



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

## Pension Escalator or 13th Check?

### Pension Benefit Escalator

As many of you are aware, most bargaining units within the City have negotiated a pension benefit escalator that replaces the 13th Check program. An escalator is a guaranteed fixed amount by which your monthly pension will be increased annually, after the negotiated waiting period. The following chart illustrates each bargaining unit and which program it participates in:

<u>Group</u>	<u>Benefit</u>	<u>Terms</u>	<u>Retirement Date</u>
Police Officers/Sgts.	Escalator	1% non-compounding after 5 years of retirement	On or after 12/18/08
Police Command	Escalator	1% non-compounding after 5 years of retirement	On or after 02/19/10
Fire	Escalator	1.5% non-compounding after 2 years of retirement	On or after 07/01/07
Non-Represented	13th Check*	Must be retired at least 5 years to be eligible	All

\*See 13th Check explanation below for further details

Escalator increase dates will be either January or July of each year. For retirement dates of January 1 – June 30, the escalator date will be July 1. For retirement dates of July 1 – December 30, the escalator date will be January 1. If a “B” option is selected at the time of retirement to include a beneficiary, then any applicable beneficiary amounts or pop-up amounts would also be adjusted, based on the original retirement date and escalator eligibility date, when a death occurs.

### 13th Check Program

The 13th Check is calculated as follows:

- When the plan’s five-year rolling average book value rate of return is over 8%, one-half of the amount over 8% is multiplied by the balance in the Benefit Reserve Fund and is distributed to eligible retirees.
- The amount is calculated using a point system; number of years and months of credited service at the time of retirement, multiplied by the number of years retired (beginning at 5 years and capped at 15 years). The 13<sup>th</sup> Check will continue to be distributed beyond 15 years of retirement when available, but the number of total points will not increase.
- The dollar amount to be distributed is then divided by the number of total points assigned for all retirees/beneficiaries. This results in a “dollar per point” figure.

Eligibility requirements include that the member or the beneficiary will have been retired at least five (5) years during the year of the distribution and alive on the date of distribution, January 31, in order to collect the benefit. If the member elects the Straight Life Option, there will be no 13<sup>th</sup> Check after his/her death because there is no beneficiary.

## 2011 Evening Presentations for Active Employees

The Retirement Systems Office will offer evening presentations for small groups of 5-6 active employees, 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 remaining presentation for 2011 is Wednesday, September 28, and will be held from 5:30 - 7:00 p.m. in the Retirement Systems Office, located at 233 E. Fulton Street, Suite 216.** If you are interested in attending this session, 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:

Lawrence Frye	(Police)	02/08/11	Michael Mack	(Fire)	03/27/11
Diane Watrous	(Police)	03/18/11	Paul Warwick	(Police)	03/29/11
Thomas Watrous	(Police)	03/18/11	Ralph Mason	(Police)	03/31/11
Lee Swafford	(Police)	03/25/11	Dean Mickelson	(Police)	03/31/11

## Job Tenure Trends

According to a recent report by the nonpartisan Employee Benefit Research Institute (EBRI), job tenure lengthened in 2010:

- The median length of time that full-time workers stay in their jobs ticked up slightly in 2010, continuing a slow increase in job tenure that began in 2004;
- Among all wage and salary workers age 25 or older, EBRI found the median job tenure was 5.2 years in 2010;
- A closer look at long-term trends shows that the median job tenure for men dropped, from 5.9 years in 1983 to 5.1 years in 2010, and job tenure for women increased from 4.2 years in 1983 to 5.1 years in 2010;
- Older male and female workers also saw increases in median job tenure; the tenure for males ages 55 to 64 rose from 9.5 years in 2006 to 10.4 years in 2010, and women ages 55 to 64 saw the largest tenure increase over a longer time period, from 7.8 years in 1963 to 9.7 years in 2010;
- For private-sector workers, the median tenure held relatively steady from 1983 to 2002, at around 3.5 years, and subsequently trended upward, reaching 4 years in 2010;
- Among public-sector workers, median job tenure reached 7.1 years in 2010;
- Public-sector job tenure currently is about 80% higher than it is in the private-sector;
- Workers with 20 or more years of tenure increased from 8.9% in 1983 to 10.9% in 2010 while the percentage of workers with one year or less of tenure declined from 25.7% in 1983 to 17.4% in 2010;
- In 2010, workers having at least 5 years of tenure reached 51%, the highest level over the 1983 to 2010 period by nearly two percentage points; and
- With unemployment remaining high in 2009 and 2010, the increase in median tenure levels indicates that workers with jobs are hanging onto them longer-especially at a time when people without jobs are having trouble finding one.

Adapted from the article "Tenure Tracked" in *PLANSPONSOR* magazine, February 2011

## In Memory of Departed Friends

James McNalley	01/19/11	Harold Olsen	03/09/11
LeRoy Tracy	01/30/11	Jerry Noordewier	03/13/11
Jacquelyn Phillips*	02/16/11	Marilyn Palma*	04/10/11
Shirlee Ryke*	03/07/11	Dorothy Hall*	05/13/11

\*Denotes a beneficiary



**Caption describing picture or graphic.**

## Inside Story Headline

This story can fit 100-150 words.

The subject matter that appears in newsletters is virtually endless. You can include stories that focus on current technologies or innovations in your field.

You may also want to note business or economic trends, or make predictions for your customers or clients.

If the newsletter is distributed internally, you might comment upon new procedures or improvements to the business. Sales figures or earnings will show how your business is growing.

Some newsletters include a column that is updated every issue, for instance, an advice column, a book review, a letter from the president, or an editorial. You can also profile new employees or top customers or vendors.



**“To catch the reader's attention, place an interesting sentence or quote from the story here.”**

## Inside Story Headline

### New Retirees

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

Rodney J. Feguer	(Fire)	05/20/09
Robert J. VanSolkema	(Fire)	07/07/09
Michael R. Russell	(Fire)	09/04/09

This story can fit 75-125 words.

**Caption describing pic-**



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This would be a good place to insert a short paragraph about your organization. It might include the purpose of the organization, its mission, founding date, and a brief history. You could also include a brief list of the types of products, services, or programs your organization offers, the geographic area covered (for example, western U.S. or European markets), and a profile of the types of customers or members served.

It would also be useful to include a contact name for readers who want more information about the organization.

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## Organization

## Back Page Story Headline

This story can fit 175-225 words.

If your newsletter is folded and mailed, this story will appear on the back. So, it's a good idea to make it easy to read at a glance.

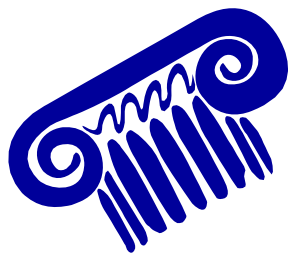
A question and answer session is a good way to quickly capture the attention of readers. You can either compile questions that you've received since the last edition or you can summarize some generic questions that are frequently asked about your organization.

A listing of names and titles of managers in your organization is a good way to give your newsletter a personal touch. If your organization is small, you may want to list the names of all employees.

If you have any prices of standard products or services, you can include a listing of those here. You may want to refer your readers to any other forms of communication that you've created for your organization.

You can also use this space to remind readers to mark their calendars for a regular event, such as a breakfast meeting for vendors every third Tuesday of the month, or a biannual charity auction.

If space is available, this is a good place to insert a clip art image or some other graphic.



**Caption describing picture or graphic.**