DC Plan have three types of contributions that may be made.

- An irrevocable pre-tax contribution of 3% of pensionable earnings each year; or
- An annual election of either 0, 1, 2

- or 3% of pensionable earnings on a post-tax basis; and
- An election of an additional 1-7% in increments of 1% of pensionable earnings on a post-tax basis which can be changed from time to time in accordance with the Plan.

The City contributes 7% of pensionable earnings annually and will match up to an additional 3% of employee contributions for a maximum employer contribution of 10%. DC Plan participants currently have access to 45 different investment choices. Of these, 22 are proprietary funds of the provider (ICMA-RC) and 23 are mutual funds that the provider has contracted with to expand the number of investment choices.

RECENT RETIREES JANUARY-MAY, 2007



January

Curt Faust, Zerepha Godfrey,
Charles Hassell, Anita Nuetzmann,
Ronald Spencer, Dennis Tipton

February

Donna Bauman, Roger Cox,
Dennis Friday, Carlos Gonzalez, Rhonda
Munn, James Narramore, James Roberts,
Victor Rodriguez, Annette Sundquist

March

Whitfield Barrington, Marcus Dunn,
Paul Enchelmayer, Ibrahim Jardaneh,
John Thompson,
Laquita Whigham

April

Catherine Chute,
Gerald Boeldt

May

Sam Saab; Carol Ann Permer,
Barbara Kay McCann,
Kimberly Collins, Harold Prince,
Stephanie Ellis-Washington,
Barbara Brewer

PENSION ADVISORY COMMITTEE (PAC) MEMBERS

Rebecca W. Sutton Chairperson-Finance Department 407-246-2341	Paulette Edwards Housing Department 407-246-3170	David Rafanowicz General Administration Dept. 407-246-2074
Lauri Brooks CAO Designee 407-246-3009	Susan Geller S. E. I. U. Rep. (1 of 2) 407-849-2052	Michael Rhodes Economic Development Dept. 407-246-3331
Les Conley L.I.U.N.A. Rep. (1 of 2) 407-246-2283	Ben Gray Transportation Planning Department 407-246-2574	Bryan Rintoul Police Department 321-235-5310
Cheryl Cummings Families, Parks & Recreation Dept. 407-246-4298	Liza Floyd Jacobs Fire Department 407-246-2166	David Sloan Public Works Department 407-246-3798
Peter Dempsey S. E. I. U. Rep. (1 of 2) 407-246-3798	Lance Parker L.I.U.N.A. Rep (1 of 2)	vacant Centroplex Department -

CAN YOU TAKE A LOAN FROM THE DC PLAN?

The Defined Contribution Plan affords participants the opportunity to borrow up to 40% against their vested portion of funds (not to exceed \$50,000). Your vested balance would have to be at least \$3,750 in order to borrow the minimum loan of \$1,500.

For loans originated after May 1, 2004, payroll deduction amounts to repay the loan cannot exceed 20% of an employee's gross pay. Loans carry an interest rate equal to the prime rate in effect at the time each loan is originated, and may be issued for a term from one to five years. Repayment

is made by payroll deduction during the life of the loan with the interest paid into your vested balance. There is a \$50 application fee and a \$35 annual fee taken out of your vested balance. As of September 30, 2006, 457 participants had loans outstanding of \$4,009,054.

Please contact Sandy Trivison to confirm your eligibility for a loan and arrange an appointment to fill out the forms at 407-246-2832.

DEFERRED COMPENSATION 457 PLAN

The 457 Plan is a deferred compensation plan established by state and local governments and tax-exempt employers. Eligible employees are allowed to make salary deferral contributions to the 457 Plan. Earnings grow on a tax-deferred basis and contributions are not taxed until the assets are distributed from the plan.

You can open a 457 account with just \$12.50 weekly or \$25 bi-weekly. As of January 2007 the current normal contribu-

tion limit under 50 years of age has been increased to \$15,500 per year.

The new age 50 Catch-Up limit now allows employees who will turn 50 or older in the present year to contribute an additional \$5,000 or a total of \$20,500 in 2007.

There is also a new catch-up on past contributions before your retirement age limit for 2007 which will be raised to

twice the normal limit to \$31,000.

To Catch-Up you must use the three year catch-up period immediately preceding the year of your declared normal retirement age to defer additional income through your employer.

For those of you currently in Catch-Up you may be able to go up to the new 2007 Catch-Up limit. However, the Catch-Up provision and the Age 50 special Catch-Up cannot be used at the same time.

DC PLAN AND 457 DEFERRED COMP PLAN WITH ICMA

Would you like to change your allocations or review what is in your portfolio? ICMA-RC has representatives at City Hall, Monday-Thursday from 10 am-4 pm, on the 4th floor. Steve Brindle is available Monday and Tuesday and Erv Lyczynski is here on Wednesday and Thursday. They can be reached at 407-246-2495 or you can call ICMA at 800-669-7400 any time. You can also schedule an appointment to meet with either one or wait your turn at the 4th floor reception area. For appointments, please contact Sandy at 407-246-2832.

Change forms for your 457 are available on-line on the Pension website or on the 4th floor in City Hall.

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We are on the web at:
www.cityoforlando.net/Pension/GeneralEmployees.htm