West Palm Beach Police Pension News

A West Palm Beach Police Pension Fund Publication

Issue 13

Date of Issue:

First Quarter 2012

Inside this issue....

2011 LAW ENFORCEMENT OFFICER DEATHS RISE AGAIN

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QUARTERLY PENSION FUND SUMMARY

On December 31, 2011 our fund had a total market value of $196,943,000. For the quarter the fund gained $12,627,000. For the quarter the total fund return was 6.92% (net) and its benchmark return was 7.56%. In the previous quarter the fund return was -10.91%. For the quarter the stock return was 9.71% and the benchmark return was 11.20%. The bond return was 1.12% and the benchmark return was 0.91%.

For the quarter end, the allocation of our fund was 62.1% invested in stocks, 29.8% in bonds, 4.9% in Real Estate, and 3.2% in cash equivalents (i.e., short term liquid interest bearing investments similar to money market funds). Our ongoing target for investment in stocks remains at 65% of the total fund.

For the fiscal year-to-date, the total fund net return is 6.92% and its benchmark return was 7.56%. The stock return was 9.71% and the benchmark return was 11.20%. The bond return was 1.12% and the benchmark return was 0.91%. For the fiscal year-to-date, the Valley Forge large cap core stock return was 9.20%, the Earnest Partners large cap value stock return was 12.61%, the Garcia Hamilton & Associates large cap growth stock return was 9.71%, the Anchor mid-cap value stock return was 8.34%, the Oak Ridge mid cap growth stock return was 13.01%, the DFA international stock return was 2.95%, the GW Capital small cap value stock return was 17.49%, the Eagle small cap growth stock return was 11.46%, the WHV international stock return was 10.48%, the Intercontinental Real Estate return was -0.12%, and the Garcia Hamilton & Associates aggregate fixed income return is 1.12%. The S&P 500 index return was 11.82%. For the quarter the best performing sector among S&P 500 stocks was Energy which increased 17.62% and the worst sector was Telecommunications which increased 6.40%.

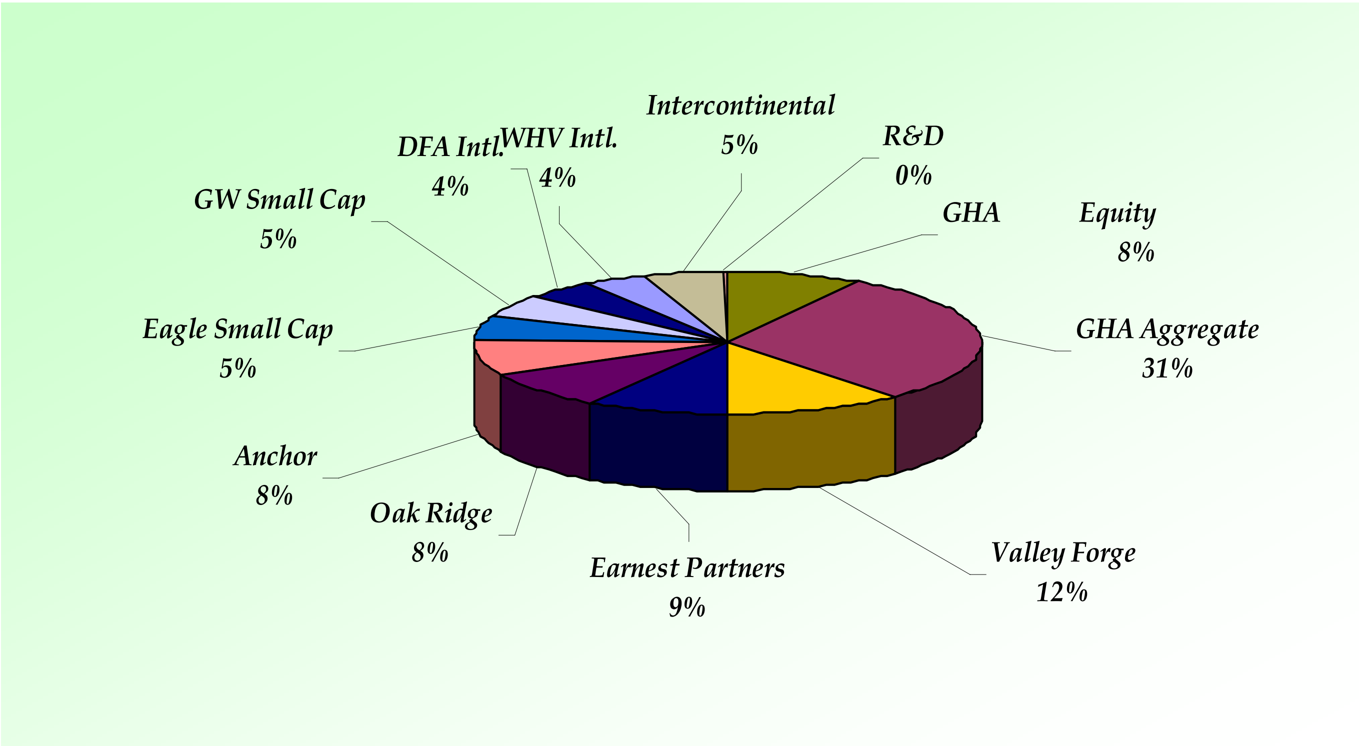
Among the major economic indicators, the Consumer Price Index (CPI-Urban) increased 3.0% for the twelve months ended in December. The Producer Price Index (PPI) for finished goods advanced 4.8% (unadjusted) for twelve-month period ended in December.

The seasonally adjusted unemployment rate is 8.5% in December compared to 9.0% in September. Real Gross Domestic Product (GDP) increased at an anual rate of 1.8% for the third quarter of 2011, compared with an increase of 1.3% in the second quarter.

