



DCRB Report

FALL 2006

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DCRB To Offer Additional Services For Active Plan Members

A year ago, DCRB announced that it would be taking responsibility for benefits administration for the police officers', firefighters', and teachers' retirement plans. We also advised you that we would get back to you with information about future services; namely, counseling for participants who are close to retirement and pre-retirement seminars for participants who are interested in knowing more about their retirement benefits. Details about these programs are provided on the inside pages of this Report.

Chairman's Corner



This year has started out to be both busy and productive for the Board. Here are a few highlights that may be of interest to you. The search for a new Executive Director is in its final stages. In addition, in accordance with the Investment Committee's recommendation to further diversify plan assets, the Board has added appropriate investment strategies that it expects will serve to enhance returns over the long term. As indicated in the graphic on page 2, the return on fund assets continues to be strong.

With respect to benefits administration, over the past twelve months (from October 1, 2005 through September 30, 2006), DCRB's pension analysts have set up payments for over 400 new retirees and survivors, and our Member Services Center staff has handled over 20,000 phone calls from both active and retired members. It has been our pleasure to serve you, and this fiscal year we plan to enhance our services further by automating our filing/records system and our work flow processes. We also plan to expand the information we provide to you, and to enhance the functionality of our web site.

Finally, the Board has been proactive in undertaking an important initiative to examine its operational effectiveness and efficiencies, including a review of best practices in public pension plan governance. This "operational review" will assist the Board and staff as they further integrate the benefits administration function into the Board's investment and other operational responsibilities. The review, which began in September, will assess the benefit administration inter-dependencies between the Board and other stakeholder groups within city government, such as human resource departments and the payroll office, to provide the Board with recommendations and best practices of full-service retirement boards. The operational review will also identify governance enhancements to account for the additional responsibilities of benefits administration.

The mission of the District of Columbia Retirement Board is to invest, control, and manage the assets of the Teachers' Retirement Fund and the Police Officers' and Firefighters' Retirement Fund.

PROTECTING YOUR ASSETS

Net Asset Valuation as of September 30, 2006

Teachers' Retirement Fund	\$1,300,348,927
Police Officers' / Firefighters' Retirement Fund	\$2,321,218,290
Total	\$3,621,567,217

Rate of Return for FY 2006: **10.4%**

Pre-Retirement Services Program Will Begin To Be Rolled Out This Fall

Over the fiscal year beginning October 1, 2006 and ending September 30, 2007, the DCRB Pre-Retirement Services staff will be implementing a pre-retirement services program designed to assist active police officers', firefighters' and teachers' plan members to prepare for retirement. The following is an outline of those new services, along with a time line indicating when we plan to begin them.

Fall 2006

Targeted Group Seminars

During the past year, DCRB's Pre-Retirement Services staff has devoted considerable energy to implementing statutes that were passed a few years ago concerning the purchase of service related to

Post-1956 military service, EMT transfers, and the lateral transfer of law enforcement personnel. Since the forms and procedures necessary for eligible police officers and firefighters to take advantage of the provisions of these laws are now in place, we will begin our new program with seminars that will give eligible plan members the information they will need to make informed decisions about these laws. We plan to get started in November 2006, and will work with your human resources offices to provide you with the dates, times, and locations of these seminars.

Winter 2007

Informational Seminars

In addition to the Targeted Group

Seminars already mentioned, we will begin scheduling informational seminars, the focus of which will be to provide all pension plan members with a general overview of the provisions of the plans, including information on how benefits are calculated, the rules regarding purchases of service, and the options members have upon termination of employment. These seminars will give all plan members an opportunity to ask questions about how the plans work and to clarify plan provisions that they don't now understand.

