



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 13th 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 13th Check after his/her death because there is no beneficiary.

[Pension or Insurance Questions?](#)

If you have questions regarding your pension, please contact the City of Grand Rapids Retirement Systems Office at (616) 456-4300. All address, direct deposit, federal withholding, or name changes **must be sent in writing** to: **City of Grand Rapids Retirement Systems, 233 E. Fulton Street, Suite 216, Grand Rapids, MI 49503.** Changes received by mid-month will be effective at the end of that month.

City health insurance questions should be directed to Insurance Services at (616) 456-3300. **Seniors Choice insurance** questions should be directed to (888) 228-3002.

[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 May 16, 2011:

- The FOMC believes that “the economic recovery is on a firmer footing, and overall conditions in the labor market appear to be improving gradually”;
- The unemployment rate increased to 9.0% in April;
- The ISM non-manufacturing index decreased to 52.8% in April;
- Retail sales increased by 0.4% in March; up 7.1% versus one year ago;
- Average hourly earnings were up \$0.03 in April;
- The Conference Board Consumer Confidence Index increased to 65.4 in April; an increase from 63.8 in March;
- Privately-owned family housing starts decreased by 10.6% in April; down 23.9% compared to one year ago;
- Crude oil prices were trading around \$100 per barrel;
- Large cap stocks were outperforming small cap stocks;
- On March 11th, Japan encountered an earthquake followed by a tsunami causing serious damage; nuclear meltdown concerns have caused an approximate 4.5% loss year-to-date;
- The Fed Funds Target Rate was 0 to 0.25%; and
- The 10-Year Treasury Yield was at 3.15%

[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

[MERGe \(Municipal Employees Retirees' Group\) News](#)

The MERGe group meets at 1:30 p.m. every 3rd Wednesday of the month. Meetings are held at 917 Bridge Street NW. All retirees are welcome. For further information, please call Megan at (616) 301-8965.

[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



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 August 16, 2010:

- The unemployment rate remained at 9.5% in July
- CPI increased in July by 0.3% which was up 1.2% over last year
- The Conference Board Consumer Confidence Index declined in July to 50.4 which was down from 54.3 in June
- The average hourly earnings increased 0.2%, or \$0.04 in July
- Existing home sales dropped 5.1% in June, but were up 9.8% over June 2009 figures
- Crude oil prices were trading around \$80 per barrel
- Strong earnings reports fueled the S&P 500 Index to an increase of 7.0% in July 2010
- Small cap stocks were outperforming large cap stocks
- European banks reported stronger than expected earnings
- The Japanese Yen was trading at 15-year highs against the U.S. Dollar
- The FOMC held rates at current levels during its August meeting
- The Fed Funds Target Rate was at 0.25%
- The Federal Discount Rate was at 0.75%
- Fed Funds rate increases are not expected as long as unemployment remains high and wages remain stagnant

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.

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

Inside Story Headline

This story can fit 75-125 words.

Selecting pictures or graphics is an important part of adding content to your newsletter.

Think about your article and ask yourself if the picture supports or enhances the message you're trying to convey. Avoid selecting images that appear to be out of context.

Microsoft Publisher includes thousands of clip art images from which you can choose and import into your newsletter. There are also several tools you can use to draw shapes and symbols.

Once you have chosen an image, place it close to the article. Be sure to place the caption of the image near the image.



Caption describing picture or graphic.



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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.

WE'RE ON THE WEB!
EXAMPLE.MICROSOFT.COM



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.