During the first quarter of 2011 the Federal Reserve Open Market Committee kept the target range for the federal funds rate of 0.00% to 0.25%. The federal funds rate is the interest rate that banks charge each other for overnight loans.

Please remember a complete detail investment report can viewed on-line……

Track the Fund



Plan Asset Allocation & Diversification as of December 31, 2011

	Domestic Equities	Int'l Equities	Fixed Income	Real Estate	Cash	Total	*% of Total*
GHA Equity	$16,799,000				$213,000	$17,012,000	
GHA Aggregate			$58,317,000		$641,000	$58,958,000	
GHA Total						$75,970,000	*38.6%* *41.0%*
Valley Forge	$21,651,000				$960,000	$22,611,000	*11.5%* *9.0%*
Earnest Partners	$17,458,000				$317,000	$17,775,000	*9.0%* *9.0%*
Oak Ridge	$15,418,000				$1,147,000	$16,565,000	*8.4%* *8.0%*
Anchor	$14,778,000				$1,572,000	$16,350,000	*8.3%* *8.0%*
Eagle Small Cap	$10,344,000				$159,000	$10,503,000	*5.3%* *5.0%*
GW Small Cap	$9,531,000				$509,000	$10,040,000	*5.1%* *5.0%*
DFA Intl.		$8,152,000			$271,000	$8,423,000	*4.3%* *5.0%*
WHV Intl.		$7,823,000			$629,000	$8,452,000	*4.3%* *5.0%*
Intercontinental				$9,629,000		$9,629,000	*4.9%* *5.0%*
R&D					$626,000	$626,000	*0.3%* *0.0%*
Totals	$105,979,000	$15,975,000	$58,317,000	$9,629,000	$7,044,000	$196,944,000	*100.0%* *100.0%*
% of Total	53.8%	8.1%	29.6%	4.9%	3.6%	100.0%	
Target %	55.0%	10.0%	30.0%	5.0%	0.0%	100.0%	

GHA	Eagle	Valley Forge	Earnest Partners	Oak Ridge
Apple	Genesco Inc.	Goldcorp Inc Newmont Mining	Freeport-McMoran	Verifone Holdings
Exxon Mobil	Lufkin Indus.	Bristol-Myers	TJX	Netlogic Micro
IBM	Vitamin Shoppe	Verizon Comm.	IBM	Triumph Group inc.
Microsoft	BJ's Restaurants	Abbott Labs	Express Scripts Inc.	Petsmart Inc.
Coca Cola	Quality Systems	Phillip Morris	Intel	O'Reilly Auto
Cognizant Tech.	Centene Corp.	Pfizer	Occidental Petrol.	Catalyst Health
Baxter Intl.	Sirona Dental	Barrick Gold Corp.	Exxon Mobil	Concho Resources
American Tower	Robbins & Myers	Johnson & Johnson	Cummins Inc.	Alliance Data Sys.
Qualcomm	Coherent Inc.	AT&T	American Tower	Ross Stores
Grainger W.W.	RightNow Tech.		Chubb Corp.	Airgas

Top Ten Equity Holdings

Anchor	GW	DFA	WHV
SPDR Gold Trust	Darling International	Vodafone Group ADR	Potash Corp.
Sun Communities	Simpson Manufacturing	Royal Dutch Shell	Nabors Industries LTD
Scana Corp.	A.O. Smith Corp.	Daimler AG	Noble Corp.
Entergy Corp.	Esterline Technologies	Vodafone Group	Weatherford Intl.
Sempra Energy	Albany International Corp	TransCanada Corp.	British American Tob.
Annaly Capital Mgmt.	Oneok Inc.	BP PLC	Suncor Energy
Progess Energy	Supervalue Inc.	GDF Suez	BHP Billition LTD
CYS Invts. Inc.	Barnes Group inc.	Suncor Energy	Schlumberger LTD
Analog Devices inc.	Sensient Technologies	Westfarmers LTD	Canadian Natl. Railway
American Capital Agency	Omega Healthcare	Vivendi	Canadian Pacific Rail.

STOCK SPOTLIGHT

Ametek Inc. (Ticker = AME)

Sector: Industrials

Industry: Electrical Components & Equipment

Market Capitalization: $7.39 Billion

AMETEK, Inc. is a diversified industrial maker of electronic instruments and electromechanical products including motors and filtration systems. We initiated a position as the Company shares many of the same attractive characteristics as current portfolio holdings Danaher and Roper Specifically, AME holds dominant positions in faster growing niche industrial markets (aerospace, power, oil & gas) and an active acquisition program aimed primarily at smaller, tuck-in acquisitions, that are almost immediately accretive to the bottom line.

Average Cost in WPB Police Portfolio: $40.62 per share, currently trading at $45.70.

Big Lots Inc. (Ticker = BIG)

Sector: Consumer Discretionary Industry

General Merchandise Stores Market Capitalization: $2.9 Billion

Big Lots is the nation's largest broad-line closeout retailer, with over 1,400 stores in 48 states and Canada. The company's stores feature a wide range of affordable merchandise (consumables, furniture, electronic, seasonal items) sourced directly from manufacturers and other vendors at below market prices. Big Lots' management team has been in place since 2005. During that time they have substantially improved the company's operations, effectively managed capital allocation, and instituted a returns-focused culture. A striking example of the company's disciplined capital allocation was its decision to forgo expansion in the expensive real estate markets of 2005-2008. Only recently has the firm taken advantage of retail vacancies and bankruptcies to grow the store count. We expect their value oriented format to continue to resonate with cost conscious consumers in what continues to be a difficult economic environment.

Average Cost in WPB Police Portfolio: $32.11 per share, currently trading at $44.08 .

