West Palm Beach Police Pension News

A West Palm Beach Police Pension Fund Publication

Issue 15

Date of Issue:

Third Quarter 2012

Inside this issue....

Did you know??? that for the last three years (through June 30, 2012), our total equity (stocks) portfolio returned 15.10%, placing it in the Top 4% in the investment universe

Source: Thistle Asset Consulting

2nd QUARTER PENSION FUND SUMMARY

On June 30, 2012 our fund had a total market value of $203,788,000. For the quarter the fund had investment losses of $3,842,000.

For the quarter the total fund return was -1.83% (net) and its benchmark return was -2.01%. In the previous quarter the fund return was 7.41%.

For the quarter the stock return was -3.04% and the benchmark return was -3.87%. The bond return was 1.24% and the benchmark return was 1.32%.

For the quarter end, the allocation of our fund was 63.1% invested in stocks, 28.3% in bonds, 5.3% in Real Estate, and 3.4% in cash equivalents (i.e., short term liquid interest bearing investments similar to money market funds). Our on-going target for investment in stocks remains at 65% of the total fund.

Fiscal Year (10/1/2011 – 6/30/2012)
For the fiscal year-to-date, the total fund net return was 13.07% and its benchmark return was 14.39%. The stock return was 16.74% and the benchmark return was 20.18%. The bond return was 5.47% and the benchmark return was 2.92%.

For the fiscal year-to-date, the Valley Forge large cap core stock return was 14.38%, the Earnest Partners large cap value stock return was 21.30%, the Garcia Hamilton & Associates large cap growth stock return was 18.57%, the Anchor mid-cap value stock return was 15.15%, the Oak Ridge mid cap growth stock return was 22.07%, the DFA international stock return was 3.64%, the GW Capital small cap value stock return was 23.94%, the Eagle small cap growth stock return was 18.64%, the WHV international stock return was 13.73%, the Intercontinental Real Estate return was 11.13%, and the Garcia Hamilton & Associates aggregate fixed income return was 5.47%. The S&P 500 index return was 22.43%.

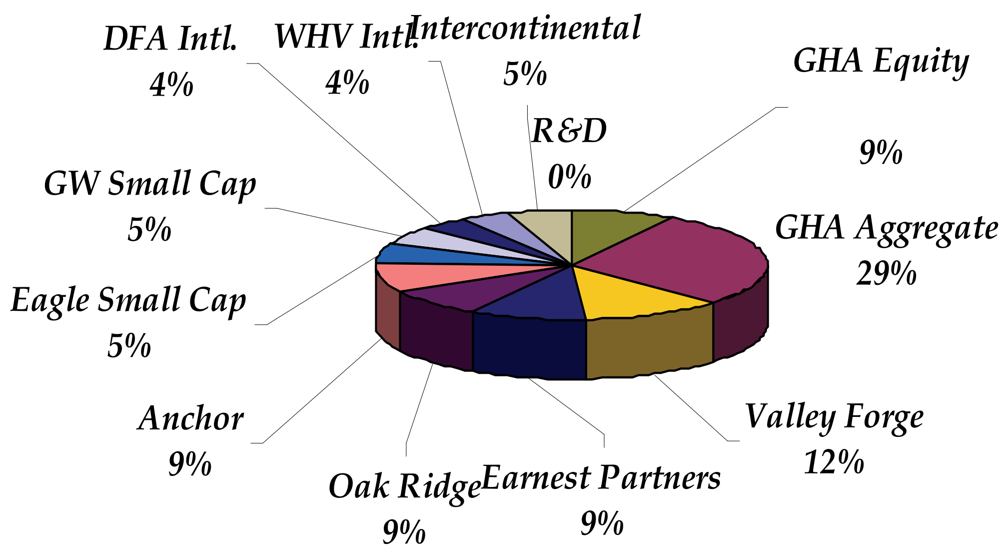
For the quarter the best performing sector among S&P 500 stocks was Telecommunications Services which increased 12.62% and the worst sector was Financials which decreased 7.27%.

Among the major economic indicators, the Consumer Price Index (CPI-Urban) increased 1.7% before seasonal adjustment for the twelve months ended in June. The Producer Price Index (PPI) for finished goods advanced 0.7% before seasonal adjustment for the twelve months ended in June.

