West Palm Beach Police Pension News

Business Name

Issue 26

Date of Issue:

Fourth Quarter 2016

Inside this issue….

The Board of Trustees wish you and your family a safe & joyous holiday

PENSION FUND SUMMARY

On September 30, 2016 our fund had a total market value of $324,945,007. The Total Fund return was 3.92% (net) and its benchmark return was 3.80%. For the quarter the Total Equity return was 5.37% and the benchmark return was 5.70%. The Total Fixed Income return was 0.25% and the benchmark return was 0.31%. For the quarter the average allocation of our fund was 66.3% invested in stocks, 24.2% in bonds and 0.5% in cash equivalents (i.e.short term liquid interest bearing investments similar to money market funds).

Our ongoing target for investment in stocks is 65% of the total fund.

Fiscal Year to Date

(10/1/2015 – 09/30/2016)

For the fiscal year to date the BRC Equity return was 4.57%, the RhumbLine Large Cap Equity return was 15.40%, the Garcia Hamilton Equity return was 11.91%, the Anchor Equity return was 12.76%. The New Amsterdam Equity return was 8.71%. The Eagle Equity return was 12.20%. The S&P 500 equity index return was 15.43%.

For the fiscal year to date the Vanguard International Equity return was 8.41% and the Oppenheimer (OFI) International Equity return was 19.28%. The MSCI EAFE international equity index return was 7.06%. For the fiscal year to date the Garcia Hamilton Fixed Income return was 3.84%.

Calendar Year to Date

(12/31/2015 – 09/30/2016)

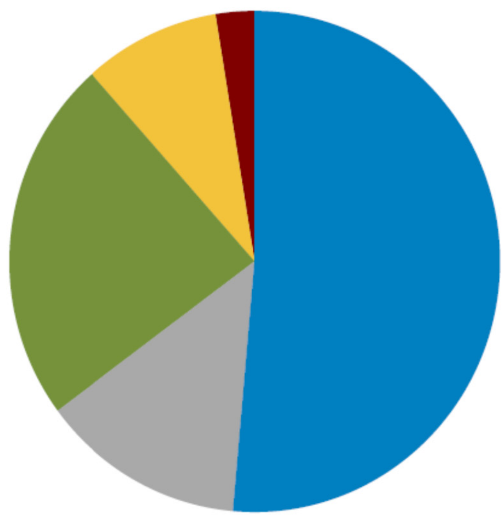
For the calendar year to date the Total Fund return was 5.25% (net) and its benchmark return was 7.15%. The Total Equity return was 5.38% and the benchmark return was 8.65%. The Total Fixed Income return was 4.55% and the benchmark return was 4.10%.

Long Term

For the last five years the Total Fund return was a stellar 9.55% (net) per year, which exceeds our benchmark by 155 basis points. For the last five years the Total Equity return was 11.78% and the Total Fixed Income return was 4.49%.

Track the Fund

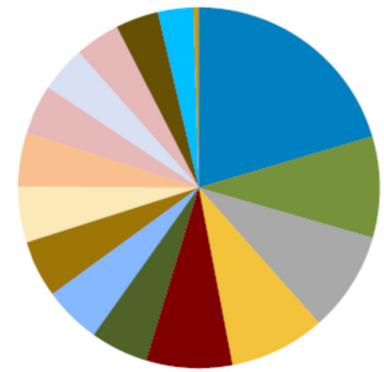
Asset Allocation By Segment as of September 30, 2016 : $324,945,007



Allocation

Segments	Market Value	Allocation
Domestic Equity	167,036,602	51.4
International Equity	43,654,915	13.4
Domestic Fixed Income	76,675,543	23.6
Real Estate	29,255,770	9.0
Cash Equivalent	8,322,177	2.6

Asset Allocation By Manager as of September 30, 2016 : $324,945,007



Allocation

	Market Value	Allocation
Garcia Hamilton Fixed Income	66,293,971	20.4
BRC Equity	29,461,434	9.1
RhumbLine Equity	29,223,692	9.0
New Amsterdam Equity	27,808,944	8.6
Garcia Hamilton Equity	24,918,232	7.7
RhumbLine International Equity	16,712,005	5.1
Vanguard Intl Equity (VTRIX)	16,668,877	5.1
Eagle Equity	16,633,546	5.1
Wellington	16,247,426	5.0
Intercontinental	15,796,000	4.9
Anchor Equity	14,338,692	4.4
J.P. Morgan	13,459,770	4.1
RhumbLine S&P Mid Cap 400	13,042,829	4.0
RhumbLine Fixed Income	12,457,371	3.8
Oppenheimer Int Equity	10,274,056	3.2
R&D Cash	1,608,162	0.5
Oak Ridge Equity	-	0.0