Please note that the Board of Trustees provide this data for informational purposes only. It is in no way to be interpreted as investment advice.

LAW ENFORCEMENT OFFICER DEATHS RISE…AGAIN

According to preliminary data from the National Law Enforcement Officers Memorial Fund, 173 officers were killed during 2011, up 13 percent from 153 line-of-duty deaths in 2010. For the first time in 14 years, more officers died from firearms-related incidents than traffic-related incidents. Sixty-eight officers were shot and killed in 2011, up 15 percent from 2010 when 59 officers died from gunfire. The number of officers killed by firearms has now risen during each of the past three years. Traffic-related incidents claimed the lives of 64 officers, a 10 percent decrease from 2010 when 71 officers died on the roadway.

Last year, 44 officers were killed in automobile crashes, 11 officers were struck and killed, seven were killed in motorcycle crashes and two officers were killed by train while in their automobile. In addition to firearm and traffic-related deaths, 41 officers died due to other causes, including physical-related incidents, which accounted for 27 officer fatalities. *Florida* led the nation with 14 fatalities, followed closely by Texas (13), New York (11), California (10) and Georgia (10). Thirty-three percent of all officer fatalities occurred in these five states. New York City Police Department and Puerto Rico Police Department both lost four officers -- the most officers of any agency in 2011

FLORIDA DEATH BENEFITS FOR SURVIVING FAMILIES OF LAW ENFORCEMENT OFFICERS KILLED IN LINE OF DUTY

Concerns of Police Survivors, Inc. (COPS) has created a comprehensive summary of death benefits of available to surviving families of Florida law enforcement officers killed in line of duty, which can be accessed at **http://goo.gl/9C5l5**. Established in 1984, Concerns of Police Survivors, Inc., (COPS), is a national, non-profit organization that works with law enforcement agencies, police organizations, mental health professional and local peer-support organizations to provide assistance to surviving families of law enforcement officers killed in the line of duty.

Legislative Pension Update

On January 18,2012, HOUSE BILL 1499 was filed by Representative Jeff Brandes from Pinellas. Below is an outline of the bill:

1. **<u>Valuations every two years</u>:** Amends 112.63 to require that valuations must be performed at least every 2 years.

2. **<u>Pension watch list</u>:** Creates 218.505, setting forth new definition and procedures. This is a follow up to SB 1128 from last year's session which asked the Division of Retirement to devise a rating system for pension funds.

- **<u>Definition of funded ratio</u>:** Defines "funded ratio" to mean "the actuarial assets divided by the unfunded actuarial accrued liability as of October 1 of each year using the entry age method."

- **<u>Funded ratio</u>:** Establishes 80% as the sole watch list criteria. The plan sponsor must notify the Department of Management Services ("OMS") if a plan's funded ratio is 80% or less. OMS shall place the local governmental entity and the plan on a pension watch list.

- **<u>Strategy</u>:** Within 90 days after providing the notice the governing body of the plan sponsor, in consultation with the directly affected employees or their representatives, must develop a strategy to achieve a funded ratio of greater than 80 percent. The strategy may include, but is not limited to, decreasing plan benefit levels or requiring or increasing employee contribu tions.

- **<u>Impasse after 90 days</u>:** If the parties are unable to agree on a strategy within the 90-day period either party, or both parties acting jointly, may appoint or secure the appoint ment of a mediator to assist in the resolution of the impasse. Mediation proceedings must be conducted in accordance with chapter 44 and applicable Supreme Court rules.

Please continue to next page for conclusion.

- **Financial urgency after 180 days:** If the parties fail to submit a reasonable strategy within 180 days after being placed on the pension watch list, the local governmental entity must immediately notify the OMS and the plan sponsor shall be deemed by the chief executive officer to be in a financial urgency.
- **Implementation of strategy:** For non-collectively bargained plans, the plan sponsor must immediately implement the strategy. For collectively bargained plans, the plan sponsor must implement the strategy upon expiration of the collective bargaining agreement ("CBA") entered into prior to the plan being placed on the watch list. The plan sponsor must notify OMS of the strategy upon its implementation.
- **No benefit enhancements:** Notwithstanding any other provision of law, after providing notice to OMS that results in the plan being placed on the watch list, benefits may not be increased until the funded ratio is greater than 80 percent.

•**Premium taxes for non-collectively bargained plans:** Notwithstanding any other provision of law, for 175/185 plans on the pension watch list and that are not collectively bargained, all premium taxes shall be used to pay for "the current plan benefit levels or a lesser level of plan benefits as may be established in the strategy" until the funded ratio for the plan is greater than 80 percent.

•**Premium taxes for collectively bargained plans:** Same as above, but does not apply until after the expiration of the CBA.

•**Removal from watch list:** If a plan on the pension watch list achieves a funded ratio of greater than 80 percent, the sponsor must notify the Chief Financial Officer and, after consulting with OMS, the Chief Financial Officer shall remove the local governmental entity and the plan from the watch list.

•**Financial urgency:** Amends 447.4095 to provide that if a plan sponsor remains on the watch list for more than 36 months, the plan sponsor "may be deemed by the chief executive officer to be in a financial urgency."

The Board would Like to “Thank” Attorney Bonni Jensen for this outline.....

Disability Presumptions

The Task Force on Public Employee Disability Presumptions was created pursuant SB 1128 (Chapter 2011-216, Laws of Florida). The Task Force was given the responsibility to:

- review data related to the operation and fiscal impact of the statutory disability presumptions;
- review how other states handle disability presumptions;
- review evidentiary standards and burdens of proof for overcoming statutory disability presumptions; and
- consider risk factors and epidemiological data.

The findings and proposals were to be filed with the Governor, the Legislature and the Chief Financial Officer by January 1, 2012. The below is a summary of that report.