The seasonally adjusted unemployment rate is 8.2% in June compared to 8.2% in March. Real Gross Domestic Product (GDP) increased at an annual rate of 1.9% for the first quarter of 2012, compared with an increase of 3.0% in the fourth quarter.

During the second quarter of 2012 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.

Track the Fund



Plan Asset Allocation & Diversification as of June 30, 2012

June 30, 2012

	Domestic Equities	Int'l Equities	Fixed Income	Real Estate	Cash	Total	% of Total
GHA Equity	$17,340,000				$235,000	$17,575,000	
GHA Aggregate			$57,736,000		$634,000	$58,370,000	
GHA Total						$75,945,000	37.3%
							41.0%
Valley Forge	$22,615,000				$1,065,000	$23,680,000	11.6%
							9.0%
Earnest Partners	$18,880,000				$262,000	$19,142,000	9.4%
							9.0%
Oak Ridge	$16,947,000				$943,000	$17,890,000	8.8%
							8.0%
Anchor	$15,262,000				$2,112,000	$17,374,000	8.5%
							8.0%
Eagle Small Cap	$11,081,000				$101,000	$11,182,000	5.5%
							5.0%
GW Small Cap	$10,068,000				$521,000	$10,589,000	5.2%
							5.0%
DFA Intl.		$8,208,000			$269,000	$8,477,000	4.2%
							5.0%
WHV Intl.		$8,022,000			$677,000	$8,699,000	4.3%
							5.0%
Intercontinental				$10,714,000		$10,714,000	5.3%
							5.0%
R&D					$96,000	$96,000	0.0%
							0.0%
Totals	$112,193,000	$16,230,000	$57,736,000	$10,714,000	$6,915,000	$203,788,000	100.0%
							100.0%
% of Total	55.1%	8.0%	28.3%	5.3%	3.4%	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.	IBM	Petsmart Inc.
IBM	Lufkin Indus.	Pfizer	TJX Corp.	Alliance Data Sys.
Microsoft	Vitamin Shoppe	Barrick Gold	Intel	Questcor Pharma
Coca Cola	Quaker Chemical	Newmont Mining	Occidental Petr.	Transdigm Group
Qualcomm Inc.	Obagi Medical	Bristol-Myers	Exxon Mobil	Ross Stores
American Tower	Sourcefire Inc.	Johnson & Johnson	Cummins	Airgas
Roper Industries	Sirona Dental	Verizon Comm.	Express Scripts	Sally Beauty Hldgs.
Walt Disney	Huron Consulting	Merck & Co.	American Tower	Mead Johnson
Nordstrom Inc.	Bally Technologies	AT & T	Wells Fargo	Intuitive Surgical
Grainger, W.W.	OYO Geospace	Waste Mgmt. Inc.	Union Pacific	GNC Holdings

Top Ten Equity Holdings

Anchor	GW	DFA	WHV
Sun Communities	A.O. Smith Corp	Vodafone Group ADR	Canadian Pacific Rail
American Capital Agency	Simpson Manufacturing	Royal Dutch Shell	Schlumberger Ltd.
SPDR Gold Trust	Darling International	BP PLC	Noble Corp
Goodrich Corp.	Esterline Technologies	Vodafone Group	Potash Corp.
Sempra Energy	Avis Budget Corp	Suncor Energy	Suncor Energy
McKesson Cp.	Ocwen Financial	Diamler AG	British American Tob.
Scana Corp.	CNO Financial	Swiss Re AG	BHP Billiton Ltd.
HCP Inc.	Casey's General Store	Mitsubishi UFJ Financial	Diageo PLC
Heinz H J Co.	Redwood Trust	Westfarmers LTD	Cooper Industries
Progress Energy	Omega Healthcare	GDF Suez	Canadian National Rail

GPO AND WEP MAY REDUCE AMOUNT OF YOUR SOCIAL SECURITY BENEFITS

There does not seem to be a week that goes by when we are asked about Social Security Offsets. Members are referred to the Social Security Administration who are the experts. The Board would like to "Thank" Steve Cypen for this contribution.

Government Pension Offset and Windfall Elimination Provision may cause your or your spouse's or your widow's or your widower's benefits to be reduced. Here, in the words of the Social Security Administration itself, is how they work.

Government Pension Offset

If you receive a pension from a federal, state or local government based on work where you did not pay Social Security taxes, your Social Security spouse's or widow's or widower's benefits may be reduced. Social Security Administration Publication No. 05-10007 provides answers to questions you may have about the reduction.