Spring 2007

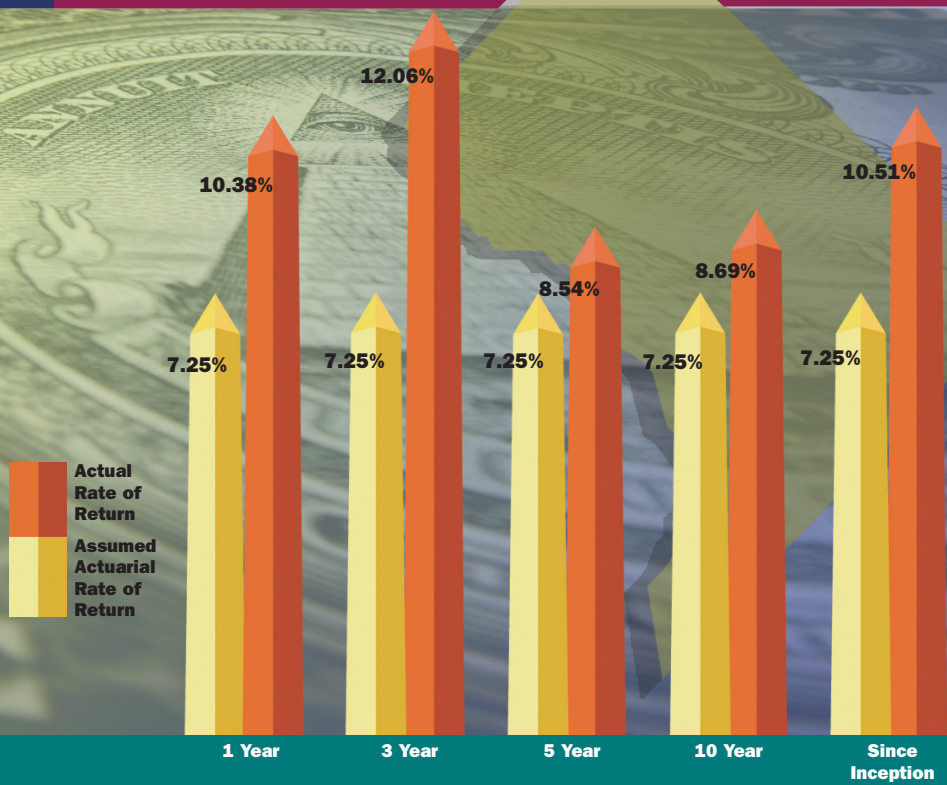
Small Group and Individual Pre-Retirement Counseling

In the spring of 2007, the DCRB Pre-Retirement Services staff will send out invitations to plan members who are within one year of retirement eligibility to provide them with an opportunity to attend counseling sessions scheduled for small groups of members who could retire within the coming year. They will also invite such members to make individual appointments to discuss the retirement process, should they prefer to talk about their retirement on a one-to-one basis. Whether members participate as a group or individually, each participant will be provided with an estimate of his or her benefit under their plan.

Summer and Fall 2007

DCRB's Pre-Retirement Services, Project Management, and IT staffs will join forces to develop web site materials designed to provide plan members with greater information on their retirement plans, and to add functionality that will assist

Investment Performance Summary as of 9/30/06



members in making more informed decisions. We anticipate that we will be ready to begin implementing these enhancements during the fall of 2007.

Winter 2007

Toward the end of 2007, the Pre-Retirement Services staff will begin developing communications specific to retirement planning that will periodically be distributed to all active plan members. The topics covered will include most of those areas that are usually of interest to employees moving closer to retirement, for instance: financial planning, advance medical directives, wills, relocation, etc.

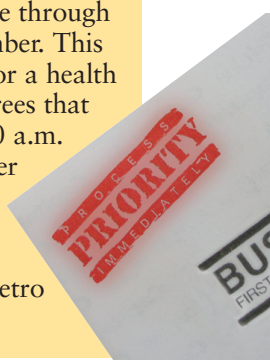
Appointments Required

Currently, DCRB's Member Services Center staff talk with approximately 40 members each month who stop by our offices unannounced. When we begin pre-retirement counseling during

the summer of 2007, due to the amount of preparation time required for such counseling sessions, members who request individual counseling will need to make appointments in advance of such meetings. Since DCRB has limited space to use for pre-retirement counseling or for meetings with members on other topics, we strongly encourage all members to make appointments prior to visiting DCRB offices. Because members with appointments will be given priority, anyone who stops in without an appointment will need to wait until a meeting room and a counselor become available. In some cases, that may result in your having to wait a long time to be seen. Another reason to make an appointment is that our customer service representatives can be better prepared to handle your issue if they know the reason for your visit and have some time to research your problem or concern before you arrive.

