

Chattanooga Fire & Police Pension Fund News

Serving Those That
Serve Our Community

July
2014



Letter from the Fund Administrator

Hello Everyone,

Just recently I was talking with one of our retirees. He is a man that I worked patrol with in Echo Team (East Chattanooga area in the old Baker Sector) for some time. It is a story played out many times over the past few months. "How will my July check be affected by the [pension] change?" he asked. I clarified my brief reply of "it won't" by adding "the pension change will not take anything from your monthly benefit." No one's benefit will decrease because of the change in the pension legislation. In fact, widows and widowers of our members receiving less than \$756.29 per month will be increased to this amount.

"Then how will the cost-of-living work now?" my friend asked. "In January, when the cost-of-living adjustment is made, your monthly benefit will increase between 1 and 2 percent" I answered. The cost-of-living adjustment or "COLA" will average 1½% across everyone who is eligible to receive a COLA. Our eligible beneficiaries/members receiving the lower monthly benefits will have their benefit increased in January by as much as 2% and all others will receive no less than a 1% adjustment with the average being 1½%.

As is the case in most years, if you are retired and you are still covered under the City's medical insurance, then you may see an increase in your health premiums on your July pension statement. If this is the case, then the reduction in your net pension income will be due to the increase in health premiums only. Your gross monthly pension benefit has not decreased.

ACTIVE MEMBER INFORMATION (Effective July 1, 2014)

1. The minimum employee contribution to the Pension Fund will increase to 9% of your base salary (excludes OT, supplements, bonuses). Minimum employee contribution will increase by an additional 1% for each of the next two years (2015 and 2016) for a total increase of 3%.
2. Retirement COLA will average 1½% (same as current retirees).
3. Permanent and Total Disability benefit of 68.75% of Final Average Salary.
4. Line of Duty Death Benefit to spouse equal to 100% of Final Average Salary.
5. The waiting period to receive a COLA on retirement benefits will increase to 3 years.
6. Members with 24+ Years of Service who are currently eligible for the original interest-bearing DROP will retain current DROP eligibility up to 30 YOS.
7. Members with less than 24 YOS will be eligible for a reduced DROP up to 33 YOS.
8. Members with less than 10 YOS will be retirement eligible after 25 YOS and age 50, or 28 YOS (no age requirement), whichever comes first.
9. New Hires will be retirement eligible after 25 years and age 55, or 30 YOS (no age requirement), whichever comes first.

Stay Safe and May God Bless Each of You,

Frank Hamilton

Our Condolences to those who have lost Family & Friends

Eugenia “Jean” Kington, surviving spouse of retired Assistant Police Chief **Leroy Kington**, passed away on February 2, 2014. She is survived by her children **Dr. John Kington**, **David Kington** and **Steve Kington**.

Retired Police Officer **Hugh Lynn Price** passed away on February 4, 2014. He is survived by his wife **Shelia B. Price** and children **Marshall David (Laura) Turner** and **Charles Allen Turner**.

Retired Fire Captain **Raymond B. Griffin** passed away on February 22, 2014. He is survived by his wife **Nina Griffin** and children **Beverly (Kenneth) Windom**, **Kimberly Rae Hurt** and **Nathan Bryan Griffin**.

Sandra Ann Sims, spouse of retired Police Sergeant **Glenn D. Sims**, passed away on March 11, 2014. She is also survived by her two sons, **Gerald (Tami) Sims** and Master Police Officer **Christopher (Lacey) Sims**.

Doris “Belvin” Thomas, surviving spouse of retired Firefighter **Harrison B. (Jim) Thomas**, passed away on March 20, 2014. She is survived by her children **David (Donna) L. Thomas**, **James A. Thomas**, **Kathy (Joe) Wiley** and **Sandra (Jimbo) Ridge**.

June H. McReynolds, surviving spouse of retired Fire Commander **Aaron McReynolds**, passed away on March 25, 2014. She is survived by her brother, **George E. Hayes, Jr.** and sister **Delores C. (Adolph) Flowers**.

Retired Police Sergeant **Charles Aaron Lee** passed away on April 3, 2014. He is survived by his wife **Margaret Vaught Lee** and son Master Police Officer **William Scott (Sandy) Lee**.

Bettye Jean Crawford, surviving spouse of former Police Officer **Franklin Crawford**, died on April 8, 2014. She is survived by her two grandchildren **Wendi Lehman** and **Jenny Floyd**.

Mary Nancy Tanner, spouse of retired Police Lieutenant **Robert A. Tanner, Jr.**, died on April 28, 2014. She is also survived by her children **Robert A. (Vickie) Tanner, III** and **Bradley A. (Janet) Tanner, Sr.**

Alisia Sue Eilders, spouse of retired Police Lieutenant **Lon Eilders**, passed away on May 3, 2014. She is also survived by her children **Lon Eilders, II** and **Caitlin Eilders**.

Retired Police Officer **William D. Cross** passed away on May 10, 2014. He is survived by his children **Jeff Cross** and **Dana (Chris) Flake**.