Your Social Security benefits will be reduced by two-thirds of your government pension. In other words, if you get a monthly civil service pension of $600, two-thirds of that, or $400, must be deducted from your Social Security benefits. For example, if you are eligible for a $500 spouse's, widow's or widower's benefit from Social Security, you will receive $100 per month from Social Security ($500 - $400 = $100).

If you take your government pension annuity in a lump sum, Social Security still will calculate the reduction as if you chose to get monthly benefit payments from your government work. Social Security pays to wives, husbands, widows and widowers are "dependent's" benefits. These benefits were established in the 1930s to compensate spouses who stayed home to raise a family and who were financially dependent on the working spouse. But as it has become more common for both spouses in a married couple to work, each earned his or her own Social Security retirement benefit. The law has always required that a person's benefit as a spouse, widow or widower be offset dollar for dollar by the amount of his or her own retirement benefit.

In other words, if a woman worked and earned her own $800 monthly Social Security retirement benefit, but she also was due a $500 wife's benefit on her husband's Social Security record, Social Security could not pay that wife's benefit because her own Social Security benefit offset it. But, before enactment of the Government Pension Offset provision, if that same woman was a government employee who did not pay into Social Security, and who earned an $800 government pension, there was no offset, and Social Security was required to pay her a full wife's benefit in addition to her government pension.

Please continue to the next page of this publication....

If this government employee's work had instead been subject to Social Security taxes, any Social Security benefit payable as a spouse, widow or widower would have been reduced by the person's own Social Security retirement benefit. In enacting the Government Pension Offset provision, Congress intended to ensure that when determining the amount of spousal benefit, government employees who do not pay Social Security taxes would be treated in a similar manner to those who work in the private sector and do pay Social Security taxes.

Generally, your Social Security benefits as a spouse, widow or widower will not be reduced if you:

Are receiving a government pension that is not based on your earnings; or

Are a federal (including "Civil Service Offset"), state or local government employee whose government pension is based on a job where you were paying Social Security taxes; and

—you filed for and were entitled to spouse's, widow's or widower's benefits before April 1, 2004; or

—your last day of employment (that your pension is based on) is before July 1, 2004; or

—you paid Social Security taxes on your earnings during the last 60 months of government service. (Under certain conditions, fewer than 60 months may be required for people whose last day of employment falls after June 30, 2004, and before March 2, 2009.)

Also, there are other situations where Social Security benefits as a spouse, widow or widower will not be reduced; for example, if you:

Are a federal employee who elected to switch from the Civil Service Retirement System (CSRS) to the Federal Employees' Retirement System (FERS) after December 31, 1987; and

—you filed for and were entitled to spouse's, widow's or widower's benefits before April 1, 2004; or

—your last day of service (that your pension is based on) is before July 1, 2004; or

—you paid Social Security taxes on your earnings for 60 months or more during the period beginning January 1988 and ending with the first month of entitlement to benefits; or

Received or were eligible to receive a government pension before December 1982 and meet all the requirements for Social Security spouse's benefits in effect in January 1977; or

Received or were eligible to receive a federal, state or local government pension before July 1, 1983, and were receiving one-half support from your spouse.

Note: A "Civil Service Offset" employee is a federal employee, rehired after December 31, 1983, following a break in service of more than 365 days, with five years of prior CSRS coverage.

Even if you do not receive cash benefits based on your spouse's work, you still can get Medicare at age 65 on your spouse's record if you are not eligible for it on your own record.

The offset applies only to Social Security benefits as a spouse or widow or widower. However, your own benefits may be reduced because of the Windfall Elimination Provision, discussed below.

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Garcia Hamilton & Associates - 2012 Q2 Market Recap

Economic improvement stalled during the quarter, with U.S., European, and Chinese data exhibiting marked weakness. Investors initially reacted to the prospect of lower earnings before shifting focus to the hopes of additional central bank liquidity. The domestic stock market, as measured by the S&P 500 Index, slipped just 2.8% including dividends for the quarter ending June 30.

The stock market's second quarter correction was as broad as had been the rally of the first quarter. All capitalization ranges and all major domestic indices posted low-single-digit declines. Sectors anticipated to hold up in a slower economic environment performed better, such as Consumer Staples. Sectors requiring a robust spending environment, Information Technology and Energy, fared worse.