The Task Force found generally:

- for all governmental entities represented, the average cost per workers' compensation claim is lower than the average cost if a disability presumption is involved.
- for all governmental entities, the percent of incurred cost for presumption claims relative to all workers' compensation costs is higher than the percent of the number of presumption claims when compared to all workers' compensation claims.
- 35 states have some disability presumption law.
- In 26 states (including Florida), the presumption arises only if the claimant passed a pre-employment physical examination which did not show evidence of the presumptive disease or condition.
- In 20 states (not including Florida), a member may only apply for the disability using the presumption if the member has served for a certain number of years.
- In 32 states, the presumption is rebuttal.

The Task Force did not reach a consensus on the findings and recommendations, except the Task Force Members did agree that a wellness program would help reduce the cost of group health and worker's compensation claims. Below is a summary of the recommendations from the report (they are recited below verbatim from the report) including the names of the Task Force members who supported the recommendation.

Recommendation **1:** Because claimants must prove their case in non-presumptive claims by clear and convincing evidence, the evidentiary standard in rebutting a presumptive claim should be clear and convincing.

Supported by Task Force Members: Michael Clelland, Garry Mitchell, Jim Tolley

Recommendation 2: "Disability" should be defined as: the event of an employee's becoming actually incapacitated, partially or totally, because of an occupational disease, from performing his work in the last occupation in which injuriously exposed to the hazards of such disease, OR an employee's actual impairment pursuant to the 1996 Florida Uniform Impairment Rating Schedule or other impairment guide incorporated into the Workers' Compensation Act at the time of the disablement.

Supported by Task Force Members: Michael Clelland, Garry Mitchell, Jim Tolley

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Recommendation 3: What amounts to evidence of the conditions of heart disease or hypertension is a medical question and should be left to medical doctors testifying in a particular case.

Supported by Task Force Members: Michael Clelland, Garry Mitchell, Jim Tolley

Recommendation 4: Preclude an employee that is smoking tobacco products from being able to utilize the presumption as it is a significant risk factor for both hypertension and heart disease.

Supported by Task Force Members: Michael Clelland, Garry Mitchell, Peter O'Bryan, Jim Tolley

Recommendation 5: An individual must be employed with the current employer for at least 10 years to be eligible for a disability presumption.

Supported by Task Force Members: Peter O'Bryan, RJ. Castellanos, Alan Kalinoski, Timothy McCausland

Recommendation 6: An individual must be under 37 years old to be eligible for a disability presumption.

Supported by Task Force Members: Peter O'Bryan, RJ. Castellanos, Alan Kalinoski, , Timothy McCausland, Tommy Wright

Recommendation 7: So that the requirement to successfully pass a physical examination is uniform, §175.231, F.S., for firefighters, and 5185.34, F.S., for municipal police, should be amended to conform with §112.18(1)(a), F.S.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Alan Kalinoski, Timothy McCausland, Garry. Mitchell

Recommendation 8: Any evidence of elevated blood pressure (defined as systolic pressure of 130 or higher or diastolic pressure of 80 or higher), as well as any EKG or other cardiac, coronary artery or heart abnormality, or positive tuberculosis test identified on the physical examination performed upon the employee entering into service with the employer against whom the disability presumption is being sought shall be considered evidence of hypertension, heart disease andlor tuberculosis as a basis for denying application of a disability presumption.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Alan Kalinoski, Timothy McCausland, Tommy Wright

Recommendation 9: Disability presumptions for heart disease and hypertension pursuant to 51 12.18, F.S., shall be limited to coronary artery disease and arterial or cardiovascular hypertension resulting in both disability and permanent impairment.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Alan Kalinoski, Timothy McCausland

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Task Force on Public Employee Disability Presumptions

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Recommendation 10: To be eligible to receive benefits for any disability presumption, a person would be required to be incapacitated from performing their work for a minimum of 14 contiguous days as a result of treatment for a covered condition.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Alan Kalinoski, Timothy McCausland, Garry Mitchell

Recommendation 11: Risk factors and epidemiological data relating to non-work- related conditions unique to an individual, such as blood cholesterol, body mass index, history of alcohol use, family history of hypertension andlor heart disease, diabetes, and other medical conditions or behaviors that are associated with the disease or condition subject to a disability presumption shall be considered as a basis for the denial or rebuttal of the application of a disability presumption.

Supported by Task Force Members: Peter O'Bryan, RJ. Castellanos, Alan Kalinoski, Timothy McCausland, Tommy Wright

Recommendation 12: An individual shall forfeit a disability presumption if the individual has been or is a user of tobacco products.

Supported by Task Force Members: Peter O'Bryan, RJ. Castellanos, Alan Kalinoski, Timothy McCausland, Garry Mitchell

Recommendation 13: A disability presumption shall be overcome by a preponderance of the evidence.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Alan Kalinoski, Timothy McCausland, Tommy Wright

Recommendation 14: The provisions of section 112.18(1)(b), Florida Statutes, relating to a workers' compensation claim and departure from a prescribed course of treatment shall apply to firefighters (these provisions are already applicable to a law enforcement officer, correctional officer, or correctional probation officer).