Open Season 2006

The Federal Office of Personnel Management (OPM) and the District of Columbia Office of Personnel (DCOP) have announced that their healthcare open enrollment periods will both be held from November 13, 2006 through December 11, 2006. During that time, eligible Federal and District employees and retirees will have an opportunity to change their health plans. Information packets, which will be mailed to eligible participants in early November, will include information on health fairs that will begin the first week in November and continue through the first week in December. This year, DCRB will sponsor a health fair specifically for retirees that will be held between 10 a.m. and 4 p.m. on December 7th in the old DC Council chambers at 441 4th Street, NW (at the Judiciary Square Metro Station).



Year-End Information For Retirees

Tax Documents For Calendar Year 2006

Toward the end of January 2007, the Department of the Treasury's Bureau of the Public Debt will issue a Form 1099-R covering the annuity payments that retirees and survivors received from the District of Columbia Police Officers' and Firefighters' Retirement Plan and the District of Columbia Teachers' Retirement Plan from January 2006 through December 2006. Most annuitants will receive only one 1099-R. However, if you receive more than one annuity because, for example, you are both a retiree and the survivor of a retiree, you will receive more than one 1099-R, both of which will need to be filed with your 2006 tax return.

Change of Address or Direct Deposit Financial Institution

If you have moved recently or you plan to move soon, make sure you provide DCRB's Member Services Center (MSC) with your new address. It's easy; just call the MSC at the appropriate number listed on the back of this newsletter and we will mail (or e-mail, if you prefer) a Change of Address form to you, or you can go online at www.dcrb.dc.gov and print the form. Also, if your annuity payment is deposited directly to your bank account and you change your bank, don't forget to let us know. The

MSC can send you a Direct Deposit form that you can use to change your bank information or you can print that form from our web site as well.

Tax Withholding Amounts

This is a good time of the year to check your earnings statement to make sure that your withholdings are adequate to cover your tax obligations. You have the right to change your withholdings or to have no federal taxes withheld. However, this does not change your total tax liability. If you would like to update your withholdings, you should send a completed Form W-4P to the DCRB Member Services Center, at the address on the back of this newsletter. You may request a blank form from the MSC, or you can access the IRS web site at www.IRS.gov and print one out.



Teacher Pay Increases

The recently negotiated collective bargaining agreement (the “Agreement”) between the WTU/Local #6 and the DCPS is effective October 1, 2004 through September 30, 2007. The Agreement includes a 4% increase that is effective the first pay period on/after October 1, 2005 and a 6% increase effective the first pay period on/after October 1, 2006. For retirees, DCRB applied the 2006 pay schedule for retirements that are effective on/after October 1, 2006. A retro payment will be included with the December 2006

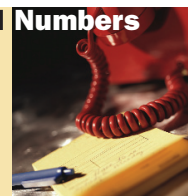
payment for teachers who retired during the October 1, 2005 through September 30, 2006 time frame.

Police/Firefighter Increases

Under their current contracts both police officers and firefighters received increases of 4% effective October 1, 2006. Equalization adjustments for retired Tier 1 police officers and firefighters (members who retired on or before February 15, 1980), will be included in their December 2006 pension payments.



Useful Numbers



D.C. Public Schools Human Resources Office
(202) 442-4080

Metropolitan Police Department Human Resources Office
(202) 727-4286

Department of Fire and Emergency Medical Services Human Resources Office
(202) 673-6443

Police and Fire Retirement and Relief Board
(202) 442-9622

DCRB Member Services Center
(202) 343-DCRB
(toll free) (866) 456-3272
TTY (800) 877-8339
Fax: (202) 566-5001
Email: dcrb.benefits@dc.gov

TRUSTEES

Lyle M. Blanchard
Council Appointee

Barbara Davis Blum
Mayoral Appointee

Mary A. Collins
Elected Active Teacher

Shireen L. Dodson
Chairman
Council Appointee

Brian K. Lee
Parliamentarian
Elected Active Firefighter

Judith C. Marcus
Treasurer
Elected Retired Teacher

Joan Parrott-Fonseca
Mayoral Appointee

Darrick O. Ross
Sergeant-at-Arms
Elected Active Police Officer

William H. Simons
Mayoral Appointee

George R. Suter
Secretary
Elected Retired Police Officer

Thomas N. Tippet
Elected Retired Firefighter

Michael J. Warren
Council Appointee

Lasana Mack
Ex Officio, Non Voting

D.C. Retirement Board

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Constance Donovan
Acting Executive Director

Pre-Retirement Program to be Implemented; Open Enrollment to Begin

Inside DCRB Report this month:



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