



Pension Press

The Newsletter of the Houston Municipal Employees Pension System

Volume 20, Spring 2003

LETTER FROM THE CHAIRMAN

Dear Plan Participants,

In the last issue of the *Pension Press*, I expressed my excitement about projects underway at HMEPS in 2003. We are now well into the first quarter and the hard work put forth by HMEPS staff is very evident. Allow me to update you on two items:

- HMEPS Legislation (SB 308 and HB 601) – As of this writing, the legislation is continuing its journey through the Texas legislature. It is a step-by-step process, but it is moving along at a steady pace. HMEPS personnel have reported positive communications with the various committees in Austin that oversee pension legislation.

You can keep updated on the legislation by visiting the “Texas Legislature Online” website at www.capitol.state.tx.us (as well as on the HMEPS website). Turn to page 4 for instructions on how to perform a search when you visit the site.

- The HMEPS Information Technology (IT) department has been hard at work on their latest implementation – the HMEPS e-Records Management System. The e-Records system, which is now undergoing “beta” testing within the Public Works and Police departments, will provide a number of benefits to both our participants and the HMEPS staff. The photo to the right shows HMEPS benefit counselors introducing the e-Records system to Public

Works employees. The system eventually will be implemented in all of the City of Houston departments.



Left to right: Donna Caldwell, Brenda Bingham, Angie Calenda and Virginia Rodriguez

These two updates are a small sample of the many projects currently underway at HMEPS. From legislation at the state level to technology in City departments, HMEPS is working harder than ever to deliver improved services and benefits to our members. I thank you for your continued support.

Sincerely,

Fred Holmes
Chairman



Fred Holmes
Chairman



Ray Kennedy
Vice Chairman



Sherry Mose
Elected Trustee



Barbara Chelette
Secretary



Lee Pipes
Elected Trustee



Roderick J. Newman
Elected Trustee



Lonnie G. Vara
Mayor's Representative



Albertino Mays
Treasurer



James E. Bashaw
Appointed Trustee



Robert Hu
Appointed Trustee



Ignacio Pujol, Jr.
Appointed Trustee



David L. Long
Executive Director

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A Checklist For Your Road To Retirement

No matter if you're a few months or a few years from retirement, you should start thinking about the steps you need to take to make your transition into retirement as smooth as possible. Here is a general checklist to help you plan a successful retirement. **Please note that many pension processes have a specific deadline for completion, and that you must initiate your request sufficiently in advance of the deadline in order to ensure that all necessary documents, information and/or payments are completed by the deadline.**



Throughout Your Career

- Remain informed. Read and periodically review your HMEPS benefits handbook. These handbooks are revised, so make sure you have the latest edition. Also, read the HMEPS newsletters and other information that HMEPS sends to you. These documents are also available by writing to HMEPS or by visiting our website at www.hmeps.org.
- Review your HMEPS annual statements (sent each Spring) for accuracy (Note: much of the information in the statements is obtained from City of Houston records, which are unaudited and unverified. Your actual credited service and other information will be verified at retirement).
- Decide whether to purchase credited service that you are eligible to buy. For example, if you received a refund or a lump sum for previous HMEPS-covered employment, you may be eligible to purchase the forfeited service. Also, if you have Group B service, you may be eligible to purchase the service into Group A. Contact HMEPS for other types of available service that may be purchased. A service purchase cannot take longer than five years to complete, so you may want to start the process early.
- Attend HMEPS's Pension Presentations.
- Evaluate your personal finances regularly including assets, liabilities, insurance, and investments.

Three Years Before Retirement

- Project your pension benefit. You can project your benefit by entering requested information on our web site. The benefit calculator program allows you to enter different dates for retirement and participation in the Deferred Retirement Option Plan (DROP), salaries and credited service totals, and also allows members with Group B service to estimate a benefit if the service were converted to Group A.
- Locate proof of your birth date. No benefits can be paid without proof of your birth date. The most common documents HMEPS accepts are:
 - Birth certificate (or delayed birth certificate)
 - Passport
 - Naturalization papers
 - Census report more than 30 years old

Contact HMEPS if you do not have any of the above documents. Also, if you have changed your name since birth, HMEPS must have official records establishing the name change(s).

