

REVIEW YOUR 1099-R

BOARD SUPPORTS
SAME-SEX MARRIAGE

NEWEST RETIREES

DECEASED PENSIONERS
& EMPLOYEES

TWO STEPS ONE STICKER
TRANSITION TO MEDICARE

March 2015

Retirement Connection

"It is our mission to provide retirement benefits and superior service to advance the financial security of our members."

Dallas ERF Earned A Positive Return Of 6.5 % In 2014

FROM THE DESK OF ERF'S EXECUTIVE DIRECTOR - CHERYL D. ALSTON

Happy New Year!

2014 was a positive year for the Employees' Retirement Fund. Our investment portfolio generated a return of 6.5% (net of fees) for calendar year 2014, ending the year with \$3.4 billion in assets. The Fund has performed well over longer time periods. The Fund's 3-year return is 12.5% and the 5-year return is 10.7%.

The best performing asset class in 2014 was the Fund's Real Estate investments, generating 18.7% for the year. The Real Estate investments consist of publicly traded real estate called Real Estate Investment Trusts ("REITs") and national private real estate funds. Public Real Assets which consists of energy Master Limited Partnerships (MLPs) had the next best performance. The Fund's MLP managers earned 18.3%, which outpaced the Alerian MLP benchmark of 4.8%. The domestic markets also had solid gains in 2014. Our investments in Domestic Equity returned 11.0% for the year.

The International markets struggled due to economic factors, with the MSCI EAFE (developed markets) benchmark returning -4.90% and MSCI ACWI ex US (includes emerging markets) at -3.9% for the year. Our investment in International Equity was the only negative asset class with a return of -4.0% for 2014. Our allocation to Global Equity stocks returned 3.5%. Private Equity lags a quarter, so the last reported quarter is September 30, 2014. As of 9/30/14, the investments in Private Equity returned 12.5%.

Fixed Income is 30% of the ERF investment portfolio. Our high yield investments posted a positive return of 1.7%. Our investment in Global Fixed Income returned 6.5% and outperformed the Barclays Aggregate benchmark of 5.97% in 2014.

2014 was a volatile year for the stock market and I want to thank the Board members for their discipline, patience, and investment expertise as the markets continue to evolve. As pension fund investors, we have to remember to focus on the long term investment horizon. I would also like to take this opportunity to commend the ERF staff for their diligence and commitment to excellent service to employees and pensioners.

In summary, active members, terminated employees with a vested pension and retirees should feel confident that ERF remains sound and your retirement benefits are safe and secure. We welcome your questions, comments, or suggestions.



*Cheryl Alston, Executive Director
Employees' Retirement Fund of the City of Dallas*

Review Your 1099-R Before Filing Your Taxes Your 1099-R Replaces The W-2 You Received For Wages From The City

Each year, the 1099-R is sent to retirees and others who receive a distribution from the Employees' Retirement Fund. You will need this form to correctly file your 2014 tax return. The 1099-R forms were mailed on January 30, 2015. If you lose or do not receive your 1099-R, call the ERF office at 214-580-7700 to request a duplicate form.

Use the sample 1099-R form below to get a brief description of the information on your form. The numbers in the blue circles below correspond to the numbered boxes on your form.

- 1 Total pension and health benefit supplement received in 2014
- 2a Taxable portion of your pension
- 4 Total federal income tax withheld
- 5 This is NOT your health premium
This amount is the non-taxable portion of your 2014 pension
- 7 See instructions on the back of the form for code definitions
- 9a Applies to estate payments with two or more beneficiaries

