



# Pension Workshop

*City of East Point*

*Employees Retirement Plan*



# *Pension Workshop*

- *Pension Board*
- *Retirement Plan Update*
- *Overview of Benefits*
- *Processing of Applications*



*Pension Board  
(Plan Administrator)*

A photograph of two men in suits and glasses standing behind a podium with microphones. The man in the foreground is speaking into a microphone. The background is a blue gradient.

# *Pension Board (Plan Administrator)*

- *Meets Monthly as Needed*
- *Holds Quarterly Investment Meetings*
- *Hires and Manages All Service Providers*
- *Reviews and Approves All Benefits*



## *Board: Administers Plan*

- *Follows the Laws Governing Public Pension Funds:*
  - *Plan Document*
  - *Georgia Constitution*
- *Complies with IRS and Federal Requirements*



# *Board: Administers Plan*

- *Pension Board*
  - *Board Membership Form*
  - *Code of Conduct Form*
- *Trustees Serve as Fiduciaries*
- *Establishes and Enforces Board Policies for Plan*
- *Annual Board Training*
  - *Trustee Certification*
  - *Re-certification*

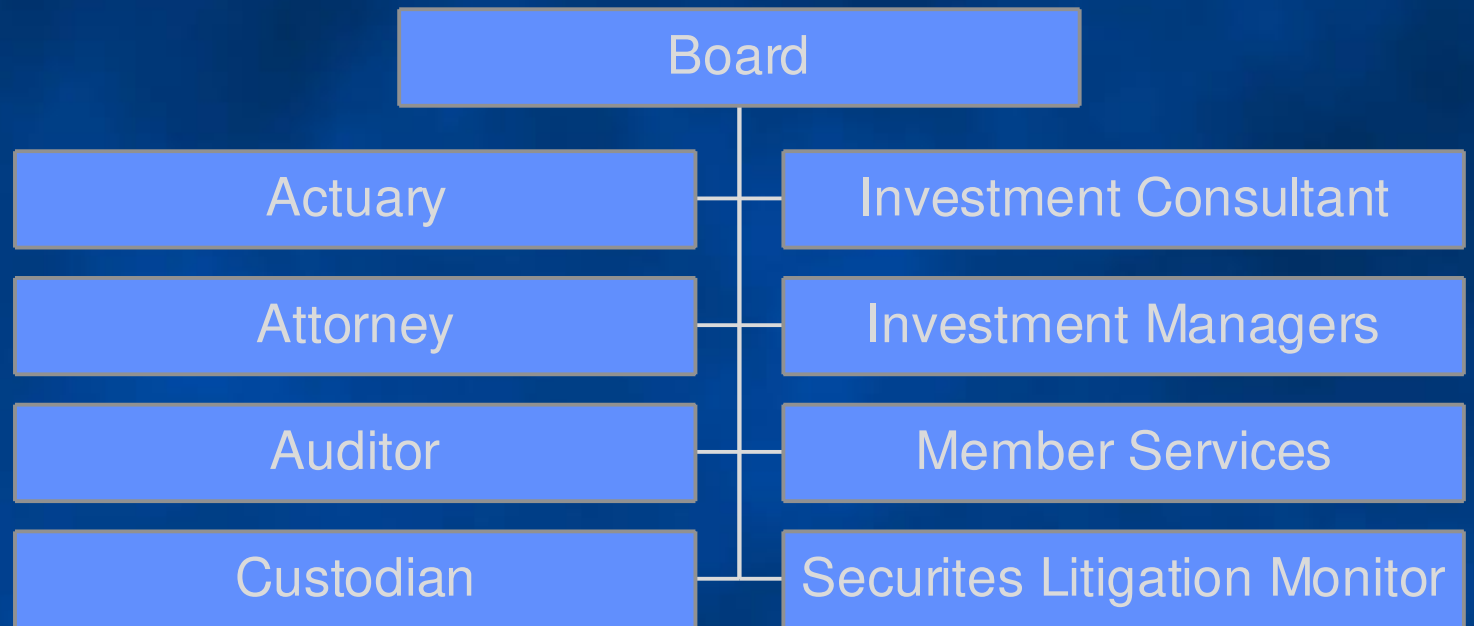
# *Board: Administers Plan*

- *Two Elected Active Trustees (4 Year Terms)*
  - *General Employees Representative*
  - *Public Safety Representative*
- *Two Elected Retired Trustees (4 Year Terms)*
- *Appointed Trustees*
  - *Citizen Representative (4 Year Term)*
  - *Human Resources Director*
  - *City Council Representative (2 Year Term)*