Looking forward, equity markets might pause following nearly 10% gains in the first half of the year. Once earnings estimates have adjusted to slower economic activity, prices could move higher into year end. Constructive factors include an accommodative Federal Reserve, low inflation, improving housing, and shareholder friendly actions such as dividend increases and share repurchases.

In a challenging economic environment, companies able to generate internal revenue and earnings growth appear increasingly attractive. Large cap, high quality companies seem particularly well-positioned, combining the comfort of strong balance sheets and healthy cash flows with global operations able to exploit growth opportunities wherever they occur.

Manager Highlight - Garcia Hamilton & Associates

JEFFREY D. DETWILER, CFA, AAMS

Fixed Income Portfolio Manager

Mr. Detwiler received a B.S. in Finance from University of South Florida in 2000 and a M.S. in Finance along with a Graduate Certificate in Financial Services Management from University of Houston's Bauer School of Business in 2007. He began his career in the investment industry in 1996 as a financial planner and has worked at Franklin Templeton Investments in St. Petersburg, FL as well as INVESCO Funds Group in Denver, CO. In 2003, Mr. Detwiler joined AIM Distributors, Inc. in Houston, TX where he worked with a broad range of asset classes in the Financial Dealer Division. From 2006 through 2007, he worked for the Cougar Investment Fund, LLC as an Analyst and a Portfolio Manager. Mr. Detwiler joined Garcia Hamilton & Associates L.P. in 2007.

Mr. Detwiler is a Chartered Financial Analyst (CFA) charterholder and is a member of the CFA Institute and the Houston Society of Financial Analysts. Mr. Detwiler has also attained the Accredited Asset Management Specialist (AAMS) designation awarded by the College for Financial Planning.

STOCK SPOTLIGHT

Hain Celestial Group Inc (Ticker = HAIN)

Sector: Consumer Staples

Industry: Packaged Foods

Market Capitalization: $2.54 Billion

The Hain Celestial Group, Inc. is a natural and organic beverage, snack, specialty food, and personal care products company. The company is experiencing strong topline growth given the strength of the organic/healthy-living category and is an active acquirer within the natural/organic category, using acquisitions to expand both geographically (Intl.) and across product categories. This "bolt-on" focus on acquisitions to supplement topline growth meets the criteria of companies we are attracted to and the company's small size should allow it plenty of opportunity for meaningful growth.

Halliburton Company (Ticker = HAL)

Sector: Energy

Industry: Oil & Gas, Equipment and Services

Market Capitalization: $31 Billion

Founded in 1919, Halliburton is one of the world's largest providers of products and services to the energy industry. With nearly 70,000 employees in approximately 80 countries, the company serves the upstream oil and gas industry throughout the lifecycle of the reservoir – from locating hydrocarbons and managing geological data, to drilling, formation evaluation, well completion, and production optimization. Halliburton offers industry leading proprietary technologies and services, and is benefiting from increased globalization and service intensity as energy resources become more difficult to find and exploit. We were able to take advantage of recent weakness in oil and gas prices to build an initial stake in this high quality company at a meaningful discount to its intrinsic value.

Windfall Elimination Provision

If you work for an employer that does not withhold Social Security taxes from your salary, such as a government agency or an employer in another country, the pension you get based on that work may reduce your Social Security benefits. Social Security Administration Publication No. 05-10045 provides answers to questions you may have about the provision.

The Windfall Elimination Provision affects how the amount of your retirement or disability benefit is calculated if you receive a pension from work where Social Security taxes were not taken out of your pay. A modified formula is used to calculate your benefit amount, resulting in a lower Social Security benefit than you otherwise would receive.

The Windfall Elimination Provision primarily affects you if you earned a pension in any job where you did not pay Social Security taxes and you also worked in other jobs long enough to qualify for a Social Security retirement or disability benefit.

For example, this provision affects Social Security benefits when any part of a person's federal service after 1956 is covered under the Civil Service Retirement System (CSRS). However, federal service where Social Security taxes are withheld (Federal Employees' Retirement System) will not reduce your Social Security benefit amounts.

The Windfall Elimination Provision may apply if:

You reached 62 after 1985; or You became disabled after 1985; and

You first became eligible for a monthly pension based on work where you did not pay Social Security taxes after 1985, even if you are still working.

