



DCRB Report

FALL 2009

Agency Updates

My message to you last fall focused on the decline in the global financial markets. I am pleased to inform you at this time that, due to the strong rebound in the equity market since it reached its lowest point in March of 2009, the Funds that DCRB manages have increased significantly in value. As of September 30, 2009, the assets in the Funds totaled \$3.74 billion, with the Funds returning 14.35% since January 1, 2009. For DCRB's fiscal year 2009, which ended September 30, the Funds returned -2.25%. While the Funds' fiscal year return was slightly negative, the Funds managed to recover a substantial portion of the unrealized losses incurred during the worst market downturn since the Great Depression.

As indicated in previous newsletter articles, the Board takes a long-term view toward investing. Our objective is to assure that we have enough assets to pay benefits for all current annuitants, and we strive to grow those assets to meet the additional amount required as active members retire in the future. In our most recent plan valuation, our actuary has determined that we are squarely on target to meet those objectives. In fact, when compared with the funds of other governmental plans, the Funds that DCRB manages are among those that have the highest funding levels in the country.

I am also pleased to announce that we have made great progress over the past several months in upgrading our technology and in improving the services we offer to our members. DCRB's Benefits Department

completed its scanning project this summer in which 3.4 million paper documents were digitized. They are now reengineering their internal retirement process and mapping out work flows so that new documents can be scanned upon our receipt of them and forwarded to the appropriate staff members electronically. We expect to have that project completed by the end of this year. In addition, on September 15th, a basic pension benefit calculator was posted to DCRB's website. This calculator (see article on page 2) allows members to estimate their retirement benefit by entering their own data and selecting a retirement date that fits their future plans.

During FY 2010, DCRB will collaborate with other District agencies on a project to review and verify historical pension-related data for active members. We also plan to build a temporary database for that information. We will continue work on a feasibility study that will identify an appropriate system to implement at DCRB into which pension-related data will be transferred. Once the new system is operational, we expect to significantly reduce the time needed to make initial pension payments to newly retiring members. DCRB will continue to provide you with updates on our progress in future newsletters.



Chairman's Corner

Darrick O. Ross

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.

Total Fund Market Value



Calendar Year 2009 Tax Information

As we approach the end of the tax year, here are some tips to make your tax filing process easier:

■ **Address Changes:** If you have moved recently, please be sure to notify DCRB of a change in your mailing address by December 15, 2009. If you have chosen to receive your pension payments via direct deposit, payments will continue to be sent to your bank account following a change of address. However, DCRB will not be able to send your 1099-R Form or other mailings to your new home address unless you change your address on file with us. To notify DCRB of a change in your mailing address, please visit the DCRB website at www.dcrb.dc.gov and click on DCRB Forms at the upper left-hand side of our homepage under the Services header. You will see the Change of Address Form at the top of the list of forms. Please click on the form title to open it as a pdf document, print it out, and send the completed form to:
Member Services Center
DC Retirement Board
900 7th Street, NW, 2nd Floor
Washington, DC 20001

If you do not have access to the internet, you can call the DCRB Member Services Center at (202-343-3272) or toll free at 1(866) 456-3272 and one of our customer service representatives will be happy to mail a copy of the form to you.

■ **The Distribution of 1099-R Forms:** Prior to January 31, 2010, the U.S. Treasury Department's Bureau of the Public Debt will issue 1099-R Forms for payments received by retirees and survivors from the District of Columbia Police Officers and Firefighters' Retirement Plan and the District of Columbia Teachers' Retirement Plan during tax year 2009. Most annuitants will receive only one 1099-R Form. However, those of you, for example, who are both a retiree and the survivor of a retiree will receive more than one 1099-R, both of which should be filed with your 2009 tax return.