<input type="checkbox"/> CORRECTED (if checked)		This information is being furnished to the Internal Revenue Service		1 Gross distribution \$	2b Taxable amount not determined <input type="checkbox"/>	OMB No. 1545-0119 2014 Form 1099-R Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
PAYER'S name, street address, city, state, and ZIP code				2a Taxable amount \$	Total distribution <input type="checkbox"/>		Copy B <small>Report this income on your Federal tax return. If this form shows Federal income tax withheld in Box 4, attach this copy to your return.</small>
PAYER'S Federal ID number	RECIPIENT'S identification number xxx-xx-1234			3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$		
RECIPIENT'S name, street address, city, state, and ZIP code				5 Employee contributions (Designated Roth contributions or insurance premiums) \$	6 Net unrealized appreciation in employer's securities \$		
				7 Distribution code(s) <small>IRA SEP SIMPLE</small>	8 Other \$ %		
				9a Your percentage of total distribution %	9b Total Employee Contributions \$		10 Amt. allocable to IRAs within 5 y's \$
				12 State tax withheld \$	13 State/Payer's state no.		14 State Distribution \$
				15 Local tax withheld \$	16 Name of locality		17 Local distribution \$
Account number (see instructions)		11 1st year of desig. Roth contrib.					

FORM 1099R

www.irs.gov/form1099r

Department of the Treasury - Internal Revenue Service

For security reasons, only the last four digits of your SSN # are displayed.



Board Supports Benefits for Same-Sex Spouses

At the February 10, 2015 meeting, the ERF Board of Trustees passed a resolution that may provide survivor benefits to same-sex spouses. Subject to a written opinion from the Dallas City Attorney's office that the Fund is required to comply with the US Supreme Court Windsor decision by providing joint and survivor benefits to same-sex spouses, the Fund has recommended that a plan amendment be sent to and approved by the Dallas City Council. We will provide more up-to-date information on our website as details become available.

OCTOBER - DECEMBER 2014

CONGRATULATIONS TO OUR NEWEST RETIREES

Department	Service	Department	Service	Department	Service
Code Compliance Services		Library, cont.		Sanitation Services, cont.	
Dianna Alexander	32	Christina B. Worden	27	Richard W. Tadlock	17
		Edwina Gray	16	Patrick G. Denson	15
Convention & Event Services		Sharon M. Herfurth	11	David Parker, Jr.	9
Deborah E. Grant	21	Waranat Srisuro	9		
				Street Services	
Court & Detention Services		Park & Recreation		Emanuel E. Barrett	34
Michael W. Coleman	37	Todd R. Bowsheer	8	L.C. Leftridge, Jr.	29
		Mervin Harris	7	Michael S. Gonzales	27
Development Services		Martin P. Conricote	6	William D. Beard	25
Janice M. Thomas	5			Bobby A. Spencer	18
		Planning and Development		Bennie Kizart	17
Environmental & Health Services		Cherryl Peterman	16	Johnny K. Adams	14
Elsa Espinoza	10				
		Police		Sustainable Development & Construction	
Equipment & Building Services		Michael R. Patterson	29	Eddie V. Grant	9
John L. McHenry	27	Elendia R. McPherson	28		
Willie R. Johnson, Jr.	25	Fred A. Pope	16	Water	
Isaias Ortega	22	Dominick Mazza	2	Robert F. Pass	32
				Lonnie E. Wright	31
Housing / Community Services		Public Works		Billy J. Ferrell	30
Jerico R. Fegale	19	Gary K. Mueller	32	Kerry L. Baxter	27
		Jeffrey B. Valera	30	Virginia P. Tijerina	27
Human Resources		Tamera L. Wilson	22	Larry R. Rowe	26
Carol G. Fogerson	33			Gary L. Shipley	25
		Sanitation Services		Yilma Zerihun	25
Library		Dewayne Jackson	36	Angel S. Perez	22
Jacqueline D. Carey	36	Jesus Padilla	22	James M. High	21
Leona Markoff	35			Ocie Johnson, Jr.	14