Social Security benefits are intended to replace only a percentage of a worker's pre-retirement earnings. The way Social Security benefit amounts are figured, lower-paid workers get a higher return than highly paid workers. For example, lower-paid workers could get a Social Security benefit that equals about 55 percent of their pre-retirement earnings. The average replacement rate for highly paid workers is about 25 percent.

Before 1983, people who worked mainly in a job not covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job where they did not pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

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Social Security benefits are based on the worker's average monthly earnings adjusted for inflation. Social Security separates your average earnings into three amounts and multiplies the amounts using three factors. For example, for a worker who turns 62 in 2012, the first $767 of average monthly earnings is multiplied by 90 percent; the next $3,857 by 32 percent; and the remainder by 15 percent. The sum of the three amounts equals the total monthly payment amount.

The 90 percent factor is reduced in the modified formula and phased in for workers who reached age 62 or became disabled between 1986 and 1989. For those who reached 62 or became disabled in 1990 or later, the 90 percent factor is reduced to 40 percent.

There are exceptions to this rule. For example, the 90 percent factor is not reduced if you have 30 or more years of "substantial" earnings in a job where you paid Social Security taxes. See the first table below that lists the amount of substantial earnings for each year.

The second table below shows the percentage used depending on the number of years of substantial earnings. If you have 21 to 29 years of substantial earnings, the 90 percent factor is reduced to between 45 and 85 percent.

To see the maximum amount your benefit could be reduced, visit www.socialsecurity.gov/retire2/wep-chart.htm.

The Windfall Elimination Provision does not apply if:

You are a federal worker first hired after December 31, 1983;

You were employed on December 31, 1983, by a nonprofit organization that did not withhold Social Security taxes from your pay at first, but then began withholding Social Security taxes from your pay;

Your only pension is based on railroad employment;

The only work you did where you did not pay Social Security taxes was before 1957; or

You have 30 or more years of substantial earnings under Social Security.

The Windfall Elimination Provision does not apply to survivors benefits. However, benefits may be reduced for widows or widowers because of the Government Pension Offset, discussed above.

If you get a relatively low pension, you are protected. The reduction in your Social Security benefit cannot be more than one-half of the amount of your pension that is based on earnings after 1956 on which you did not pay Social Security taxes.

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GPO AND WEP MAY REDUCE AMOUNT OF YOUR SOCIAL SECURITY BENEFITS

TABLE 1

Year Substantial earnings	Year Substantial earnings
1937-1954 $900	1989 $8,925
1955-1958 $1,050	1990 $9.525
1959-1965 $1,200	1991 $9,900
1966-1967 $1,650	1992 $10,350
1968-1971 $1,950	1993 $10,725
1972 $2,250	1994 $11,250
1973 $2,700	1995 $11,325
1974 $3,300	1996 $11,625
1975 $3,525	1997 $12,150
1976 $3,825	1998 $12,675
1977 $4,125	1999 $13,425
1978 $4,425	2000 $14,175
1979 $4,725	2001 $14,925
1980 $5,100	2002 $15,750
1981 $5,550	2003 $16,125
1982 $6,075	2004 $16,275
1983 $6,675	2005 $16,725
1984 $7,050	2006 $17,475
1985 $7,425	2007 $18,150
1986 $7,875	2008 $18,975
1987 $8,175	2009-2011 $19,800
1988 $8,400	2012 $20,475

TABLE 2

Years of substantial earnings	Percentage
30 or more	90 percent
29	85 percent
28	80 percent
27	75 percent
26	70 percent
25	65 percent
24	60 percent
23	55 percent
22	50 percent
21	45 percent
20 or less	40 percent

GPO AND WEP MAY REDUCE AMOUNT OF YOUR SOCIAL SECURITY BENEFITS (Conclusion)

Questions

For more information and to find copies of Social Security publications, visit its website at www.socialsecurity.gov or call toll-free, 800.772.1213 (for the deaf or hard of hearing, call the TTY number, 800.325.0778). Social Security treats all calls confidentially. Social Security can answer specific questions from 7 a.m. to 7 p.m., Monday through Friday. Generally, you will have a shorter wait time if you call during the week after Tuesday. Social Security can provide information by automated phone service 24 hours a day.

Social Security also wants to make sure you receive accurate and courteous service. For this reason, Social Security has a second Social Security representative monitor some telephone calls.