BRC Large Cap Value	GHA Large Cap Growth	Anchor Mid-Cap Value	New Amsterdam Small-Mid Cap	Wellington Small Cap Value
Vantiv Inc	Alphabet	Sun Communities	Ubiquiti Networks, Inc.	CorVel Corp
Applied Materials	Apple Inc	First American	Astronics Corporation	WGL Holdings Inc
First Republic Bank	Home Depot Inc	Broadridge Financial	ILG, Inc.	Mueller Industries
Constellation Brands	Walt Disney Co	McKesson	Trex Company, Inc.	Smart & Final Stores
Synovus Finl	Microsoft Corp	Omnicom Group Inc	Primerica, Inc.	Helen of Troy Ltd
Baxter International	Johnson & Johnson	Hasbro, Inc.	Masimo Corporation	Ascena Retail Group
Cincinnati Finl	CVS Health Corp	Genuine Parts	Tower International	ACCO Brands Corp
SunTrust Bks	Visa Inc	Liberty Media Corp.	Innospec Inc.	Cato Corp
Communications Corp	Amazon.com	Endurance Specialty	HomeStreet, Inc.	Essendant Inc
Lilly (Eli) & CO	Lockheed Martin	Boston Scientific	Deluxe Corporation	Fred's Inc

Top Ten Equity Holdings

RhumbLine S&P 500	RhumbLine S&P 400	RhumbLine MSCI EAFE	VANGUARD International Equity	Eagle Small Cap Growth
Apple Inc	Idexx Labs Inc	Nestle Sa	Japan Tobacco	Universal-Electronics
Microsoft Corp	Whitewave Foods Co	Novartis Ag	Taiwan-Semiconductor	Quaker Chemical
Exxon Mobil Corp	Ingredion Inc	Roche Holdings Ag	Novartis AG	Vail Resorts, Inc.
Amazon Com Inc	Duke Realty Corp.	Ishares MSCI EAFE	Total SA	Waste Connections, Inc.
Johnson & Johnson	Resmed Inc	Toyota Motor Corp	SoftBank	Coherent, Inc.
Facebook Inc	Synopsys Inc	Hsbc Holdings Plc	Royal Dutch	Genesco Inc.
Berkshire Hathaway Inc	Cdk Global Inc	British American	Prudential	Ultimate Software
General Elec Co	Alexandria Real Esta	BP	Anheuser-Busch	Synovus Financial
AT&T Inc	Ansys Inc	Total Sa	DeNA Co	Burlington Stores
J P Morgan Chase & C	Alleghany Corp	Royal Dutch Shell	Sumitomo Mitsui	Centene

ECONOMIC ENVIRONMENT

A Strong Pickup

The second quarter ended with investors breathing a sigh of relief when the Brexit vote was not followed by instant catastrophe. While there is sure to be long-term uncertainty over when, how, and even if Brexit will actually happen, for now those concerns don't seem to be worrying the economy too much. In the US, employment was healthy, housing prices pushed upward, both the manufacturing and service sectors gained ground, consumer confidence was strong, and the Fed held rates steady. GDP in the third quarter advanced 2.9%, stronger than the prior four quarters.

Overall, it was a good quarter in a good year, despite what feels like a mediocre quarter in a bad year.

September brought 156,000 new hires, though the unemployment rate inched up to 5.0%. The latter was mainly attributable to the number of unemployed workers who had gained enough confidence to restart their job searches. New jobs were strongest in the professional, business services, and healthcare categories. Clearly, job gains have eased, averaging 178,000 so far this year vs. 229,000 for the same period last year. Average hourly earnings rose six cents in September to $25.79; the wage gains were viewed as an encouraging sign by both the Fed and the rank and file. For the fiscal year ended September, wage gains have been a healthy 2.6%.