One to Two Years Before Retirement

- Evaluate other income sources. The Social Security Administration now provides annual statements to workers three months before their birthday. These statements estimate Social Security retirement and disability benefits. For more information, you can call them at 1-800-772-1213.
- Contact any other tax-deferred annuity agents or financial planners to discuss other retirement income.

Six Months Before Retirement

- Determine whether you are eligible to participate in DROP (see HMEPS Benefits Handbook or visit the HMEPS website at www.hmeps.org for DROP information). If eligible and you wish to participate in DROP, contact HMEPS to initiate the DROP process.
- If you have elected DROP, consult with a tax specialist about the tax consequences of various DROP payments.

Two Months Before Retirement

- Contact your City departmental payroll representative to request a retirement application and a retiree health insurance enrollment form.
- Provide HMEPS with a domestic relations order (DRO) if you're divorced and you agreed or were ordered to have a portion of your HMEPS pension benefit paid to your ex-spouse. A DRO is not valid until it has been qualified by HMEPS pursuant to state law requirements. For more information on DROs, please consult with your attorney.
- If age 62 or older, formally notify Social Security of your retirement plans.
- Prepare your retirement application package (W4-P, direct deposit form completed by you and your financial institution, and other requested documents). All forms should be submitted to HMEPS 45 days prior to your planned retirement date.

During Your Last Pay Period

- Contact your payroll representative to finalize insurance arrangements, if any.

Before Effective Retirement Date

- Make sure your employer notifies HMEPS of your termination from employment. Your retirement cannot be finalized and may be delayed if we do not receive this notification.

Additional items needed for retirement - Unless indicated, send photocopies of documents.

- ✓ Birth Certificate & Social Security Card
- ✓ Spouse's or Beneficiary's Social Security Card - Required for payment of survivor benefits and/or undistributed DROP balance if you predecease your spouse or die prior to the full distribution of your DROP benefit.
- ✓ Electronic Funds Transfer Direct Deposit Enrollment Application - Form (completed by you and your financial institution) required to have your benefit deposited directly in your financial institution.
- ✓ Divorce Decree or Domestic Relations Order - If you were divorced (or are divorcing) while an active HMEPS member and you agreed or were ordered to pay a portion of your HMEPS benefit to your ex-spouse.
- ✓ Other documents requested by HMEPS, as applicable.

Retirement Processing

HMEPS will begin the calculation process and submit your benefit information to the Board of Trustees. After your retirement is approved, we will send you a letter notifying you of the amount of your first and regular checks. If you selected direct deposit, your benefit will be deposited into your bank account on the last business day of every month (allow 60 days to confirm direct deposit with your financial institution). Otherwise, your check will be mailed to your address of record to arrive on the last business day of every month.

Other Important Information

- Your first post-retirement annuity increase will begin in February if you are on the retiree payroll in January of that year.
- You must notify HMEPS if you are reemployed by the City in a HMEPS-covered position. Your pension benefit will be suspended during the period in which you are reemployed.
- Contact HMEPS if you need to sign a power of attorney to appoint another person to handle your affairs. HMEPS will accept only a power of attorney that meets certain statutory requirements.

This checklist can be very helpful, but it is not a complete statement of what you need to do to prepare for retirement. If you have questions that are not addressed in the HMEPS benefits handbook or on our website, please contact HMEPS directly. Nothing contained herein may be construed to convey any right or privilege not otherwise provided by the pension law. In the event of any conflict, the pension law takes precedence.