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Alan Kalinoski, Timothy McCausland, Tommy Wright

Recommendation 15: The Florida Uniform Permanent Impairment Rating Schedule shall not apply to any claim brought pursuant to 112.18, Florida Statutes. Pemmnent impairment for any claim brought pursuant to 112.18 shall be determined pursuant to specific impairment guidelines established to be solely applicable to claims brought pursuant to 112.18, Florida Statutes.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Alan Kalinoski, Timothy McCausland

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Recommendation 16: The date of accident for an individual bringing any claim for any disability presumption shall be limited to the date that the employee first incurs disability as a result of treatment for a covered condition. Any subsequent period(s) of disability would not result in a new date of accident, but would be referred to the original date of accident.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Alan Kalinoski, Timothy McCausland

Recommendation 17: Amend **§633.34(5),** and **§943.13(6),** F.S., to provide that a medical examination for any person applying for employment as a firefighter may include, but not be limited to history and profile review and analysis of risk factors and epidemiological data related to non-work related conditions such as tobacco products use, body mass index, high cholestero1;alcohol use, family history of heart disease or hypertension, and provisions of the National Fire Protection Association Standard 1582.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Alan Kalinoski , Timothy McCausland, Garry Mitchell

Recommendation 18: Add a new provision as **§633.34(7),** F.S., requiring that employees hired after July 1, 2012, must continue to be a non-user of tobacco products with the employing entity during their employment as a firefighter.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Alan Kalinoski , Timothy McCausland, Garry Mitchell, James Tolley

Recommendation 19: A psychological test should be used as a pre-employment tool to assess fitness for duty. Psychological evaluation tools already exist; however, a psychologist is required to administer such a test and interpret the results. Criteria should be developed to determine agency actions based upon test results.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos , Timothy McCausland, Garry Mitchell

Recommendation 20: Professional mental health counseling services should be available to employees after a traumatic event, and as needed as a preventivemeasure. Counseling services would be contingent on budgetary considerations and should apply as an on-going resource to employees covered under the presumption law to reduce risk for hypertension and heart disease problems resulting from negative impacts to mental health.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos , Timothy McCausland, Garry Mitchell

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Task Force on Public Employee Disability Presumptions

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Recommendation 21: Minimum fitness standards as to body mass ratio. lifting strength, cardiovascular endurance, alcohol consumption, and tobacco product use should be required to be established by all governmental employers for all employees benefitting from the disability presumption. Fitness for duty should be determined before an employee is selected and hired, and should be incorporated as a routine part of continuing employment.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Timothy McCausland, Garry Mitchell, Tommy Wright

Recommendation 22: Minimum hiring standards for fitness should be developed and provided to the physicians assisting with the preemployment evaluation.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Timothy McCausland, Garry Mitchell, Tommy Wright

Recommendation 23: If an employee requires clearance because of information reported on a pre-employment form, agencies should obtain detailed physician follow- up evaluations and recommendations and these should be maintained in the employment records. Storage and access to the employment records should be uniform throughout the agencies.

Supported by Task Force Members; Peter O'Bryan, R.J. Castellanos, Garry Mitchell, Tommy Wright

Recommendation 24: After initial employment, employees' fitness should continue to be monitored so that issues can be identified and requirements for ongoing employment can be developed. The workday should include time for stress-reducing or health-related activities.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Garry Mitchell

Recommendation 25: Health and wellness promotion should be incorporated by design into agency operations, and health and wellness information should be available and accessible to employees at work and away from work. Wellness programs should be instituted by agencies employing officers that are covered by the presumption claim statutes.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Michael Clelland , Timothy McCausland, Garry Mitchell, Jim Tolley

Recommendations 26: A website and/or newsletter should be developed or co-opted as part of a wellness program to disseminate health information to employees on a regular basis.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Michael Clelland , Timothy McCausland, Garry Mitchell, Jim Tolley

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Recommendation 27: Personal contact and interactive support systems among colleagues, such as a mentoring program, should be developed as part of a wellness program to provide employees a vehicle to address traumatic events and release anxiety and frustration in a mutually supportive environment.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Michael Clelland , Timothy McCausland, Garry Mitchell, Jim Tolley

Recommendation 28: That the Legislature provide funding for an actuarial special study to determine the funding costs of presumption claims for in-line-of-duty disability presumptions.

Supported by Task Force Members: Peter O'Bryan, R.J. Castellanos, Timothy McCausland, Garry Mitchell, Tommy Wright

Recommendation 29: The presumption should not be available as a worker's compensation provision if an employee is covered by an employer-sponsored health insurance program.

Supported by Task Force Members: Alan Kalinoski, Timothy McCausland, Tommy Wright

The Board of Trustees will keep you advised as further information develops. The Board "Thanks" Attorney Bonni Jensen for her time and effort in this review.

Retirement tests everyone's money skills

According to a published report by the Associated Press, Seniors have to stretch savings over as much as three decades, face steep health care costs and have few ways to make up for any shortfall. For most, savvy spending is a must. But being smarter about money goes beyond sticking to a budget and checkbook-balancing. It's about spending not just carefully but meaningfully.

The profligate spending of years past doesn't feel good in a financially constrained era, especially at an older age, says 66-year-old retiree Lynn Colwell of Renton, Wash.

"We're just so overwhelmed with 'stuff'," says Colwell, a retired life coach. "To myself and other seniors I've spoken to, it doesn't seem as necessary or as important as it used to."

Their finances can be challenging, but retirees don't have to Dumpster dive to substantially cut their spending. These nine money-saving tips can be a great starting point:

1. Control prescription costs.

Think generics and store brands. It can cost more than three times as much to fill a brand-name prescription than a generic equivalent. There's a smaller but still significant savings to be had by buying store brands of over-the-counter medicines, too. Joining store discount programs will compound your savings. Pharmacy, grocery and big-box chains offer them, usually for an annual fee. Also take a look at *Consumer Reports*'"Best Buy Drugs" website, which mixes education with consumer tips. "It will help you talk to your doctor about prescription drugs, and find the most effective and safe drugs that also give you the best value for your health care dollar," says Karen Hoxmeier of deal site MyBargainBuddy.com.

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Retirement tests everyone's money skills

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2. Join a club.