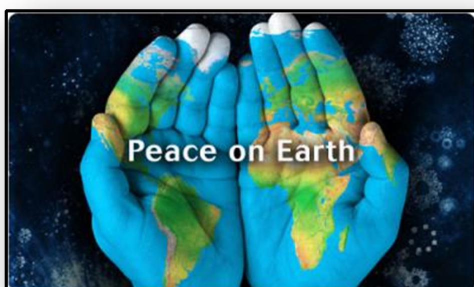
Home prices rose another 1.1% in August, the latest month available. Year-over-year, prices have risen 6.2%. Price gains have been chugging along for 55 straight months and are only 5.6% below their April 2006 peaks. Notably, prices in eighteen states have reached new highs. In particular, price hikes were over 10% in both Oregon and Washington during the latest year. However, in three states prices remained far off their prior peaks: Nevada (-31%), Florida (-23%) and Arizona (-22%).

September's manufacturing activity grew 2.1%, reaching 51.5% (greater than 50% represents growth). New orders and production climbed 6% and 3.2%, respectively. Minerals, furniture, textiles and food all advanced; but, printing, coal, oil and wood products were key laggards. The service sector rose almost 6% in September to a robust 57.1%. Business activity and new orders components reached 60%. 14 out of 18 industries reported growth, with agriculture, forestry, and fishing, and retail the big winners. Only mining, real estate, entertainment, arts, and educational services declined.

Consumer confidence correlated with manufacturing and service activity, as the Consumer Confidence Index climbed to 104.1. That level was the highest reported since the beginning of the Great Recession in 2008-2009. Workers were encouraged regarding their current situations as well as their expectations for the next six-months.

The Bloomberg Commodity Index fell 3.9% in the third quarter. Abundant supplies accounted for the big losses: natural gas (-8%), lean hogs (-32%), wheat (-14%), and soybeans (-17%). However, several "soft" agricultural commodities and metals rose in price. Sugar climbed 10%; cotton was up 6%; zinc soared 13%; and nickel prices surged 11%. There were some signs of inflation, mainly due to relatively higher oil prices and wages.

Economists were equally divided in their views regarding a Fed rate hike, as were the Fed Board members themselves. But a majority voted against such a hike, based on somewhat weak business spending and inflation still below target. Given that decision, the Board's late September press release intimated that there likely would be a rate increase in the near-term. Our understanding is to expect a small one by year-end.



DOMESTIC EQUITIES

Record Highs

It was a risk-on quarter for US stocks with economic indicators that were largely positive. Higher-than-expected earnings by major companies helped, and every major index was positive. Some indexes even touched all-time peaks before declining a bit by quarter-end. With such positive sentiment, the S&P 500 rose 3.9%, and a turnaround among the NASDAQ's better known tech compwith the most significant difference occurring among large-cap names; the Russell 1000 Growth Index added 4.6% vs. 3.5% for the Russell 1000 Value Index. Smaller-sized stocks leaped past their large-cap brethren. As evidence, the Russell 2000 Index rose 9.0% vs. 4.0% for the Russell 1000. REITs, a new, separate S&P sector, ended its string of top-performing quarters; correspondingly, the NAREIT Index fell a modest 1.2%.

Computer technology was the best-performing S&P sector, with outsized price gains by Apple, Google and Microsoft. Runner-up was the much smaller transportation sector (+11.2%), as rails and airline stocks performed well due to higher capacity utilization and low energy prices. Finance stocks advanced 6.2%, despite the infamous dealings at Wells Fargo. On the other hand, investors disfavored utilities, a safe haven and dividend-driven sector that declined 2.2% after a long run. Energy was another weak performer, adding only 1.3% amid rising oil inventories.

S&P's dividend yield fell slightly, to 2.1%. Higher corporate earnings reduced the index' price/earnings ratio from 23.6 to 22.6. Nonetheless, the P/E remains historically high.

DOW CLOSES ABOVE 19000 FOR FIRST TIME

On November 22, 2016, the Dow Jones Industrial Average finished above 19000 for the first time, continuing a streak of milestones for U.S. stock indexes. It was November 4 when the blue-chip index last closed below 18000. Since then, a rally following the U.S. presidential election has in particular benefited the shares of industrial companies and banks, bolstering the Dow. The Dow industrials rose 67.2 points, or 0.35%, to 19023.87. The S&P 500 added 0.2% to 2203 and the Nasdaq Composite gained 0.3% to 5386 ~ fresh records for both indexes according the Wall Street Journal.

Next stop 20K?