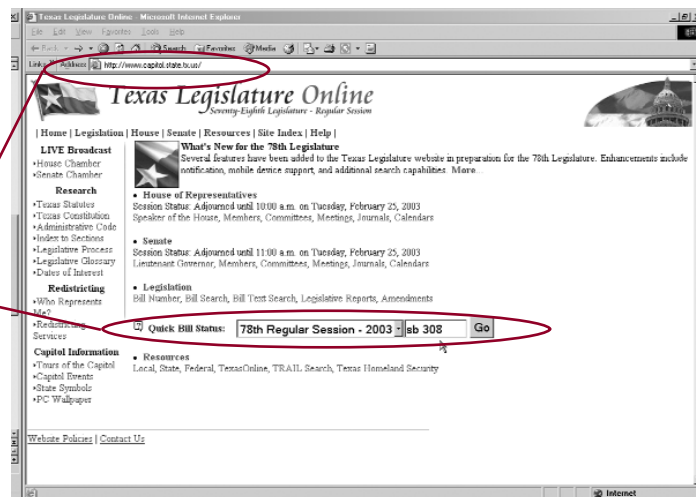
Track HMEPS Legislation Yourself - Here's How

Did you know you can track HMEPS legislation online yourself? Simply access the Internet and then log on to www.capitol.state.tx.us. Once there, perform a search on the home page under the field marked "Quick Bill Status." To start the search, enter "SB 308" or "HB 601" and then click on the "Go" button. A page displaying various specifics about the bills will appear. You can even get updates e-mailed to your computer. The home page of the site is pictured here.

["Texas Legislature Online" Home Page](http://www.capitol.state.tx.us)

www.capitol.state.tx.us

Perform search here by entering "SB 308" and/or "HB 601"



The HMEPS website "News" link will also keep you informed of any updates to the legislation.

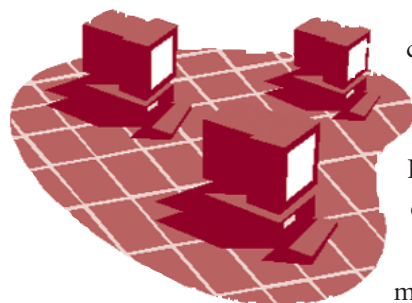
Military Service - Do You Have Questions About Being Called Up?

Are you or another HMEPS member currently in the process of being called to duty? If so, you may have questions about your benefits. The Fall 2001 *Pension Press* – which can be found online at the HMEPS website (www.hmeps.org) – contained an article which covered this subject extensively. The article, found on page 6-7 of the newsletter, addressed the following questions: **What military service is covered? How long can I stay in the military and still receive pension service from HMEPS under USERRA? What if I become disabled while in the military? What if I am killed in the military?**

To get the answers to these questions click on the "Publications" link at www.hmeps.org and download the newsletter mentioned above. For further information, please contact the HMEPS office at (713) 759-9275.

HMEPS Information Technology Update

Over the next several months, HMEPS will be improving the way we service your needs. Specifically, three initiatives are at varying stages of completion that accomplish this objective. First, as has been previously reported, HMEPS has finalized construction and begun testing on a "service purchase cost estimator" that will become part of our popular web calculator. Early in the second quarter of 2003, participants with Group B service can compare the costs and benefits associated with converting Group B service to Group A. This project has been undertaken because of HMEPS' commitment to serving your needs through an expanding web presence.



Secondly, as we go to print, HMEPS is launching a beta test of a record retrieval system that will allow city payroll representatives to provide service and salary records to HMEPS over a secure electronic medium, bypassing the need to wait on traditional mail delivery service.

Finally, HMEPS will be implementing a new communications system that will permit members and retirees, when calling HMEPS, to enter their Social Security Number and have their call and participant information routed to the appropriate HMEPS representative. This will help participants reach their assigned representative more quickly and make telephone inquiries more efficient.

As the above efforts illustrate, HMEPS places a high value on serving participants' needs in a respectful and efficient manner, in accordance with our governing statute. HMEPS believes the improvements discussed support these values by saving participants time and effort, and by placing in participants' hands a greater measure of control over planning for retirement.

Constitutional Amendment to Protect Public Pensions

The HMEPS Board of Trustees approved a resolution at its November 2002 board meeting to support the efforts of the Texas Association of Public Employee Retirement Systems (TEXPERS) for passage of an amendment to the Texas Constitution that would protect the pensions of public employees in Texas, including HMEPS members, retirees and their beneficiaries. Texas currently does not constitutionally guarantee the pensions of public sector employees, unlike numerous other states in which public pensions are protected by state constitution.