■ **Review of Your Tax Withholding:** As a reminder, you may recall that new, reduced federal income tax withholding tables implementing the stimulus law's "Making Work Pay" tax credit were required to be used for pension payments beginning April 1, 2009, even

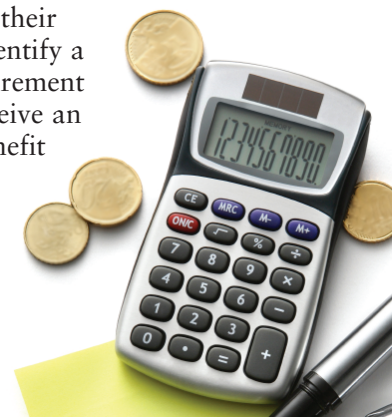
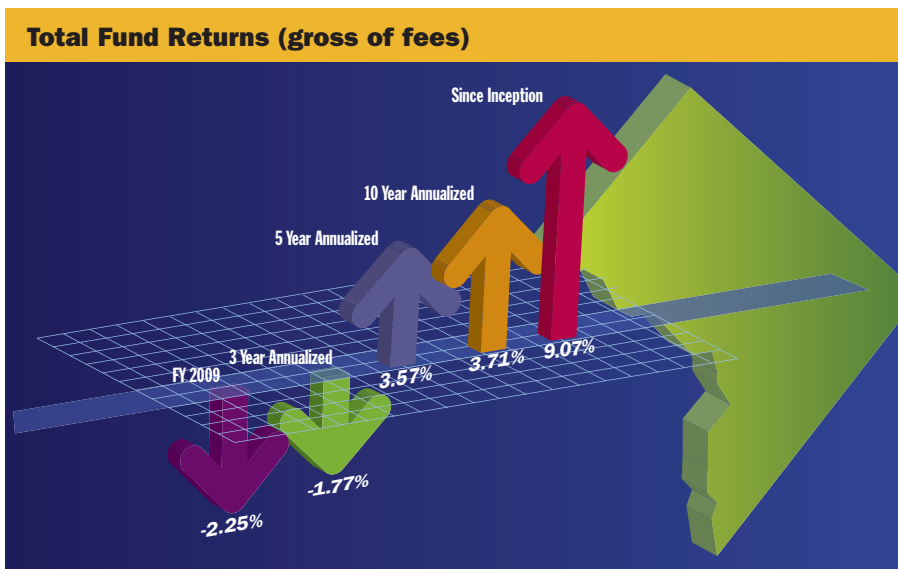
though pensions were not eligible for the credit. As a result, if your 2008 federal withholding was adequate to cover your tax obligation, and you did not increase your withholding after April 2009, you may owe federal income taxes for 2009. Although the tax year is almost at an end, there is still time to adjust your withholding to avoid a shortfall. If you are uncertain about the amount of taxes you may need to pay or the adequacy of your tax withholding, you should contact your tax advisor.

DCRB Releases Retirement Benefits Calculator

DCRB is pleased to introduce its new Retirement Benefits Calculator. The calculator was an element of DCRB's Technology Road Map, which was approved by the Board of Trustees in the fall of 2007. On September 15, 2009, the first of the two phases of this tool was released. The two phases include:

- 1) an initial calculator: a basic, stand-alone tool that active members can use to estimate their benefits, and
- 2) an enhanced calculator: a more sophisticated tool, which will use the member's actual pension data to replicate the benefit calculated by the system.

The initial calculator is available now on the homepage of our website at www.dcrb.dc.gov. This basic tool allows members to enter their own data, identify a projected retirement date, and receive an estimated benefit based on the data they entered.



Technology and Agency Projects

Since the fall of 2007, DCRB has been working with MTG Management Consultants (“MTG”) to map out a strategic plan for upgrading the services we provide and identifying and implementing the technology needed to deliver those services. Our multi-year plan is currently on track, and it has grown beyond the original project plan to include a series of projects set to occur over several years. These projects will result in the establishment of a full-featured

defined-benefit pension system and the transformation of the DCRB Benefits Department into a full service entity for members of the District of Columbia Police Officers and Firefighters’ Retirement Plan and the District of Columbia Teachers’ Retirement Plan (the “Plans”). Updates to these projects include:

- the successful completion of the Scanning Project in FY 2009 that resulted in digitizing 3.4 million documents over the course of the project. We are currently shar-

ing the experience we gained from this project with other agencies in the District in order to increase efficiencies.

- the development and implementation of a new tool, an internet-based Benefits Calculator, which was launched on September 15, 2009. It allows all Plan members to compute an estimate of their annual and monthly annuity benefits.