# *Pension Board*

*(and Board Hired  
and Managed Service Providers)*







# *Board Retained Service Providers*

- *Actuary: Cavanaugh MacDonal*
- *Auditor: Mauldin & Jenkins*
- *Legal Counsel: Morris, Manning, and Martin*
- *Securities Litigation: Faruqi & Faruqi*
- *Custodian: US Bank*
- *Investment Managers: Multiple*
- *Investment Consultant: Southeastern Advisory*
- *Services to Members: Resource Centers*

# *Board Controls*

- *Independent Annual Audit*
- *Independent Annual Valuation*  
*(Determines Contribution Requirement to Fund Future Earned Benefits)*
- *Board Retained Legal Counsel*
- *Board Retained Investment Consultant*



# *Board Awards*

- *Administration*
- *Funding*
- *Transparency*
- *Reporting*





# *Trustee Education*

*Georgia Senate passed HB 196 by a 47-1 vote on March 22, 2019.*

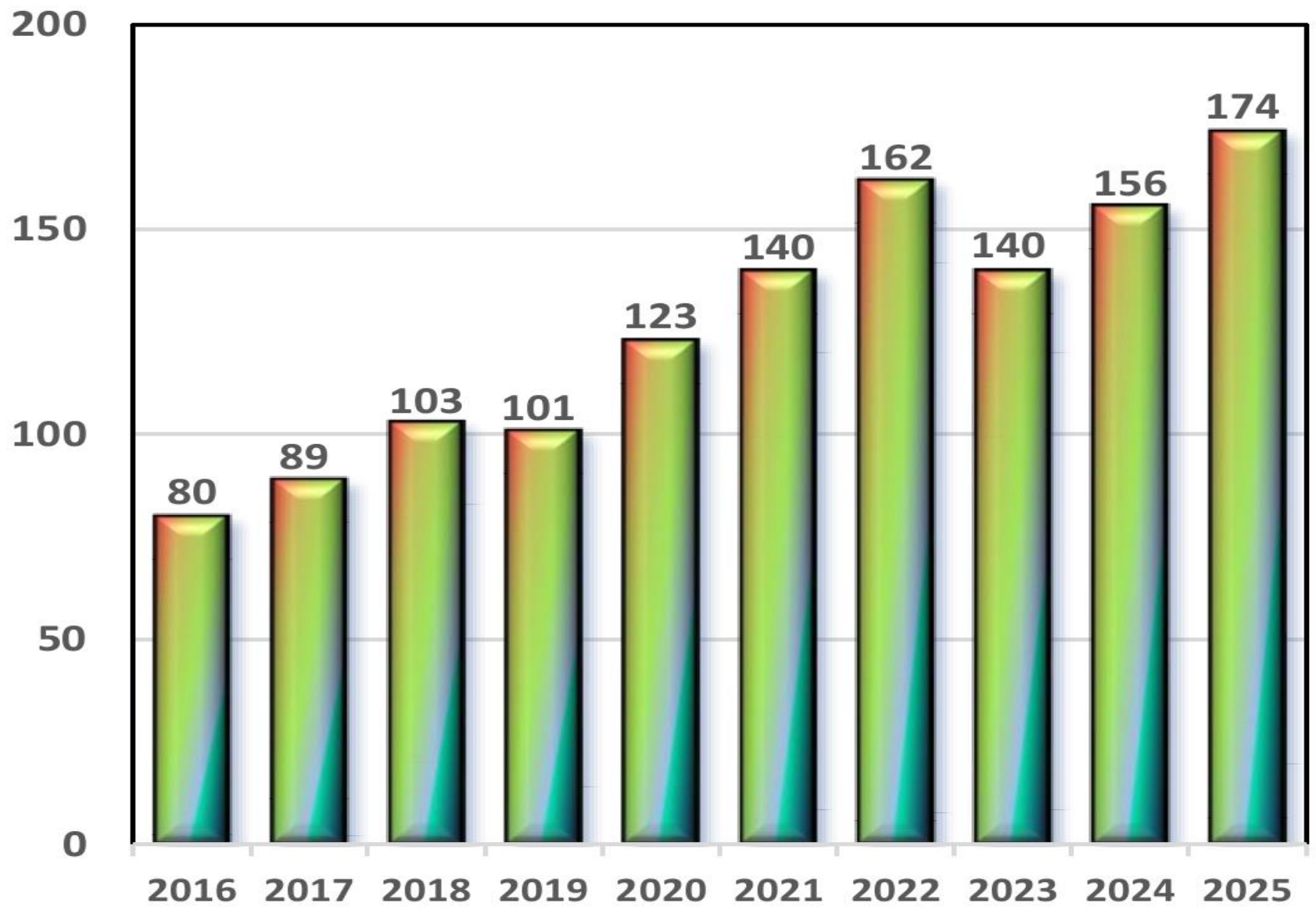
*HB 196 requires new Trustees to complete 8 hours of education, all Trustees to complete 12 hours continuing education every 2 years.*