Retired Fire Captain **Donald Edward “Don” Strong** passed away on May 20, 2014. He is survived by his wife **Marie Strong** and daughter **Lisa (Allen) Maroon**.

Retired Police Sergeant **Kenneth R. Bowman** passed away on May 22, 2014. He is survived by his children retired Police Sergeant **Rodney Bowman**, **Charlie (Marilyn) Bowman**, and **Tim Bowman**.

Vernon Butler, spouse of retired Police Officer **Pamela Edmondson Butler**, died on May 24, 2014. He is also survived by his son **Lavon Butler**.

Casey Smith Austin, surviving spouse of former Firefighter **John L. Austin, III**, passed away on June 11, 2014. She is survived by her daughter **Sandra Ann Austin**.

Retired Fire Captain **Ernest James “Jim” Bell, Jr.** passed away on June 23, 2014. He is survived by his wife **Norma Dickerson Bell** and children **Connie Rae**, **Lori (Jon) Harden** and **Dennis (Donna) Bell**.

Retired Police Sergeant **Robert “Don” Garrett** passed away on June 28, 2014. He is survived by his wife **Barbara Garrett** and son **Robb Garrett**.

Congratulations New Retirees

Senior Firefighter **Arthur L. Harris, Jr.**, retired on February 5, 2014 with 17 years of service.

Fire Captain **Russell E. Rymer** retired on February 22, 2014 with 25 years of service.

Police Sergeant **Charles R. Wells** retired on February 22, 2014 with 25 years of service.

Police Sergeant **James Phil Headden** retired on March 8, 2014 with 25 years of service.

Fire Battalion Chief **Stephen L. Swanson** retired on April 1, 2014 with 28 years of service.

Police Officer 3 **Gary Scott Taylor** retired on May 1, 2014 with 25 years of service.

Police Sergeant **Michael D. Jenkins** retired on May 29, 2014 with 26 years of service.

Master Police Officer **Edwin D. Duke** retired on May 15, 2014 with 25 years of service.

Fire Lieutenant **Shawn N. Shipley** retired on June 28, 2014 with 28 years of service.

COLA MODIFICATIONS

Cost of living adjustments are designed to maintain a certain standard of living. From 2000 - 2014 the COLA has been a flat 3% annual increase in benefits. Effective January 1, 2015, the COLA will average 1.5% of total benefits for those eligible to receive it.

IF YOU RETIRED ON OR BEFORE JUNE 30, 2014



The COLA will remain effective on January 1st following 12 months of retirement. If you retired on January 1, 2014 or before, your next COLA will be 1/2015 as scheduled. If you retired between January 2, 2014 & June 30, 2014, your first COLA will be 1/2016.

IF YOU RETIRE ON OR AFTER JULY 1, 2014



The COLA will be effective on January 1st following 36 months of retirement. So, if you retire between July 1, 2014 & January 1, 2015, your next COLA will be 1/2018.

IN 2015 & 2016, RETIREES WILL RECEIVE A SIMPLE COLA BASED ON THE PREVIOUS YEAR'S BENEFIT.
IN 2017, THE COLA WILL BEGIN COMPOUNDING AGAIN.

SO,

If your monthly base benefit is \$1,000 and your COLA is at 1.5%, you will receive:

2015	\$1,015.00
2016	\$1,015.00
2017	\$1,015.00
2018	\$1,030.23
2019	\$1,045.68

70%

Once the plan is 70% funded, the COLA will revert to being effective 12 months after retirement on January 1st.

80%

Once the plan is 80% funded, the COLA will increase based on inflation, not to exceed 3%.

Board Members:

Chris Willmore President

Shawn O'Kelley Vice President

Phillip McClain Secretary

Mark Coffman

Jerome Halbert

Craig Joel

Brent Goldberg

Less Lee

Fund Administrator:

Frank Hamilton

Deputy Administrator:

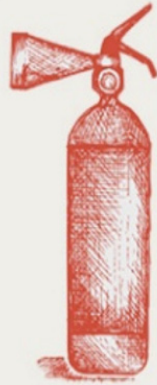
Katrina Abbott

Administrative Assistant:

Doug Kelley

Board Attorney:

William E. Robinson



CURRENT

JULY 1, 2014

MINIMUM
BENEFITS:

SURVIVING SPOUSES
OF MEMBERS THAT
RETIRED PRIOR TO
11/3/1992 AND
DID NOT CHOOSE A
J&S OPTION RECEIVE

\$500/mo

SURVIVING SPOUSE'S
BENEFITS WILL
INCREASE WITH
EACH ANNUAL COLA.
THE BENEFIT WILL
INCREASE TO A
MINIMUM OF:

\$756/mo

BENEFITS SURVIVING SPOUSES

Read more at www.cfppf.org

**Chattanooga Fire & Police
Pension Fund**
6009 John Douglass Drive
Chattanooga, TN 37421



423-893-0500

1-800-881-9022

Fax: 423-893-7769

www.cfppf.org