- preparing for the creation of a Pension Interim Repository (PIR). This repository will allow DCRB to gather and retain the historical data currently maintained in paper form and in multiple legacy systems. All pension-related history will be automated and available at the time of retirement, thereby reducing the amount of time needed to process a Plan member’s first retirement payment.

- enhancing DCRB’s website to provide more information and better tools for retirement planning. After the launch of the calculator, traffic to our website has increased weekly. We encourage you to watch for new features that will be added in the future.

Direct Deposit—Prompt and Automatic

Over 95% of your colleagues use Direct Deposit to receive their pension payments. The reasons are simple:

- **It is easier and more convenient.** You simply need to fill out a form, and your payments are deposited directly into your checking, savings, or credit union account on the first business day of each month.


- **It is safer and more predictable.** You do not need to worry about your payment being stolen or delayed.

- **It is more economical.** It costs the pension funds less to send your pension payment electronically each month than to print and mail checks. You also avoid a trip to your bank and help us cut down on the unnecessary use of paper.

To get started, visit the DCRB website at www.dcrb.dc.gov and click on DCRB Forms under the Services headline on the upper left hand side of our home page, then click on Direct Deposit Form (second from the top) to print out the form yourself. You can also call the DCRB Member Services Center at (202)343-3272 or toll free at 1(866)456-3272 and ask to receive a copy by mail. Whichever method you choose, you should return the form to us at the following address:

Member Services Center
DC Retirement Board
900 7th Street, NW, 2nd Floor
Washington, DC 20001

If we receive the completed form by the 10th of the month, we will be able to activate it in time to get your next benefit payment safely into your designated account on the first business day of the next month. This service will give you the peace of mind of knowing that your payment will be deposited promptly and safely into your account.

Useful Numbers	
	D.C. Public Schools Human Resources Office (202) 442-4080
Metropolitan Police Department Human Resources Office (202) 727-4261	
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	

2009 Health Care Open Season

During the Health Care Open Season, you have the opportunity to review the available health care plans and to select the one that best meets your individual needs.

The Office of Personnel Management (OPM) and the D.C. Department of Human Resources (DCHR) have announced that members will have an opportunity

to change their health plans during an Open Enrollment Season that will take place from November 9 to December 14, 2009. This event is open to members of the District of Columbia Police Officers and Firefighters' Retirement Plan and the District of Columbia Teachers' Retirement Plan who are eligible to participate in the health plans available to District

and Federal employees and retirees.

In early November, eligible members will be mailed packets of information about the plans and the health fairs scheduled to take place during the enrollment period. OPM has a helpful feature on its website that allows eligible participants to compare the provisions, costs, and premiums of up to four health plans. You can access that feature at www.opm.gov/insure.

Active members must submit their completed change forms to their human resources office. Retirees and survivors should forward their completed change forms to the DCRB Member Services Center (see address on page three). The completed enrollment form must be received by DCRB no later than December 14, 2009.

Legislation Changes DCRB Plans

The DC Council recently passed two Acts, which concern the District of Columbia Teachers' and Police Officers and Firefighters' Retirement Plans (the "Plans"), to include domestic partners as survivors. Summaries of Material Modification to the Plans were distributed to participants during the summer and are posted on our website. You can view these summaries in the News Room section of our site under the title "Recent Legislation Changes DCRB Retirement Plans."

TRUSTEES

Lyle M. Blanchard
*Sergeant-at-Arms
Council Appointee*

Barbara Davis Blum
Mayoral Appointee

Joseph M. Bress
Council Appointee

Diana K. Bulger
Mayoral Appointee

Joseph W. Clark
*Treasurer
Mayoral Appointee*

Deborah Hensley
Elected Active Teacher

Judith C. Marcus
*Parliamentarian
Elected Retired Teacher*

Darrick O. Ross
*Chairman
Elected Active Police Officer*

Edward C. Smith
Elected Active Firefighter

George R. Suter
*Secretary
Elected Retired Police Officer*

Thomas N. Tippet
Elected Retired Firefighter

Michael J. Warren
Council Appointee

Lasana K. Mack
Ex Officio, Non Voting

D.C. Retirement Board

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Eric O. Stanchfield
Executive Director

**Open Enrollment
Year End Information**

Inside DCRB Report this month:



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