REMINDER FOR PARENTS AND STUDENTS: CHECK OUT COLLEGE TAX CREDITS FOR 2016 AND YEARS AHEAD

With another school year now in full swing, the Internal Revenue Service reminds parents and students that now is a good time to see if they qualify for either of two college tax credits or other education-related tax benefits when they file their 2016 federal income tax returns next year. In general, the American Opportunity Tax Credit or Lifetime Learning Credit is available to taxpayers who pay qualifying expenses for an eligible student. Eligible students include the taxpayer, spouse and dependents. The American Opportunity Tax Credit provides a credit for each eligible student, while the Lifetime Learning Credit provides a maximum credit per tax return. Though a taxpayer often qualifies for both of these credits, he or she can only claim one of them for a particular student in a particular year. To claim these credits on their tax return, the taxpayer must file Form 1040 or 1040A and complete Form 8863, Education Credits. The credits apply to eligible students enrolled in an eligible college, university or vocational school, including both nonprofit and for-profit institutions. The credits are subject to income limits that could reduce the amount taxpayers can claim on their tax return. To help determine eligibility for these benefits, taxpayers should visit the Education Credits Web page or use the IRS's Interactive Tax Assistant tool. Both are available on IRS.gov. Normally, a student will receive a Form 1098-T from their institution by January 31, 2017. This form will show information about tuition paid or billed along with other information. However, amounts shown on this form may differ from amounts taxpayers are eligible to claim for these tax credits. Taxpayers should see the instructions to Form 8863 and Publication 970 for details on properly figuring allowable tax benefits. Many of those eligible for the American Opportunity Tax Credit qualify for the maximum annual credit of $2,500 per student. Students can claim this credit for qualified education expenses paid during the entire tax year for a certain number of years:

- The credit is only available for four tax years per eligible student.
- The credit is available only if the student has not completed the first four years of postsecondary education before 2016.

  Here are some more key features of the credit:

- Qualified education expenses are amounts paid for tuition, fees and other related expenses for an eligible student. Other expenses, such as room and board, are not qualified expenses.
- The credit equals 100% of the first $2,000 spent and 25% of the next $2,000. That means the full $2,500 credit may be available to a taxpayer who pays $4,000 or more in qualified expenses for an eligible student.
- Forty percent of the American Opportunity Tax Credit is refundable. This means that even people who owe no tax can get a payment of up to $1,000 for each eligible student.
- The full credit can only be claimed by taxpayers whose modified adjusted gross income is $80,000 or less. For married couples filing a joint return, the limit is $160,000. The credit is phased out for taxpayers with incomes above these levels. No credit can be claimed by joint filers whose MAGI is $180,000 or more and singles, heads of household and some widows and widowers whose MAGI is $90,000 or more.

  The Lifetime Learning Credit of up to $2,000 per tax return is available for both graduate and undergraduate students. Unlike the American Opportunity Tax Credit, the limit on the Lifetime Learning Credit applies to each tax return, rather than to each student. Also, the Lifetime Learning Credit does not provide a benefit to people who owe no tax. Though the half-time student requirement does not apply to the lifetime learning credit, the course of study must be either part of a post-secondary degree program or taken by the student to maintain or improve job skills. Other features of the credit include:

- Tuition and fees required for enrollment or attendance qualify as do other fees required for the course. Additional expenses do not.
- The credit equals 20% of the amount spent on eligible expenses across all students on the return. That means the full $2,000 credit is only available to a taxpayer who pays $10,000 or more in qualifying tuition and fees and has sufficient tax liability.
- Income limits are lower than under the American Opportunity Tax Credit. For 2016, the full credit can be claimed by taxpayers whose MAGI is $55,000 or less. For married couples filing a joint return, the limit is $111,000. The credit is phased out for taxpayers with incomes above these levels. No credit can be claimed by joint filers whose MAGI is $131,000 or more and singles, heads of household and some widows and widowers whose MAGI is $65,000 or more.
- Eligible parents and students can get the benefit of these credits during the year by having less tax taken out of their paychecks. They can do this by filling out a new Form W-4 with their employer to claim additional withholding allowances. There are a variety of other education-related tax benefits that can help many taxpayers.