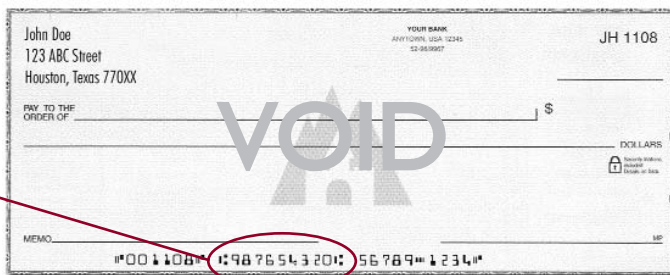
If you would like more information about the proposed constitutional amendment, or would like to make a non-tax-deductible contribution to the effort, you can write to the following address:

**The Committee for Secure Retirement
P.O. Box 24
Rowlett, Texas 75030**

Pension Checks and Direct Deposit - Be Aware Your ABA Number Can Change

HMEPS would like to call your attention to a change often missed that occasionally occurs with pension checks that are directly deposited to your bank accounts. Direct deposits require a bank identification number, also known as an ABA (American Bankers Association) number. The number is located at the bottom of your check, as shown in the picture below.

The ABA
number on
your check is
found here



This number normally remains the same; however, in certain situations such as bank mergers or when banks change their computer systems, this number may change. When there is a change in your bank account number or the bank identification number, a pre-note must be sent prior to the first actual direct deposit. Pre-notes ensure that the account and bank information is correct. When this happens, your

direct deposit is interrupted during the pre-note month and you will receive an actual check. If the pre-note is successful, direct deposit resumes the following month.

Banks normally inform their customers of the change in their identification numbers, so watch for any notices you receive in the mail. Also, carefully read letters or notifications from HMEPS before you discard them, for they may be an actual check!

HMEPS Personnel Celebrate 45 Combined Years Of Service

HMEPS has three staff members who recently received special recognition for their outstanding service and countless contributions. Celebrating 10 years of service were Tammy Conson and Neal Wallach and celebrating 25 years of service was Virginia Rodriguez. HMEPS and its' members are honored to have such dedicated and loyal staff members.



From left to right: David L. Long, Executive Director; Tammy Conson, Benefits Counselor; Neal Wallach, Chief Investment Officer; Virginia Rodriguez, Benefits Counselor; Fred Holmes, Chairman.

NORMAL and DEFERRED* RETIREMENTS DECEMBER 2002 TO MARCH 2003

Aviation

Badillo, Sharon
Cardenas, Nora
Culver, Phyllis
Deliz, J. Donald
Dominguez, Minda
Flores, Thomas
Holmes, Carl
Horton, Charlie
Newberry, Darrell
Richards, Mary
Walling, Janet
White, Zelma
Wilson, Grover

Building Services

Halvorsen, James
Luchak, Martini
Moore, Alice
Young, Jerry

City Secretary

Penney, Donna

Controllers

Collier, Mary*
Hill, Claude

Finance & Administration

Contreras, Theresa
Domingue, Marian
King, Zack
Magbag, Priscilla
Spencer, Frank
Spreadley, Ernest
Starr, Judith
Thompson, Betty
Uhlin, Robert

Fire

Dauids, Deborah*
Dawson, Barbara
Fountain, Creed
Gloria, Eugene
Padilla, Bennie
Roldan, Angel

Health

Barnett, Catherine
Davis, Rosalie
Gomez, Candida

Hannibal, Jessie

Janus, Donna
Juchau, Simmeon
Lewis, Carl
Lewis, Marsha
Norman, Rita
Parrish, Effie
Rios, Diana*
Roy, Mary
Siddiqi, Sadia
Smith, Sondra*
Thorpe, Hazel
Vital, Willard
Washington, Jessie
Willis, Ora

Housing

Bingham, Margie

Houston Emergency

Mize, John

Information Technology

Altenburger, Marcus
Baskin, Coy
Clark, Thomas
Davis, Maggie
Hayes, Robert
Perkins, Betty
Page, James
Wilkes, Dianne