Retiree couples or singles may think they don't have enough food or shopping needs to join a warehouse club. But it's not necessary to buy in bulk to save enough to quickly cover the $40 or $50 annual fee. Non-food items from books to clothes to electronics and gasoline are discounted at places like Costco and Sam's Club, and they can stock up on non-perishable grocery items. There's also the possibility of joining with neighbors or friends to split large purchases

3. Save on travel costs.

Planes, trains and automobiles — it's possible to find deals on all three.

Air travel discounts for seniors aren't what they were a decade ago, when those over 62 could get 10% off most fares. But some carriers still offer special prices in certain markets. American, Continental, Delta and United all offer senior discounts on certain flights, and Southwest has them on its flights for those 65 or older, according to Cheapflights.com. Such tickets sometimes cost more than the airlines' online-only specials, however.

Amtrak offers 15% discounts for those 62 or older. And retirees can find senior prices on auto rentals as well as hotels, tours and cruises through AARP's active discount travel program.

One real gem is the $10 lifetime pass issued by the National Park Service that admits seniors 62 or older and their travel companions to most U.S. national parks, monuments and recreation areas.

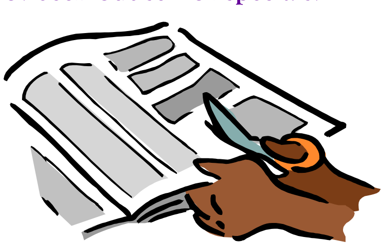
4. Reevaluate insurance coverage.

Retirees should evaluate their auto, homeowners, life, disability and any other insurance annually and try to find lower premiums, discounts or other potential price cuts. If in doubt, call the insurer and ask for a reduction.

Review deductibles on all policies and get price quotes to see what the rate would be if, for example, the auto insurance deductible was bumped from $500 to $1,000. It could save you 15% to 30%, according to the Insurance Information Institute.

Those who still have life insurance and grown independent children, might consider dropping coverage. If you're in your mid-50s or older, consider getting long-term care insurance — it could be hundreds of dollars a year cheaper than if you wait.

5. Seek out senior specials.



Many businesses offer senior discounts, but you may have to ask. Savings can be substantial; for example, AMC Theaters and Carmike Cinemas give seniors a 35% savings.

One good place to check is Sciddy.com, a new daily deals site for seniors. It offers deals in several categories from automotive and beauty to pet services and more.

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6. Get serious about coupons.

Even if you don't master "extreme couponing," whose practitioners can get a shopping cart's worth of goods for a pittance, learning how to categorize, combine and maximize the coupons you find online and elsewhere can pay off in huge savings.

Restaurant coupons are particularly popular with seniors and others living on a limited budget. But the biggest coupon savings can be had on groceries. "By staying organized and on top of the latest and greatest deals, you can save a significant amount of money every week on one of your most significant expenses," says Andrew Schrage of the personal finance website Money Crashers, which provides tips in its Extreme Couponing 101 at http://www.moneycrashers.com/coupons-from-casual-to-extreme/ .

7. Go local.

Take advantage of opportunities in your community. See plays and concerts for free by volunteering as an usher. Use your local library more. Besides books, CDs and DVDs, some libraries now have e-readers you can check out. And most offer great free programs for all ages — from movies and lectures to various performers.

8. Limit family spending.

Even if it sounds heartless, cut back on gifts and spending on kids and grandkids. Remember, it's in their best interest; keeping your finances in order ensures they won't have to come to your rescue someday.

Retirees need to hold their boundaries and teach their children that in these economic times you need to make tough choices in your financial priorities, says Julie Murphy Casserly, a financial planner with JMC Wealth Management in Chicago.

9. Think secondhand.

Borrow, swap or hit garage sales and thrift stores. Make a habit of checking your local version of Freecycle, http://www.freecycle.org , a nonprofit network focused on "keeping good stuff out of landfills," or check the listings for free and secondhand items on Craigslist.

This approach is at the core of the eco-friendly principles of reduce, reuse and recycle. It can make retirees feel good while protecting their pocketbook.

LESSONS LEARNED FROM DB PLANS

Institutional Retirement Income Council says traditional pension benefits have been in steady retreat since corporate America began replacing defined benefit plans with defined contribution plans in the mid-1980's. Once a staple offered by most employers, now accrual of benefits under defined benefit plans is limited primarily to unions and governments. There was a 65% drop in the number of private sector employees with pensions between 1975 and 2005, while the public sector held steady. In the private sector, employees' retirements depend heavily on income from savings they have managed to accumulate through a combination of their own contributions and those of their employers. Not only are these savings often woefully inadequate, retirees are generally ill-prepared to manage their nest egg so that it provides steady income for the remainder of their lives. Employers, employees and the federal government are becoming painfully aware of the shortcomings inherent with defined contribution plans:

Retirement benefits are an important tool for employers trying to manage the demographics of their workforce; they are looking for ways to improve their employees' financial ability to retire without significantly increasing compensation costs.

Please continue to page 16 of this publication for the conclusion of this article

LESSONS LEARNED FROM DB PLANS - Continued from page 15....

Employees are overwhelmed by the recent volatility of the stock market and low interest rates, and are seeking greater security during their retirement years.

The federal government is looking to balance its budget while lessening demands on Social Security and other entitlement programs.

The potential for improvement in DC plans' ability to provide a steady stream of income has caught the eye of the financial services industry. While the marketplace races to deliver an array of possible solutions, employers and regulators are grappling with how these products fit within qualified retirement plans. Unfortunately, the initial response from employees has been tepid, at best. Retirement income products ~ specifically, products embedded in retirement plans focused on generating secure retirement income ~ have only a 1% take up rate when products are offered at the point of distribution. In this context, it is tempting to wish for a return to the "good ol' days," when defined benefit plans reigned. And yet many corporations phased out defined benefit plans for what they thought were valid reasons, including volatile minimum required contributions, benefits that are not very tangible (especially to younger employees) and a byzantine regulatory environment. The IRIC article examines its experience with defined benefit plans and identifies some key lessons that can be applied to improve retirement outcomes for participants in the next generation of defined contribution plans. We found the following information particularly instructive:

Any actuary will tell you that from the perspective of a full employment career cycle, the defined benefit plan is mathematically the most efficient vehicle for providing retirement benefits.

