

# Chattanooga Fire & Police Pension Fund

**Serving Those That  
Serve Our Community**

**January  
2021**



## Letter from the Fund Administrator

Hello Everyone,

I hope everyone has had a blessed holiday season!

Due to the rising cases in COVID-19 in our surrounding community, pension fund trustees and staff are taking necessary precautions to ensure the continuation of business while we navigate this pandemic. A staff member will be here at all times to process phone calls and routine business activities, however, we encourage you to call 423-893-0500 or email [info@cfppf.org](mailto:info@cfppf.org) to conduct any business you may have and utilize postal and fax services to send necessary documents to the Fund. For business that necessitates coming into the Fund office, please call and schedule an appointment.

We would like to inform participants that the Board recently requested a private letter ruling concerning the taxation of benefits for survivors of members who have incurred a job-related disability and job-related death. We are excited to say that the Fund has received a ruling from the IRS outlining that such benefits are not considered taxable income. The Fund will be sending notices to affected participants. If you have not received a notice by the end of this month, and feel that you should have, please contact the Fund office at the number above.

I would also like to remind participants that the 2021 Cost of Living Adjustments (COLAs) will be implemented with the January 2021 monthly benefit as well. The COLA will be calculated as an average increase of 1.5% across all participants who are eligible to receive a COLA effective January 1, 2021. The percentage increase will be higher for those participants whose monthly benefit is lower than average, while the percentage increase will be lower for those participants whose monthly benefit is higher than average. Please refer to the table below if you are eligible to receive a COLA for 2021:

| # Participants | % of COLA         | Range of Dollar Amount of COLA | 2020 Monthly Benefit Range that will receive this COLA |
|----------------|-------------------|--------------------------------|--|
| 233            | 2%                | \$16.37 to \$51.05             | Those making \$2,552.63 and below                      |
| 506            | Between 1% and 2% | \$51.08                        | Those making between \$2,552.63 and \$5,126.21         |
| 19             | 1%                | \$51.26 to \$83.56             | \$5,126.21 and above                                   |

Please keep in mind that the COLA is the increase in your monthly benefit to compensate for an increase in the cost of living; such as increases in taxes and healthcare premiums. Again, tax tables will likely change in January, as will the medical and dental premiums for those that are Medicare eligible. When looking at your monthly advice statements to see the increase in your monthly benefit, please refer to the gross benefit amount, not the net.

As a reminder, monthly pension benefits are payable effective the 15<sup>th</sup> of each month. U.S. Bank transfers funds two calendar days prior to the effective date of the deposit (industry standard) to ensure payments are received timely by receiving banks. However, if the 15<sup>th</sup> falls on a weekend or holiday, it is up to the participant's bank as to when they will credit the participant's account. We recognize in all likelihood that some banks, depending on their schedule, will credit accounts on the 15<sup>th</sup> regardless of the day, however other banks will credit participant accounts the following business day. Please check with your financial institution regarding their policy on the release of funds from incoming deposits. There are four months next year where the 15<sup>th</sup> fall on a weekend:

Monday, February 15, 2021 – deposits may occur as late as February 16, 2021

Saturday, May 15, 2021 – deposits may occur as late as May 17, 2021

Sunday, August 15, 2021 – deposits may occur as late as August 16, 2021

I would also like to take this time to remind you that the Board meets every first and third Thursday at 9 a.m. These meetings are open to the public and minutes of the Board meetings can also be found online at [www.cfppf.org](http://www.cfppf.org). For the time being, meetings are still being conducted via teleconference as an effort to maintain social distancing requirements and minimize gatherings in order to reduce the exposure to trustees, staff and members. Please visit our website at [www.cfppf.org](http://www.cfppf.org) and Facebook at [www.facebook.com/cfppf](https://www.facebook.com/cfppf) for any updates.

Sincerely,

Katrina Abbott  
Fund Administrator

# STATE OF THE PENSION SUMMARY

As of 09/30/2020

This notice includes summary information about the Chattanooga Fire and Police Pension Fund regarding investments, funding and participant information.

## Investment Returns as of 09/30/2020

|                                      |                      |             |               |                           |
|--------------------------------------|----------------------|-------------|---------------|---------------------------|
| <b>Plan Assets 06/30/2020:</b>       | <b>\$233,468,539</b> |             |               |                           |
| <b>Plan Assets 09/30/2020:</b>       | <b>\$245,559,039</b> |             |               |                           |
|                                      | <b>Q3 2020</b>       | <b>YTD</b>  | <b>1 Year</b> | <b>3 Year(Annualized)</b> |
| <b>CFPPF Portfolio - Before Fees</b> | <b>5.7%</b>          | <b>3.6%</b> | <b>9.9%</b>   | <b>6.8%</b>               |
|                                      |                      |             |               |                           |
| <b>Equity - Before Fees</b>          | <b>8.4%</b>          | <b>2.7%</b> | <b>11.7%</b>  | <b>7.2%</b>               |
| MSCI World Index                     | 8.3%                 | 1.8%        | 11.0%         | 7.7%                      |
|                                      |                      |             |               |                           |
| <b>Real Assets - Before Fees</b>     | <b>0.4%</b>          | <b>8.0%</b> | <b>2.9%</b>   | <b>6.9%</b>               |
| Real Asset Index                     | 3.2%                 | -3.7%       | -1.8%         | 1.2%                      |
|                                      |                      |             |               |                           |
| <b>Fixed Income - Before Fees</b>    | <b>1.0%</b>          | <b>7.6%</b> | <b>8.0%</b>   | <b>6.3%</b>               |
| Bloomberg Agg Index                  | 0.6%                 | 6.8%        | 7.0%          | 5.2%                      |
|                                      |                      |             |               |                           |
| <b>CFPPF Portfolio - After Fees</b>  | <b>5.6%</b>          | <b>3.2%</b> | <b>9.4%</b>   | <b>6.3%</b>               |
| Benchmark Index                      | 5.3%                 | 1.6%        | 7.6%          | 6.0%                      |

Index returns presented are broad benchmarks considered representative of each asset class in which the performance of the asset class can be measured against.