OUR SINCERE SYMPATHY TO THE FAMILIES OF OUR DECEASED PENSIONERS & EMPLOYEES

Department	Age	Department	Age	Department	Age
Budget & Research		Fire - Rescue		Public Works and Transportation, cont.	
Lue N. Griffin	95	F.P. Spainhouer	91	Lonnie R. Barree	71
Billy D. Braughton	81	Richard A. Redus	71		
Christine Haw	72			Sanitation Services	
		General Services		Jose M. Perez	75
City Attorney's Office		Billie J. Roach	88	Roy G. Hester	54
J.W. Schoolfield	86	Pearlie M. Foard	85		
				Street Services	
Code Compliance		Housing & Neighborhood Services		Alvin R. Jones	65
Thomas M. Hanna	66	Virgil D. Murray	72	George Bridges	62
				Alex C. Wong	57
Convention & Event Services		Library		Kenneth W. Davis	56
Julian Flores	82	Susan F. Andrews	65		
				Street & Sanitation Services	
Development Services		Municipal Court		Harold Davis	88
Frank Dominguez Jr.	73	Benjamin R. Wright	94	Frankie O. Colvin	86
D. Killingsworth Sr.	70			R.B. Gaither	83
Donald R. Caldera	65	Park & Recreation			
		Floyd A. Swanson	84	Water Utilities	
Equipment & Building Services		Ida F. Shanz	70	Hollie E. Faulhaber	91
Sandra S. Robinson	73	Royce D. Johnson	66	Eula F. Ballard	90
				Durwood Pierce	79
Event Facilities & Cultural Affairs		Police		Michael Bandru Jr.	78
Robert J. Barbee	87	Dorothy M. Chambers	81	Carl S. Moses	73
		Ruthie M. Conner	69	David R. Huling	70
Finance		Othell Broadnex	66	Anthony C. Post	68
Alice P. Vance	90			Johnny L. Morgan	64
		Public Works and Transportation		Richard Karney	61
		William E. Saucier	86	Charles H. Hamilton	57
		Bill E. Jessup	86	Marcus J. Reed	55

Vehicle Registration and Inspection are Partnering - Two Steps, One Sticker

Source: Texas Department of Motor Vehicles

Get ready for a new Texas Two Step. Beginning March 1, 2015, the state of Texas will stop issuing vehicle inspection stickers and change to a “Two Steps, One Sticker” inspection and registration program. Under the new system, Texas vehicle owners will need to pass inspection prior to renewing their registration. The familiar blue-bordered registration sticker will serve as proof of both inspection and registration.



The first year of the program is a transition period to allow vehicles' inspection and registration expiration dates to align. Here is what drivers will need to do:

March 1, 2015 – February 29, 2016 – You will be able to renew your registration the same way as always as long as your vehicle has a current, inspection. However, if your inspection and registration stickers already expire in the same month, your vehicle will need to pass inspection prior to registration renewal. When you renew your registration your inspection status will be verified electronically.

March 1, 2016 and beyond – Your inspection and registration will expire at the end of the month indicated on your registration sticker. You will have a convenient 90-day

window prior to your expiration date to complete two simple steps: pass vehicle inspection and renew your registration.

Whitney Brewster, Executive Director of Texas Department of Motor Vehicles said, “The Texas Department of Motor Vehicles wants to continue to simplify and automate motor vehicle services for Texans. By aligning your expiration dates, you can take care of these required annual services around the same time with one sticker and be on your way.”

Transitioning to Medicare after Age 65

If you or your spouse are currently enrolled in a City health insurance plan and are within three months of your 65th birthday, you are eligible to sign up for Medicare and enroll in one of the City sponsored Medicare supplement plans. You can apply for Medicare on-line or at your local Social Security office, visit www.socialsecurity.gov or call 1-800-772-1213.

Turning age 65 could result in a health insurance rate reduction for you. Please remember in order for this reduction in your rate to happen you must call the City Human Resources service center at 1-855-656-9114 prior to your 65th birthday. If you qualify, you will see the reduction in the month after your birthday.

2015 Transition to Medicare Meetings

If you would like to learn more about transitioning to Medicare, the City's Human Resources Department will host three meetings in 2015 on the subject. Each meeting will be at City Hall located at, 1500 Mariilla, L1FN Auditorium at 10 AM.

April 17

July 17

October 16

If you currently have City insurance and are over the age of 65 but did not enroll in Medicare Part A and B along with a supplemental plan or a Medicare Advantage Plan, you will be placed in the Over-65 70/30 Plan.