WEST PALM BEACH POLICE PENSION FUND
2100 North Florida Mango Road
West Palm Beach, Florida 33409

Phone: 561.471.0802 FAX: 561.471.5027

PUBLIC NOTICE

WEST PALM BEACH POLICE PENSION FUND
BOARD OF TRUSTEES
WILL BE MEETING

January 11, 2013	July 12, 2013
February 8, 2013	August 09, 2013
March 8, 2013	September 13, 2013
April 12, 2013	October 11, 2013
May 10, 2013	November 08, 2013
June 14, 2013	December 13, 2013

LOCATION: PALM BEACH PBA
2100 N. FLORIDA MANGO ROAD
WEST PALM BEACH, FLORIDA 33409

TIME: 8:30 A.M.

IF ANY PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE BOARD WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING OR HEARING, THEY WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE, THEY WILL NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE WHICH THE APPEAL IS TO BE BASED.

THIS MEETING MAY BE CONDUCTED BY MEANS OF OR IN CONJUNCTION WITH COMMUNICATION MEDIA TECHNOLOGY, THE TYPE BEING A SPEAKER TELEPHONE. THE ACCESS POINT IS THE CONFERENCE ROOM, WITHIN THE PALM BEACH COUNTY POLICE BENEVOLENT ASSOCIATION BUILDING.

PERSONS WITH DISABILITIES WHO REQUIRE REASONABLE ACCOMMODATIONS TO PARTICIPATE IN THE MEETINGS MAY CALL THE PLAN ADMINISTRATOR FIVE BUSINESS DAYS IN ADVANCE AT 561-471-0802 (VOICE) AND/OR 800-955-8771 (TYY).

Please visit us at: www.wpbppf.com

Link to program: http://www.mauijim.com/publicsafetydetails

Office of Retirement

The office has been relocated to the new PBA Building. The address and phone numbers remain unchanged.

This article is being provided as a perspective to recent published reports about pension systems throughout the state. While our plan fared well in the study, the following should clearly be considered!

ACTUARY BLASTS COLLINS REPORT

Reprinted article from Cypen.com:

We recently did a brief review of "Report Card: Florida Municipal Pension Plans" from Leroy Collins Institute (see C&C Newsletter for November 10, 2011, Item 2). Foster & Foster, actuary for public plans in the State of Florida, felt compelled to issue a public response to the report because it was so off the mark. The report begins by stating that it focuses on two critical measurements of municipal pension funds' sustainability -- funding levels and costs. The report then assigns letter grades to funds based upon funding levels and cost per active plan member. Unfortunately, the Institute does not understand how funding levels are calculated or what makes a plan sustainable. Furthermore, it is borderline irresponsible to label a pension as passing or failing based upon those two measurements. *Contrary to what the Institute may imply, sustainability of a pension plan has very little to do with the funding level or absolute cost.* Sustainability of a pension plan has far more to do with the sponsor's ability to continue making the annual payment each year. If the sponsor is flush with cash, funding level or cost per member does not matter. Likewise, a plan could have a funded ratio of 100% and a relatively small annual payment, but if the sponsor's tax revenues will not support the payment, the plan's sustainability may be in question.

The report erroneously describes how an actuary determines funded ratio. Funded ratio is calculated by dividing the Actuarial Value of Assets (which the report has also misrepresented) by the Actuarial Accrued Liability. Actuarial Accrued Liability is not the present value of projected future payments. It is a description of liability that is developed in accordance with one of a few acceptable actuarial cost methods. Depending upon which actuarial cost method is employed, different answers are developed. *For example, a plan given an "F" grade could be given an "A" grade if a different method was used.* Not every public plan uses the same cost method. Assigning letter grades to a subjective, non-uniform measure is dangerous, and reflects a material misunderstanding of the actuarial information. The report also attempts to refute the "mortgage analogy," but does so erroneously. The portion of the sponsor's contribution each year is made systematically to improve the funded ratio, and many pension boards have made the decision to increase the size of payments so that funding levels increase at a faster rate than what is statutorily required. Further, funded ratio is dependent upon actuarial cost method used, and is not a fair reflection of the percentage of earned benefits covered by current assets. In fact, it is possible that the plan with the 75% funded ratio could cover 100% of liabilities that have been accrued to date based upon current levels of compensation and service. And, yes, a plan that has a 75% funded ratio could easily be 100% funded on a plan termination basis. Besides being largely dependent upon the actuarial cost method chosen, much like a mortgage, it is also dependent upon age of the plan. Some of Florida's municipal pension plans have not been around as long as others, and, thus, it is unfair to compare the plans to one another. In addition, many municipalities have deliberately lowered their funded ratios in order to serve an alternative purpose.