Proceed to last page of the publication for the conclusion

STOCK SPOTLIGHT

Raytheon Company (Ticker: RTN)

Sector: Industrials

Industry: Aerospace & Defense

Market Capitalization: $42.3 billion

Raytheon was founded in 1922 in Cambridge, MA, by three engineers including the eventual dean of the MIT School of Engineering. Their initial innovation was the S gas rectifier tube which allowed the home radio to be plugged into a wall socket, transforming it into an affordable, must-have device. As a major electronics manufacturer during World War II, Raytheon provided nearly all the magnetron tubes used in radar systems by U.S. and British troops, as well as proximity fuses for anti-aircraft shells. Perhaps its most popular invention is the microwave oven, developed after a Raytheon engineer noticed the candy bar in his pocket melted when standing in front of an active magnetron.

After the war, a series of acquisitions expanded the company's capabilities in defense electronics while divestiture of all consumer and commercial operations in the 1990s narrowed the firm's focus solely on domestic and international governmental customers. Raytheon's Patriot missile received particular international publicity during the Persian Gulf War. Other major product lines today include air traffic control systems, communications systems, cybersecurity, radar, and sensors.

Following several years of reduced U.S. defense procurement, Congress is expected to increase Department of Defense budgets at a mid-single digit rate through the end of the decade. Defense electronics and weapons systems spending should increase slightly faster, leading to high-single digit earnings growth for RTN over the investment horizon. Free cash flow is sufficient to boost the dividend, currently yielding 2.0%. With net debt equal to just 20% of total capital, the stock is rated "A" on the S&P Earnings and Dividend Quality ranking.

Average Cost in portfolio: $137.17 per share, currently trading price $143.90.

EOG RESOURCES INC (Ticker: EOG)

Sector: Energy

Industry: Exploration and Production

Market Capitalization $61.49 Billion

EOG Resources, Inc. explores, develops, produces, and markets natural gas and crude oil. The Company operates primarily in major producing basins in the United States, and from time to time in Trinidad and select other international areas.

With a defensive balance sheet, an IRR and ROCE focused business model, a manageable and rising dividend profile, a long-term double digit oil production growth rate, and a continuing focus on its core premier acreage in Eagle Ford, Bakken, and Delaware Basin, EOG is well positioned to manage in a lower oil price environment as prices stabilize. EOG also has a strong history of innovating ways to explore and develop acreage so that it's cost is lower than similarly positioned competitors. Earnings are expected to rise at greater than 100% for the next several years as oil prices rise and new plays come online.

Average Cost in Portfolio: $85.92 per share, currently trading price $96.71.

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.

PPCC

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2016

Presented to

City of West Palm Beach Police Pension Plan

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle
Program Administrator

Public Pension Coordinating Council

The Public Pension Coordinating Council (PPCC) is a coalition of three national associations that represent public retirement systems and administrators: NASRA, the National Council on Teacher Retirement (NCTR) and the National Conference on Public Employee Retirement Systems (NCPERS). Together, these associations represent more than 500 of the largest pension plans in the United States serving most of the nation's 16 million employees of state and local government.

The PPCC established the Public Pension Standards to reflect minimum expectations for public retirement system management, administration, and funding. The Standards serve as a benchmark by which to measure public defined benefit plans. All public retirement systems and the state and local governments that sponsor them are encouraged to meet the standards.

The award application is distributed each year in early October. Applications are accepted for a period of six weeks, until mid-November. Retirement systems may apply for one or both of the following two awards.

RECOGNITION AWARD FOR ADMINISTRATION

To receive the Recognition Award for Administration, the retirement system must certify that it meets the requirements in five areas of assessment. Those areas are:

1. Comprehensive Benefit Program. The system must provide a comprehensive benefit program including service retirement benefits, in-service death benefits, disability benefits, vesting, and provisions for granting a cost-of-living adjustment.

2. Actuarial. An Actuarial Valuation must be completed at least every two years using generally recognized and accepted actuarial principles and practices.

3. Audit. The system must obtain an unqualified opinion from an independent audit conducted in accordance with government auditing standards generally accepted in the United States.

Pictured L-R: Craig Kahle -Trustee, Jack Frost - Chairman, Bonni Jensen - Board Attorney, Dave Williams - Plan Adm., Mark Parks - Chief Financial Officer, City of West Palm Beach and John McCann - Bogdahn Group, Investment Monitor/Consultant.

4. Investments. The system must follow written investment policies and written fiduciary standards and the system must obtain an annual investment performance evaluation from an outside investment review entity.

5. Communications. Members must be provided a handbook or summary plan description, regular updates to the documents, and an annual benefit statement. Meetings of the governing board of the system are conducted at least quarterly with adequate public notice.