## 1/1/2020 Actuarial Valuation Data

| <b>Funding Information</b>                  |               |
|---|---------------|
| Estimated Actuarial Unfunded Liabilities    | \$222,537,833 |
| Market Value Funded Ratio                   | 51.80%        |
| Required City Contribution                  | \$21,080,574  |
| Required City Contribution as % Payroll     | 50.24%        |
| Required Employee Contribution as % Payroll | 11.00%        |

| <b>Participant Information</b>          |              |
|---|--------------|
| Active Participants                     | 866          |
| Retired Participants and Beneficiaries  | 799          |
| Terminated Vested Participants          | 18           |
| Total Monthly Pension Benefits for 2019 | \$28,374,924 |
| Total Lump Sum Payments for 2019        | \$1,191,270  |

This summary notice is also available online at [www.cfppf.org](http://www.cfppf.org).

## *Our Condolences to those who have lost Family & Friends*

Retired Fire Battalion Chief **Kenneth Farmer** passed away on October 4, 2020. He is survived by his wife **Wanda Dotson Farmer** and his daughters **Kathy (Robert) Lewallen, Karen (Rick) Payne** and **Karla (Jimbo) Green**.

Retired Police Sergeant **James V. Appugliese, Jr.** passed away on October 8, 2020. He is survived by his wife **Teresa Appugliese** and sons **James Appugliese** and **Jonathan (Breanna) Appugliese**. He is also survived by his stepsons **Shane (Megan) Hubbard** and **Russell (Shannon) Hubbard**.

Retired Fire Lieutenant **Donald C. Henley** passed away on October 15, 2020. He is survived by his wife **Joyce Henley** and two sons **Nicholas (Dana Taylor) Henley** and **Yancy Henley**.

Retired Firefighter **Michael Haggard** passed away on October 17, 2020.

Retired Police Detective **Frank Lee Harris, Sr.** passed away on October 25, 2020. He is survived by his wife **Billie Lou Harris** and children **Donna Greer, Peggy (Gary) Buchanan, Pat (Dennis) Heiss, Sr.** and **Chip (Tina) Harris**.

**Laura Sue Campbell**, surviving spouse of retired Assistant Police Chief **Ernest G. Campbell, Jr.**, passed away on November 10, 2020. She is survived by her children **Ernest G. (Tina) Campbell, III** and **Audry (Jerry) Ensley**.

Retired Firefighter **Robert M. Stanley, Sr.** passed away on November 22, 2020. He is survived by his wife **Wilma Ruth Fletcher Stanley** and son **Bobby Stanley**.

Retired Fire Relief Driver **Jimmy A. Norman, Sr.** passed away on November 23, 2020. He is survived by his wife **Deborah Downs Norman** and daughter **Janice (Thad) Narramore**.

**Charlotte Gaines**, surviving spouse of retired Police Inspector **Larry Gaines**, passed away on December 2, 2020. She is survived by her son retired Firefighter **Mitch (Becky) Gaines**.

Retired Fire Captain **James E. Royal** passed away on December 5, 2020. He is survived by his wife **Mary Ellen Royal** and son **Christopher Kyle Royal**.

Retired Fire Captain **Robert L. Blair** passed away on December 23, 2020. He is survived by his wife **Joann Blair** and children **Dee Ann (Dwight) Kennedy** and **Larry (Susan) Patton**.

**Sue Dover**, surviving spouse of retired Police Officer **Hartrell "Bob" Dover**, passed away on December 29, 2020. She is survived by her daughter **Gayle Calabrese**.

### **DO YOU NEED TO UPDATE INFORMATION?**

If you would like to have someone ask questions for you regarding your pension benefits, we will need you to fill out an Authorized Contact form.

If you have a change in your marital status, you need to provide the Fund with a copy of your divorce decree or marriage certificate and complete a new Beneficiary form. If you have named a Power of Attorney, please provide us with a copy if you have not already done so.

Contact the office if you have any questions. Thank you.

**Board Members:**

**Joe Shaw** President

**Britt Bradshaw** Vice President

**Nathan Vaughn** Secretary

**Phillip McClain**

**Cal Long**

**Scott Sparks**

**Chris Hopkins**

Fund Administrator:

**Katrina Abbott**

Deputy Administrator:

**Christina Culpepper**

Administrative Assistant:

**Doug Kelley**

Board Attorney:

**William E. Robinson**

**Chattanooga Fire & Police  
Pension Fund  
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**423-893-0500**

**1-800-881-9022**

**Fax: 423-893-7769**

[www.cfppf.org](http://www.cfppf.org)

# *Congratulations New Retirees*

Master Police Officer **William Scott Lee** retired on December 29, 2020 with 25 years of service.

Master Police Officer **Phillip S. Narramore** retired on December 31, 2020 with 29 years of service.

Fire Captain **Arles Kelly Simmons** retired on December 30, 2020 with 27 years of service.

Fire Captain **John R. Taylor** retired on December 31, 2020 with 27 years of service.