

To: **Pension Recipients**
From: Bill Stefka, Administrator
Date: December 11, 2015
Re: **COLA Update/Election Results/Retirees We Lost**

Dear Retirees:

There will be no COLA (cost-of-living adjustment) available for 2016. The plan's actuary noted that despite flat financial markets this past year, the pension fund continues to be healthy and the fund could have afforded up to a 2.5% COLA as measured over the 12 rolling month period ended September 30, 2015. (That was the good news!) However, the CPI-U (all items) inflation index showed inflation being at (negative) -0.04% measured as of that same date. This index includes food and energy and the decrease in gas prices again this year is what drove the index down. *Our statute only allows COLA's to be approved based on actual inflation as indicated from the CPI-U index per above.* With this information, at their November meeting, the pension board agreed that no COLA for 2016 could be approved. The Board regrets not being able to approve a COLA for our eligible retirees for 2016, but pleased to see that the Fund continues to be actuarially sound.

The pension board trustee election results are now in. The results were:

Dimitri Nichols	404
James Fedro	262

Congratulations to Dimitri Nichols on being elected to the pension board. He will begin his 3 year term on the Board starting in January 2016. *The pension board and staff also want to thank James Fedro for his past 6 years of service on the Board.*

Don't forget about the Public Safety Officers' (PSO) deduction of up to \$3,000 annually. (Also referred to as the HELPS Act, first responders, etc.) The IRS allows retired firefighters (public safety officers) to reduce their income up to a *maximum* of \$3,000.00 based on the medical and/or dental as well as vision insurance premiums which are deducted directly from your retirement checks. This includes any insurance amounts deducted from your check for beneficiaries as well. Please remember this is a limit of up to \$3,000.00 and your 1099R's will not automatically reflect this exclusion. The instructions for taking this exclusion will probably be noted in the Form 1040 instructions as the "Public Safety Officer's (PSO) adjustment. It is strongly advised that you **consult with your tax advisor** before completing your tax return with any questions you may have.

During 2015 we lost the following retirees and widows:

<u>Name</u>	<u>Date Deceased</u>	<u>Benevolent Fund</u>
David Woolsey (80)	1/24/15	Yes
Denise Hopkins Wilhite (Survivor of James Wilhite) (63)	1/30/15	N/A
June Smith (Widow of Steen Smith) (89)	3/17/15	N/A
Hardy A. Johnson (91)	3/29/15	Yes
Wallace Ramm (86)	7/29/15	Yes
Jessie Rowland (Widow of Curtis) (100)	12/4/15	N/A

For benevolent fund members, as most of you know, *dues are now collected twice per year* from the member retirees as a deduction from your check. The benevolent fund representatives will contact you directly with any further information on the amount to be deducted, when it's to be deducted, and any other changes about the program. After we are notified by the benevolent fund, we will then deduct that payment from your check.

If you have any questions, please contact our pension office. **The pension board and staff wish all of you a Safe and Happy Holiday Season!**

Sincerely,
William E. Stefka
Administrator