(For example, some cities have implemented Early Retirement Incentive programs to provide increased pensions to employees in return for immediate retirements. Although the tactic lowers funded ratios and increases pension costs per member, it saves the cities millions of dollars in annual cash outlays and prevents citywide layoffs.) The report makes the bold, unsupported statement that full market recovery should not be expected fundamentally to improve condition of the lower-rated plans. In truth, if the actuarial assumptions are met prospectively, those plans will see dramatic declines in funding requirements ten years from now. Foster & Foster consults in other states, and says the Florida public pension system is far better than anywhere else. First, plans are administered by an independent Board of Trustees. Second, sponsors are required to contribute at least the minimum required contribution set by the actuary, as approved by the Board, developed in accordance with the Actuarial Standards of Practice and reviewed by actuaries at the Florida Division of Retirement. Last, the system itself is very sustainable, and has adequate checks and balances. Costs of these plans has risen over the last decade due to the poor investment performance, not because of any mismanagement. Last year's Senate Bill 1128 requires the Florida Division of Retirement develop a more comprehensive evaluation of public plans. Plans will be evaluated based upon a laundry list of different criteria, as opposed to just two. Meanwhile, we should shift our focus away from the subjective actuarial criteria for purposes of evaluating plans, and focus rather on benefits and associated costs of providing lifetime benefits for public servants. If costs have risen to unsustainable levels when compared to the overall operating budget [which, in our judgment, is extremely rare], then all parties should work together to find ways to bring costs in line. Until then, the plans will take care of themselves.

Very well said.

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

Beneficiary Forms

Please remember to update your beneficiary form TODAY!

Updated forms available on-line!

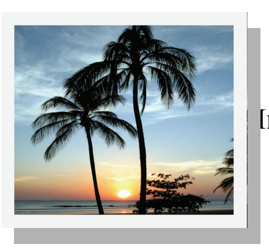
http://wpbppf.com/

Disclaimer

The information contained herein is provided for informational purposes only. The foregoing information/summary/prices/quotes/statistics have been obtained from sources we believe to be reliable, but cannot guarantee its accuracy or completeness. Neither the information nor any opinion expressed constitutes investment, tax and/or legal advice from the Board of Trustees and/or any and all entities thereof. Please consult your professional investment, tax and/or legal advisor for such guidance.

CONFIRMATION OF RETIREMENTS

ALL Retired Members ……………. Please remember to properly execute and return your annual confirmation of retirement, if you have not done so already. This will ensure no interruption in your monthly retirement payment. Thank you!

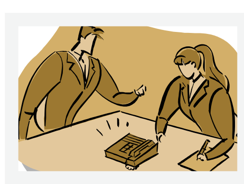


In Memoriam

The Board of Trustees sadly announces the passing of Thomas Withington on September 10, 2012. Mr. Withington is survived by Mary Lois. Mr, Withington is forever remembered & the Withington Family remain in our thoughts and prayers.

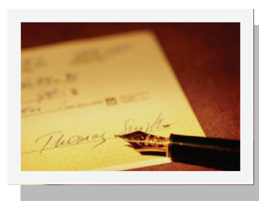
Reporting a Death

There was a case recently where a retiree died and the family members did not advise us about the death. Payments continued for many months until we learned of the death through other means. The funds were recovered, but this should have never happened.



The Board does not want to take action (civil or otherwise) against a family member, but will do so to protect the Plan. Please make certain that instructions are provided to contact the Office of Retirement upon your passing. Avoid any additional hardship for your loved ones!

Retiree Monthly Payments



The payments from the Plan are always distributed on the first business day of the month. During the Labor Day Weekend you may have noticed that was very evident.

The Plan Administrator held meetings with our custodian in an effort to prevent delayed payments going forward.

We are pleased to announce that our custodian will now be releasing the payments to your bank on the last business day of the month when the first of the month falls on a weekend or a holiday.

We hope this helps those who have auto payments set up. The Board would like to "thank" Fiduciary Trust for taking these additional measures to help our retirees, particularly those who are living month to month.