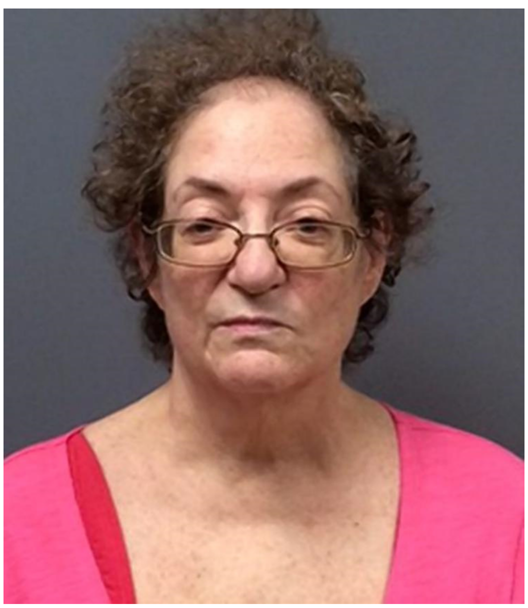
RECOGNITION AWARD FOR FUNDING

To receive the Recognition Award for Funding, the retirement system must certify that it meets the requirements for funding adequacy, as defined as meeting one or more of the following criteria:

A funded ratio of 100 percent; or contribution rates equal to or greater than 100 percent of the Annual Required Contribution; or a plan has been approved by the governing body to achieve or one or both of these criteria within five years.

RELIEF FOR THOUSANDS SUFFERING FROM ALZHEIMER'S DISEASE: Today, there are nearly 5.4 million Americans living with Alzheimer's disease. While most people associate the disease with old age, there are 200,000 Americans under the age of 65 living with it today. As with all forms of the disease, Early Onset Alzheimer's is a progressive, terminal disease, which cannot be prevented, cured or even slowed. Since the onset can occur in people as early as their thirties and forties, it often strikes during an individual's prime working years, and as the disease progresses it prevents gainful employment. As a result, individuals are coming to grips with a devastating diagnosis all while losing employment and the salary and benefits that come with being employed. These individuals and their caregivers then must figure out how they will pay for their care. According to Social Security Matters blog, thankfully since 2010 Social Security has helped by adding Alzheimer's disease to its Compassionate Allowances Initiative. The initiative identifies debilitating diseases and medical conditions so severe they obviously meet Social Security's disability standards. Compassionate Allowances allow for faster payment of Social Security benefits to individuals with Alzheimer's disease, mixed-dementia and Primary Progressive Aphasia. The inclusion of Alzheimer's disease in Social Security's Compassionate Allowances has had a profound impact on the Alzheimer's community, helping thousands of families. Social Security benefits are very important to individuals with early-onset who are unable to work and have no other source of income. At the Alzheimer's Association, we hear from family caregivers about the challenges they face paying for care. The financial complications fall to the caregiver as well as finding the day-to-day care solutions. That is just one of the reasons why we celebrated November as National Family Caregiver Month and we took the time to honor the 15 million caregivers for those living with Alzheimer's disease. To learn more about how Social Security disability insurance works, visit Social Security's disability page and visit Social Security's Compassionate Allowances page nyhttps://ssa.gov/compassionateallowances/ to learn more about other medical conditions under the Compassionate Allowances Initiative. The Alzheimer's Association is also here to help, visit www.alz.org or call our 24/7 Call Center at 1-800-272-3900 for additional support.

Florida woman gets 6 months for stealing $148G in late father's New York pension benefits



A 64-year-old Florida woman has been sentenced to six months in jail and five years probation for stealing more than $148,000 in New York pension benefits paid to her father after he died.

According to the controller and attorney general's offices, Renee Kanas, of Tamarac, failed to notify the state workers' retirement system of her father's death in 2010.

She took his benefits for almost five years through their joint bank account, spending some on Caribbean cruises.

As part of her plea, she agreed to pay the $148,000 back to the state. Authorities say she has already paid back $45,000 through the sale of her Florida home.

Note: This system does have protocols in place in an effort to detect fraud, but you must do your part as well. Instructions should be given to your loved ones to contact the Office of Retirement so a proper benefit entitlement may be conducted.