Defined contribution plans have offered employers the certainty they sought, by shifting the investment risk and mortality risk to individuals. However, individuals are even less able to absorb risk and uncertainty, and are faced with the following unacceptable choices: 1) support current consumption and ignore the risk of living 20, 30 or 40 years after retirement or 2) significantly lower their living standards to make their savings last until their death. Fifty-four percent of those who took one-time cash payments from their retirement plan had exhausted their savings within three years of retirement!

Even for those fortunate enough to have earned a traditional pension, the choice of receiving a large sum of cash today versus a small monthly payment is surprisingly tempting.

A vibrant workforce is a mobile workforce, which allows talent to flow to the highest use. Yet defined benefit plans were intended to act as "golden handcuffs," designed to reward people for staying in one place. However, in reality, since the industrial revolution the American workforce has been highly mobile and loyalty quite fragile: Average tenure has decreased only modestly over the past three decades.

Government regulations, no matter how well intentioned, can have unintended and perverse outcomes. In an effort to shore up funding status of traditional pension plans, regulations made contribution levels more volatile and unpredictable, discouraging employers from sponsoring defined benefit plans at all.

The Board of Trustees "Thank" Attorney Steve Cypen for his contributions to this publication

HOW TO "EXCLUDE" INCOME DISTRIBUTIONS USED TO PAY FOR INSURANCE

As a reminder, Section 845 of the Pension Protection Act of 2006, signed into law August 16, 2006, provides for a tax-free distribution from a pension plan of up to $3,000 per year to help pay premiums on health insurance or long-term care insurance for a retired public safety officer, his spouse and dependents. The employee must have separated from service due to a disability or after attaining normal retirement age.

In the past there had been some confusion on how to make sure these payments are "excluded" from taxable income. (There had been some notion that such amounts should be reflected as a reduction in taxable income on Form 1099R (Box 2a).) Well, that idea is problematic in that the retirement plan not the entity making the decision that the medical premium payment should be excluded from the individual's taxable income. The election must be made by the individual. Besides, the retirement plan may not have sufficient information to determine whether the payments can be excluded by the individual (for example, the individual may be receiving retirement income from more than one plan). The instructions to Form 1040 for contains the solution.

If you are an eligible retired public safety officer, you can elect to exclude from income distributions made from your eligible retirement plan that are used to pay the premiums for accident or health insurance or long-term care insurance. The premiums can be for coverage for you, your spouse or dependents. The distribution must be made directly from the plan to the insurance provider (*Currently, the System is set-up to make insurance payments to the City of WPB only*). You can exclude from income the lesser of the amount of the insurance premiums or $3,000. You can only make this election for amounts that would otherwise be included in your income. If you make this election, reduce the otherwise taxable income from your pension or annuity by the amount excluded. (The amount shown in Box 2a of Form 1099-R does not reflect the exclusion.) Report your total distributions on Line 16a and a taxable amount on Line 16b of Form 1040. Enter "PSO" next to Line 16b.

In closing, if you are an eligible retired public safety officer and paying for applicable insurance, you can shelter some or all of the costs. THIS IS NOT TAX ADVICE!!!! Please share this information with your tax advisor.

The Board of Trustees' would like to "Thank" Attorney Steve Cypen for his contribution

Keith Gorski's Benefit

Event Date/Time Sunday, April 1, 2012
from 10:00 AM to 6:00 PM

Host: Mindy 561-844-9888 or Mark 561-747-6653

Event Type Poker Run

Event Description: L.E.A.F.'s nonprofit organization holding benefit for injured in-the-line of duty WPB Officer.

Please see more details on FB page "Keith Gorski's Benefit"

Location Final Stop and Party at 2pm

Cruzan's Ampitheatre (South Florida Fairgrounds)

Phone 561-844-9888

Email mindybo@bellsouth.net

On Wednesday, November 23, 2011, West Palm Beach Police Motor Officer Keith Gorski was struck by a vehicle while he was performing his police duties.

LEAF has started a special fund raising effort to help out the Gorski family during his long rehabilitation period.

Donations can be made to: " LEAF Gorski Fund " and Mailed to LEAF, Post Office Box 17725, West Palm Beach, FL 33416.

THE TEN HARDEST RETIREMENT DECISIONS

Before you decide to take this big step, take time to figure out the specifics: It can have a tremendous impact on the lifestyle that awaits.

In a recent US News & World Report, it was reported that the decision to retire can be sparked by a number of factors: reaching a specific age, hitting a savings goal or being laid off in a tumultuous job market. To support yourself without income from a job, you'll have to make a series of choices about Social Security, health coverage and your investments. Here are 10 of the toughest decisions you will make before you retire. While the following is not geared directly to you, it is usual information to consider.

1. When to retire. For some people, it's a financial calculation. You know you're financially ready when the combination of your Social Security, traditional pension and investment income produces enough cash flow to cover all of your anticipated expenses for the rest of your life. "Working two or three more years can make an incredible difference to your long-term plan if you continue to save in your 401k or 403b and continue to pay into Social Security," says Mary Alpers, a certified financial planner and the founder of Alpers and Associates in Colorado Springs, Colo. But retirement also often involves an identity shift from your former job title to a free agent. Sometimes this decision is made for you because of a layoff or buyout. Many people also like to coordinate their retirement with that of a spouse.