Legal

Thomas, Merlene

Library

Ferguson, Robert
McCutchan, Marion
Nurse, Melba
Seidensticker, Susan
Wilson, Elizabeth
Ybarra, Lillian

Municipal Courts

Brown, Levora
Cooper, Billie
Dailey, Elle
Purdy, Clara*
Rios, Israel
St. Jules, Margaret

Parks & Recreation

Bayer, Richard
Bell, James
Burnett, Fred
Cannon, Clara
Carter, Thomas
Cervantes, Jose
Coleman, Ewing*
Franks, Clifford
Henry, Corrie
Herrera, Daniel Jr.
Jacoby, Peter
Johnson, William
Kuntz, Mary
Mays, Stanley
Morgan, Marion*
Ogea, Daniel
Overstreet, Homer*
Ozuna, Michele*
Pate, Kathleen
Roberts, Carmadean
Royster, Sylvia
Schieffer, James
Strange, Dena*
White, Lester

Planning

Alvarez, Eduardo
Black, Vernon
Davidson, George
Garcia, Reynaldo
Hahn, Lee
Johnson, Patricia
Lacy, William
McGehee, James
Mitchell, Stella
Ogden, Jack
Rogers, Jeanette
Wood, Jerry

Police

Brumley, Mary
Carroll, Larry*
Coleman, David
Delacruz, Alfredo
Dupre, Jill*
Elder, Daisy
Greenfield, Janine
Hurtado, Leonard
Kemp, Tommy
Orlando, Sammy

Molina, Deborah
Moreau, Carol
Perez, Margarita
Preadom, Kimberly*
San Miguel, Janie
Smith, Thomas
Terral, Richard
Villasana, Shirley

Public Works

Alvarado, Ricardo
Armstrong, Willie
Blackman, James
Bradford, Earline
Brotamonte, Dioscoro
Burkett, Melvin
Burton, Herman
Busby, Ronald
Cruz, Armando
Detro, Charles
Eck, Charles
Ellis, Donald
Estell, Donald
Farley, Donald
Freeman, Walter
Goodwin, Allen
Gordon, Henry
Hall, Nancy
Hansen, Michael
Hardy, Ray
Hayes, John
Hill, Betty
Holloway, Paula
Jackson, Charles
Jimenez, Natividad
Johnson, Algie
Johnson, Charlie
Jolivett, Earl*
Jones, Robert
Kennerson, Leo
Lewis, Curtis
Lopez, Ignacio
Mallet, Janet
McCullough, Leon
Medina, Jose
McGrew, Joseph
Minifee, William*
Moreau, Carol
Neal, Roger
Nelson, Horace*
Newsome, Eddie

Nunez, Catarino
O'Bryant, Hightower
O'Neal, Harvell
Ontiveros, Edwardo
Perez, Pete
Pham, Andy
Phillips, Margaret
Powell, Eulice
Ramirez, Alfonso
Reese, A.L.
Rocha, Miguel
Rose, Aaron*
Ruenes, Juan
Russell, Marcia
Saldivar, Victor
Shelvin, Clifton
Spearman, Sean*
Starks, Lillie
Stephens, Tracy
Swatloski, Carol
Tadlock, Edward
Thomas, Willie
Tovar, Selene*
Ward, Mary
Williams, Raleigh*
Vega, Rudolph
Velasquez, Rodolfo
Walker, James
Walker, Joe
Ward, Mary
Ward, Michael*

Solid Waste

Afshari, Nader*
Batiste, Carolyn
Batiste, Lawrence
Bundage, James
Evans, Kenneth
Gonsoulin, James
Idlebird, Charles
Johnson, Melvin
Richard, Carlton
Richards, Jervis
Standfield, James

IN REMEMBRANCE

ACTIVE EMPLOYEE AND RETIREE DEATHS

HMEPS received notification of the following participants' deaths. We wish to remember these individuals and their dedication and service to the City of Houston.

