



CITY OF GRAND RAPIDS
 POLICE & FIRE RETIREMENT SYSTEM
 233 E. FULTON, SUITE 216
 GRAND RAPIDS, MI 49503
 PHONE: 616-456-4300

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The Retirement Register

B Option Reduction Factors

Many of you are aware that, at the time you sign your retirement paperwork, you can name a beneficiary to receive a portion of your pension benefits upon your death. When you name a primary beneficiary, you select what we refer to as a “B Option.” City ordinance requires that our eight B Options must all be actuarially equivalent to the straight life, or A Option, meaning that if we live as long as our actuarial life expectancy, the retirement system will pay out the same amount of money regardless of which option we select at retirement. The actuary calculates the amounts for each B Option based on the plan’s economic and demographic assumptions.

Due to recent updates in the plan’s assumptions, the actuary has recalculated the factors used to determine B Options. The new factors will be implemented for retirements on or after April 1, 2011. The new factors will result in a slightly lower benefit amount compared to the current factors. If you are considering a retirement date shortly after April 1st, it may, in some cases, result in a higher B Option benefit amount if you retire instead at the end of March. This is not true for everyone, because factors such as birthdates, sick leave conversion and other credited service also have an impact. If you are contemplating a retirement date in late March or April and you are planning to select a B Option, please contact the office at 456-4300 to request estimates to help determine the most optimal retirement date for your individual circumstances.

Asset Comparison

Market values for the City of Grand Rapids Police & Fire Retirement System assets as of August 31, 2010 and November 30, 2010 were as follows:

	<u>August 31, 2010</u>	<u>November 30, 2010</u>
Adams Street Partners (Private Equity)	\$236,000	\$299,788
Baird Advisors (Fixed Income)	\$40,801,633	\$40,942,286
ING Clarion (Real Estate)	\$14,774,249	\$15,249,215
Lotsoff Capital Management (Large Cap Equity)	\$42,031,659	\$47,909,639
Neuberger Berman (International Equity)	\$40,517,784	\$43,422,723
Northern Trust Global Investments (S&P 500 Index)	\$42,077,783	\$47,576,993
PIMCO StocksPlus (Enhanced Index)	\$15,279,316	\$17,382,031
Wellington Management Company (Small Cap Equity)	\$33,479,599	\$39,146,360
Western Asset Management (Fixed Income)	\$44,221,828	\$44,702,286
Cash Account	\$694,686	\$1,020,030
 Total Assets:	 \$274,114,537	 \$297,651,351

2011 Evening Presentations for Active Employees

The Retirement Systems Office will offer evening presentations for small groups of active employees (5-6), and their beneficiaries, to discuss retirement issues. The presentations are geared for those employees who are contemplating retiring within the next couple of years. Information on the 457 deferred compensation plan will be distributed to participants, and there will also be a representative from Meritain Health to speak about retiree healthcare provisions.

The presentations for 2011 are as follows: May 11 and September 28 from 5:30 — 7:00 p.m. in the Retirement Systems Office, 233 E. Fulton, Suite 216. If you are interested in attending either of these sessions, please contact Lisa Balkema at 456-4300.

New Retirees

The Trustees and staff of the Police & Fire Retirement System are pleased to congratulate the following new retirees:

Leslie Jared	(Fire)	11/20/10	James Farris	(Police)	01/04/11
Brad Lancaster*	(Police)	12/01/10			

*Deferred member

Need to Update Your Beneficiary Information?

Have you updated your designated beneficiary in the Retirement Systems Office? Updating beneficiary information protects your wishes by keeping our records current. Please stop by or call 456-4300 for more information. **Note: Updating your designated beneficiary for your death benefit with the City does not update your designated beneficiary for your pension benefit. Retirees are not permitted to change beneficiaries.**

Global Market Trends

Per the most recent Capital Market Review provided by the Retirement Systems' investment consultant, Wilshire Associates, Inc., here are some interesting global trends as of November 12, 2010:

- The GDP increased at an annual rate of 2.0% in the 3rd quarter 2010; 2nd quarter 2010 GDP was 1.7%
- The unemployment rate remained at 9.6% in October with 151,000 job added
- Industrial production decreased by 0.2% in September
- October retail sales increased 1.2%
- Average hourly earnings were up \$0.05 in October
- Existing home sales rose by 10.0% in September
- Year-to-date, small cap stocks were outperforming large cap stocks
- Developed markets were up 5.8% year-to-date; emerging markets were up 15.6% year-to-date
- The Fed Funds target rate was 0 to 0.25% and the Federal Discount rate was at 0.75%

In Memory of Departed Friends

Frances Roettger*	11/05/10	Mary Boehrig*	11/11/10
Eleanor DePung*	11/06/10	Michael DeBack	11/27/10
Robert Ekkens	11/06/10		

*Denotes a beneficiary