2. When to claim Social Security. You can sign up for Social Security beginning at age 62, but payouts increase for each year you delay claiming until age 70. "Wait as long as you possibly can, because the additional percentages that are added on are enormous," says Jane Nowak, a certified financial planner for Kring Financial Management in Smyrna, Ga. "Since we are living longer, you certainly want your paycheck from Social Security to be as fat as possible."

3. Health coverage. It's essential to find affordable health insurance if you want to retire before age 65. "If you are not entitled to retiree medical benefits or if they are deferred to a later date, make absolutely certain you have access to and can qualify for individual coverage," says Robert Henderson, the president of Lansdowne Wealth Management in Mystic, Conn. "Also verify the costs. Health insurance can be prohibitively expensive in some cases." Even after you qualify for Medicare, the decisions don't end. You have to choose whether to purchase a supplemental policy and shop around for the **Medicare Part D** plan that best meets your prescription drug needs each year in retirement.

4. How much you can safely spend each year. If your nest egg isn't big enough to finance your retirement completely, you'll need to calculate how much you can safely spend each year without depleting your savings too quickly. "Three to 4% is my comfort zone, and I hope less," says Alpers. An annual draw-down rate of 4% on an investment portfolio with 35% in U.S. stocks and 65% in corporate bonds has an 89% likelihood of lasting 35 years or more, according to Congressional Research Service estimates. (Are you saving enough for retirement?

Please Continue to the next page……..

5. How much investment risk. Retirees need to balance their investment needs for safety and continued growth.

"Hold as little equities and higher-risk assets as possible, while still enough to meet your long-term goals," says Henderson. "Most retirees need no more than 50% to 60% in equity and equity-like investments." You'll also need an emergency fund and several years' worth of living expenses set aside in a safe place.

"Always make sure that you have your first three to five years of withdrawals invested in very conservative investments. Good choices are CDs, money market accounts, short-term Treasurys or mutual funds that invest in them, and fixed immediate annuities," says Henderson. "This way, regardless of what the stock market is doing today, you don't have to worry about withdrawing assets that have dropped in value."

6. When to pay taxes. After decades of deferring taxes on your retirement savings using 401k's and traditional individual retirement accounts, the tax bill becomes due upon withdrawal in retirement. The timing of these withdrawals could affect how much you pay in taxes. "Try to balance out your withdrawals from taxable and nontaxable accounts each year so you are not kicking yourself into a higher tax bracket at some point," says Henderson. Taking a large IRA withdrawal in a single year could result in an oversized tax bill. Withdrawals from traditional retirement accounts become required after age 70 1/2.

7. Where to live. Once you are no longer tethered to a job, you can live anywhere that suits your tastes and budget. Moving to a place that costs less than where you live now can boost your standard of living and help stretch your nest egg. You could also test out a place with better weather or more opportunities for recreation, or move closer to family.

8. Whether your home should help finance retirement. A paid-off mortgage can help finance your retirement because it eliminates one of your biggest monthly expenses. In some cases, downsizing to a smaller home or moving to a place where the cost of living is lower can give a significant boost to your nest egg. "Especially if you live on the East or West Coast, where housing can be extremely expensive, you may have an opportunity to downsize and realize quite a bit of the appreciation you had in your real estate," says Henderson.

9. Whether to keep working. A part-time job is increasingly common in the retirement years. Many people downshift to a job with shorter hours and less responsibility before retiring completely, while others return to work after a break. Income from a part-time job can allow you to withdraw less of your retirement savings each year. Some people also find jobs they enjoy that allow them to interact with former colleagues, consult on the occasional project or learn a new skill.

10. What you will do. Retirement isn't only about quitting your job. It's an opportunity to have complete control over how you spend your time. Make sure you have a few ideas about how you will fill the eight or more hours per day you previously spent working and commuting. Some people miss the sense of purpose and friends that their jobs provided for them, while others finally have the time for hobbies and projects they have been waiting years to tackle.

Office & Mailing Address
2100 North Florida Mango Road
West Palm Beach, Florida 33409

Phone: 561.471.0802
Fax: 561.471.5027

E-mail Comments and Suggestions to:

Email: info@wpbppf.com

Retiree Corner

Congratulations to our latest Retiree

Olindo Camardella 01-12-2012

Congratulations to our latest DROP Member

Richard Pleasant 01-31-2012

In Closing....

In Memoriam

The Board of Trustees sadly announces the passing of Jerry Wells (Retired in 2000).

Tragically, Daniel McCauley, beloved son of, T.J. & Jae McCauley passed away in an traffic accident.

They are forever remembered & their families remain in our thoughts & prayers.

HB1301

A reminder that the special act is being amended as a result of collective bargaining and assumption changes. A copy of the plan document may be viewed on the announcement page of our website.

Supplemental Distributions

There will be no supplemental pension payment on April 1, 2012 since the investment return for the Fiscal Year Ending 2011 was lower than 7% and the plan is in a significant cumulative actuarial loss position.

1099R

All 1099R's were sent out by our bank by January 31, 2012 for the prior calendar year. If you did not receive your copy of if you have any other issue please let us know. We are here to assist you!

PAYROLL TAX CUT.......... TEMPORARILY EXTENDED

On February 17th, Congress passed an extension to the Social Security payroll tax cut. The extension will keep the employee portion of the Social Security tax at 4.2% through December 31, 2012. The employer portion of the Social Security tax will remain at 6.2%.

Social Security tax applies to the first $110,100 of wages earned in 2012. The employees Social Security tax rate is scheduled to revert back to 6.2% on January 1, 2013.

In addition, the additional 2% recapture tax relating to wages in excess of $ 18,350 paid during January and February 2012 was repealed.