Abbott, Joan	Crawford, Alvin	Howard, Era**	Mandell, Lois	Shaffer, Stanley
Aguilar, Fernando	Dabek, Raymond	Howard, Joe	Manuel, Cary	Shrader, Billy
Alexander, Hazel	Davis, Elma	Hubbard, Margaret**	Marshall, Willie	Smith, David
Avila, Ernestine	Ditta, Vincent	Jacks, Margaret	McMillin, Francis	Sparks, Winnie
Baker, Lizzie	Dural, Calvin	Johnson, Nathanael	Mitchell, Rosie	Toler, Ira
Baxter, Lillie	East, William	Johnson, Willie	Morgan, Thelma**	Townsend, Arvis*
Bethany, Bernice**	Friedrich, Julia**	Jones, Ira	Mosier, Edwin	Tucker, Frances
Borel, Clancy	Gajewsky, Franklin	Kersh, Helen**	Mulvey, Richard	Turner, Patricia
Branch, Norma**	Goosby, Jimmy	Kindred, Ronald	Nieto, Esther**	Victorian, Earvin
Brown, Kevin*	Gray, Nilus	Landes, Marrie	Ouk, Chan*	Walls, Marie
Burns, David	Gutierrez, Adele*	Lavergne, Tris	Palomo, Juan	Ware, Rhonda
Campos, Ernest	Guyon, Doris	Leal, Alfredo	Pitts, Frances**	Wesley, Nora**
Caraway, Corinne**	Hall, J.D.	Lednicki, Charlie	Pledger, S.A.	White, William
Chabolla, S.V.	Hallberg, Donald	Leonard, Emanuel	Ricard, Charles	Zindler, Gladys
Chavez, Ruben*	Harden, Jessica	Lewis, O.G.	Ross, Larry	
Clemons, Melvin	Harvath, John	Loper, Melvin*	Salinas, Victor	Active Employee Death*
Cloud, Willie	Heppel, Marie**	Lowry, Ruth	Sample, Emma**	Widow(er)**
Cook, Milton	Herrera, Daniel	Mack, Mishie	Sanders, Nelson	



HMEPS Investments

As of 12/31/02

Domestic Equity	\$ 338,845,864
International Equity	\$ 205,079,448
Fixed Income	\$ 235,659,021
Real Assets	\$ 216,950,899
Alternative Investments	\$ 160,998,909
Cash Equivalents	\$ 26,051,911

Market Value - December 31, 2002
\$1,183,586,052

For the Calendar Year ending December 31, 2002 the return on the Fund's investments was -9.81%.

For the first six months of Fiscal Year 2002 ending December 31, 2002 the return on the Fund's investments was -5.42%.

Pension Check Schedules 2003

The following are the dates pension benefit checks will be mailed in 2003. The schedule will be strictly adhered to. Keep this schedule handy so you will know when your benefit check will be mailed.

March 28, 2003

April 28, 2003

May 28, 2003

June 26, 2003

Direct deposits (ACH) will be deposited on the last business day of each month, as follows:

March 31, 2003

April 30, 2003

May 30, 2003

June 30, 2003

If you are interested in direct deposit of your pension benefit checks, please call our office at (713) 759-9275.



Pension Press

Houston Municipal Employees Pension System
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1-800-858-1450
www.hmeeps.org

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Lee Pipes, *Trustee*

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Robert Hu, *Trustee*
Ignacio Pujol, Jr., *Trustee*

PENSION PRESS

David L. Long, Executive Director
Peter Koops, Director of Communications
Naomi "Amy" Rowley, Executive Assistant

Thanks to the HMEPS Staff for their contributions
to the ongoing success of the *Pension Press*

NEWSLETTER CONTENT

The material contained in this newsletter is intended to provide you with important information about your pension participation. The content cannot be taken as the basis of any contractual rights between HMEPS and its participants. If there is a question of interpretation, retirement laws are the final authority.



HMEPS Address:

Houston Municipal Employees Pension System
1111 Bagby Street, Suite 2450
Houston, Texas 77002-2555

HMEPS Phone Numbers:

Phone: (713) 759-9275
Toll Free: (800) 858-1450
Fax: (713) 650-1961

HMEPS Website:

www.hmeeps.org