BEST STRATEGIES TO RETIRE ON SOCIAL SECURITY ALONE: We remember many phrases uttered by Franklin Roosevelt, including, "All we have to fear is fear itself" and "a day that will live in infamy." Alas, most of us have forgotten the FDR pronouncement most relevant to our lives. Upon signing Social Security into law in 1935, Roosevelt said. "None of the sums of money paid out to individuals in assistance or in insurance will spell anything approaching abundance. But they will furnish that minimum necessity to keep a foothold" That is still the case. Yet today Social Security provides 35% of retirees with 90% or more of their monthly income. Our over-dependence on Social Security, which pays an average of just $1,180 per month, is largely the result of changes in employment benefits and society. Private sector pensions, once the cornerstone of retirement funding, have nearly disappeared, replaced by 401(k) and other savings programs that require us to largely self-fund our retirement and aggressively save towards that goal. Meanwhile, we are living longer, having children later in life and often supporting elderly parents ~ all in a volatile economy. These factors can play havoc with a couple's retirement savings efforts. If you are facing the prospect of relying on Social Security in retirement, there are steps you can take to make the most of that less-than-optimal situation, even if you are nearing retirement age according to thebalance.com.

- **Max Out Your Benefits.** Make sure that you work at least 35 years, even if that means pushing back your retirement. Social Security benefits are based on your 35 highest-earning working years. Work less than 35 years and the deficit years go into the calculation as goose eggs, which could significantly lower your monthly retirement benefit. While you are working, maximize your income. If you are at the top of the pay scale in your career job, think about taking a second job. Anything you do to boost your yearly income will pay off in the long run on your Social Security check. Want to check on how you are doing? You can get a detailed estimate on the Social Security Administration's website.
- **Hold Off on Taking Benefits.** You want to make sure you wait until you are at least full retirement age to start claiming benefits. Your full or "normal" retirement age, as defined by the Social Security Administration, is between 65 and 67; depending on what year you were born. Choosing to take early distributions will reduce your monthly benefit amount for life. If you can, postpone tapping into your benefits until you are age 70. This will get you what the Social Security Administration calls "delayed retirement credits." Your benefits increase 8% each year you delay taking Social Security income until age 70. Waiting until you hit 70 translates into about a third more income for life.
- **Move to a Cheaper Place.** Consider moving to a less expensive area to reduce your retirement cost of living. This time-honored tradition helps explain the on-going migration of older Americans from places like New York and Massachusetts to Florida and North Carolina. There are any number of vibrant small cities where you can live a very full life and cover your largest costs housing, food, *et cetera* ~ on what you and your spouse receive from Uncle Sam. You might even consider moving overseas to any one of the Central and South American countries that welcome American retirees with warmth, easy-going lifestyles, modern amenities and low costs of living.

  Ideally, Social Security should be just one revenue stream in your retirement income. Savings, a part-time job and even some rental income should also be in the mix. But life happens ~ sometimes with terrible timing. If things do go sideways, know that by employing these strategies you can still have a great post-career life, courtesy of the benefits you started earning back in high school as a waitress or gas pump jockey.

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

Final Thoughts

Artificial intelligence is no match for natural stupidity.

&

Change is inevitable, except from a vending machine.

"Special Thanks" to our source: Mr. Steve Cypen

In Closing:

New VEBA rate effective January 1, 2016 is $532.64. No Action is required on your part. An adjustment will be made by our custodian for all affected parties.

COLA Notice

The annual COLA review and letter to membership was approved on December 9, 2016.

Special Act

Changes are coming to the special act which governs the Fund. A summary of the changes may be viewed on-line, on our announcement page.

Did you know our Financial Statements, Actuarial Valuation and annual Budget is on-line?

Con't from page six of this publication

They include:

- Scholarship and fellowship grants -- generally tax-free if used to pay for tuition, required enrollment fees, books and other course materials, but taxable if used for room, board, research, travel or other expenses.
- Tuition and fees deduction claimed on Form 8917-- for some, a worthwhile alternative to the American Opportunity Tax Credit or Lifetime Learning Credit.
- Student loan interest deduction of up to $2,500 per year.
- Savings bonds used to pay for college -- though income limits apply, interest is usually tax-free if bonds were purchased after 1989 by a taxpayer who, at time of purchase, was at least 24 years old.
- Qualified tuition programs, also called 529 plans, used by many families to prepay or save for a child's college education.

Taxpayers with qualifying children who are students up to age 24 may be able to claim a dependent exemption and the Earned Income Tax Credit. The general comparison table in Publication 970 is a useful guide to taxpayers in determining eligibility for these benefits. Details can also be found in the Tax Benefits for Education Information Center on IRS.gov.