

# First Responder

VOLUME 2006.04, APRIL 2006

## Pension Reform Legislation

After much debate and several delays, both chambers of Congress passed comprehensive pension reform bills in 2005. On December 15, the House passed H.R. 2830, the Pension Protection Act of 2005, by a vote of 294-132. On November 16, the Senate passed S. 1783, the Pension Security and Transparency Act of 2005, by a vote of 97-2. Both bills contained a provision to remove the 10 percent tax penalty on DROP distributions before age 55. The House version included NCPERS' proposal to shield health care expenses up to \$5,000 from taxable income. House and Senate members named to a conference committee in early March are meeting to work out the differences between the pension bills passed by each chamber.

**BOTH BILLS CONTAINED A PROVISION TO REMOVE THE 10% TAX PENALTY ON DROP DISTRIBUTIONS BEFORE AGE 55.**

It is important to note that pre-taxing of health care expenses and removing the penalty on DROP distributions before age 55 are minor parts of the overall discussion. The bills include many other



**GERALD BROWN**  
Chairman of the Board  
and Fire Trustee

## Report From TEXPERS Conference

The Texas Association of Public Employee Retirement Systems (TEXPERS) held its 17th Annual Conference March 12-15, 2006 in Richardson, Texas. I attended the conference along with Steve Shaw, Rector McCollum, George Tomasovic, Gary Edge and members of the Pension System staff.

TEXPERS is a statewide organization that enables trustees and administrators to exchange ideas and information with others facing the same challenges.

On the Saturday before the conference, there was an election in which Police Trustee Rector McCollum and I were elected to serve on the TEXPERS Board. The conference officially kicked

# PENSION SYSTEM CALENDAR

- MAY 11 : REGULAR BOARD MEETING
- MAY 16 : QUARTERLY BOARD MEETING
- MAY 17 : POLICE MEMORIAL CEREMONY
- MAY 18 : FINANCIAL PLANING SEMINAR
- JUNE 8 : REGULAR BOARD MEETING
- JUNE 15 : PREP SEMINAR

## TEXPERS Conference *(continued from page 1)*

off with a workshop on Sunday afternoon.

The conference speakers and panels focused on various investment topics designed to enhance professional pension fund management and administration.

A report on the Texas Legislature was also presented. Our legislative consultants advised that a special session is expected sometime this summer where the legislature may address the issue of school funding and what to do with the expected \$4 to \$10 billion budget surplus. The consultants also advised that in the 2007 legislative session, legislators are expected to again

consider actuarial reporting requirements and accounting standards. We, along with TEXPERS, will continue to monitor the legislature to protect our members' interests.

The conference also featured the annual report from Fred Richmond, former System Assistant Administrator. The report reviewed the asset allocation and investment performance of local pension systems that are members of TEXPERS.

It was gratifying to note that the System remains one of the top performing pension plans in Texas. Fred reported that the average investment return for the group over the 10-year period ending September 30, 2005 was 9.5 percent. Over this same period, the System's average return was 10.15 percent.



**Gerald Brown**  
*Chairman of the Board and  
Fire Trustee*

## Legislative Update *(continued from page 1)*

critical issues, such as fundamental changes to the current funding rules, credit balance rules, disclosure requirements, multi-employer funding, and hybrid plan issues.

Our legislative consultants have advised that the conference committee's original work completion date in mid-April will not be met. The committee is still working on the smaller

issues that most directly affect us and projects a Memorial Day completion.

The House bill, HR 2830, is the more ambitious of the two and has a much greater cost associated with it. Analysts feel that the committee will be looking for ways to cut the cost and therefore provisions in the House bill could be sacrificed.

## CONGRATULATIONS RETIREES!

### POLICE

PATRICK A. BOYD  
DONNIE W. CHAPMAN  
JOE D. HARRINGTON  
T.G. HERSHBERGER  
DONALD L. MANN  
CHARLES E. PLUMLEE  
FREDDIE E. RICH  
ROBERT ROMMEL  
DAVID M. SULLIVAN  
BARRY L. WHISENHUNT  
JAMES E. WRIGHT

### FIRE-RESCUE

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ISAAC F. CONWAY JR.  
LELAND G. HANCOCK  
MARTIN E. SHAMBURG

# HUD Programs Help First Responders

As part of its “Good Neighbor Next Door” program, the Federal Department of Housing and Urban Development (HUD) has two special programs to assist Police and Fire personnel in purchasing homes. The “Officer Next Door” (OND) program and the “Firefighter-EMT Next Door” (FND) program allow qualifying full-time first responders to purchase a home for a 50 percent discount.

**THE O.N.D. PROGRAM AND THE F.N.D. PROGRAM ALLOW QUALIFYING FULL-TIME FIRST RESPONDERS TO PURCHASE A HOME FOR A 50 PERCENT DISCOUNT.**

The properties are single-family homes located in HUD Revitalization areas and are listed and sold exclusively over the Internet. You may submit your bid direct or utilize the services of a real estate broker.

You do not have to be a first-time homeowner to participate, but you cannot own any other home at the time you close on the property. You must agree to live in the HUD home as your only

residence for three years after you move in.

For more information, please contact the “Good Neighbor Next Door” program coordinator at your local HUD Homeownership Center or call 1-800-569-4287.

## Police Memorial Ceremony on May 17

In 1962, President John F. Kennedy signed a law designating May 15 as Peace Officers’ Memorial Day, and the week in which May 15 falls as National Police Week. In 1994, the law was amended and signed by President Bill Clinton, directing that the flag of the United States be displayed at half-staff on all government buildings on May 15 each year.

The Dallas Police Department will hold its annual Police Memorial Ceremony on Wednesday, May 17 at 12:00 noon, at the Police Memorial, located at the corner of

Akard and Young streets. At this ceremony each year, the names of each officer who has died in the line of duty are read aloud. Many of the surviving family members attend this solemn ceremony.

This year, unfortunately, another name will be added to this monument of fallen Dallas police officers. Officer Brian Jackson was killed in November 2005 while responding to a domestic disturbance in East Dallas. Officer Jackson, 28, was a five-year veteran of the force, and previously worked as an EMT and reserve officer in Rhode Island. He was the 76th City of Dallas officer to die in the line of duty.



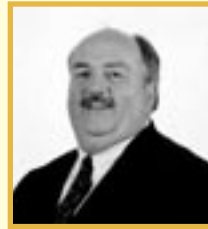
*Officer Brian Jackson and fellow officers who have fallen in the line of duty will be*

*honored at the Police Memorial Ceremony in May 17*



# New Look, New Name for Pension System Newsletters

By **Richard Tettamant**  
Pension System Administrator



*Richard Tettamant*

In our ongoing effort to communicate with our members by the most effective means possible, we have redesigned and renamed this newsletter and the retiree newsletter.

This active newsletter is now known as the “First Responder,” in honor of our active members. We know that when trouble arises, Dallas Police and Fire personnel are the first on the scene to provide assistance and protection to the Dallas community. Our mission is to provide accurate and timely information in an interesting and useful publication.

When you retire, you will receive the “Retiree Outlook” newsletter. It focuses on issues that you will encounter in your retirement. It also features news on accomplishments and activities of fellow retirees.

I want to thank Kevin Killingsworth, the Pension System’s Communications Specialist, along with Susan Jacobs and Alexis Olajay from Susan Jacobs, Inc. Advertising and Public Relations, for all of their work in creating the new layout.

If you have any questions or suggestions for articles, please e-mail them to us at [info@dpfp.org](mailto:info@dpfp.org).

*Richard L. Tettamant*

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