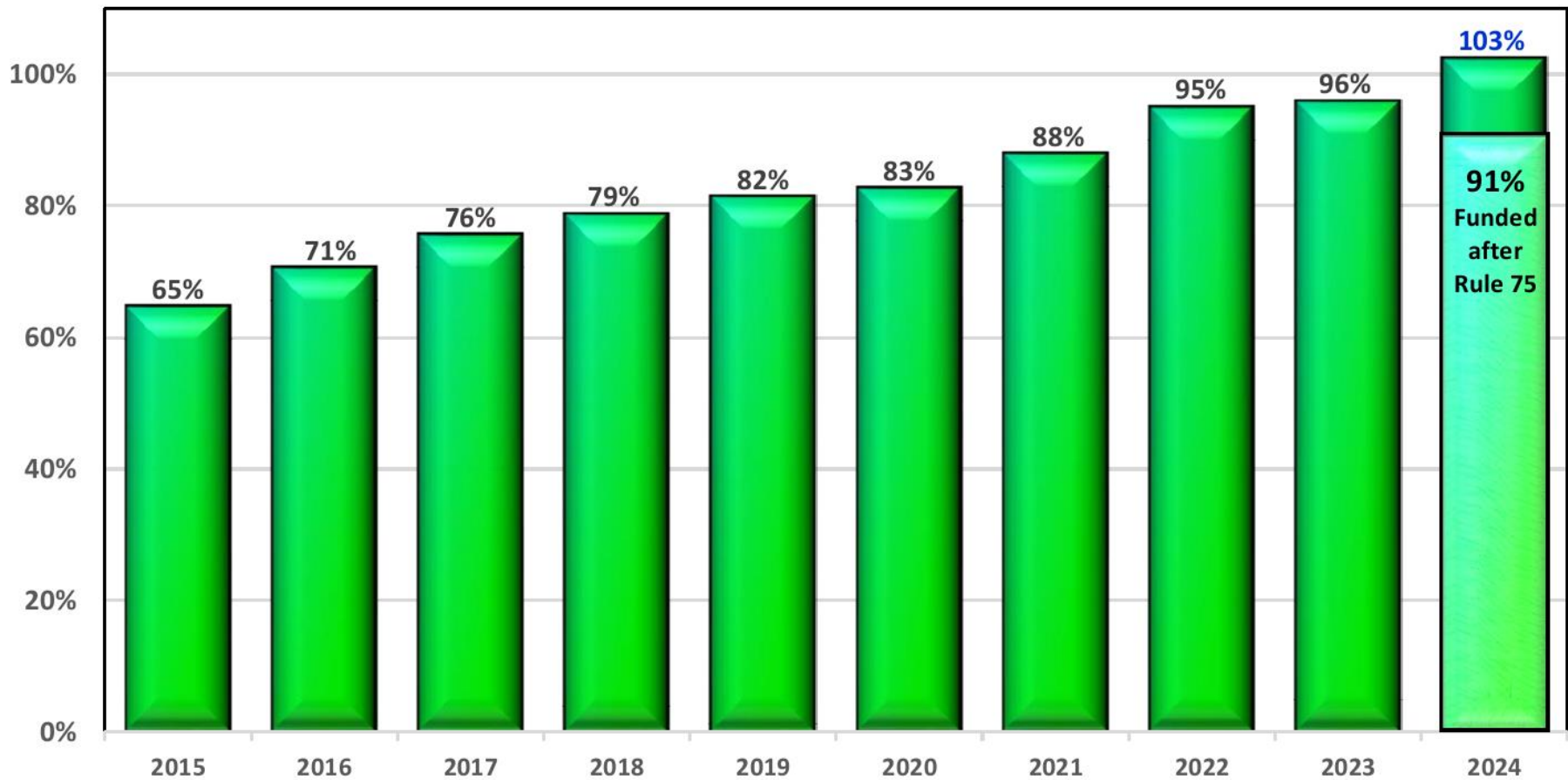
*Defined Benefit  
Pension Plan*



# *Defined Benefit Pension Plan*



The **Total Assets** owned by the Plan in millions.



The **Funded Ratio** notes the percentage of the Plan Liabilities covered by the Plan assets.



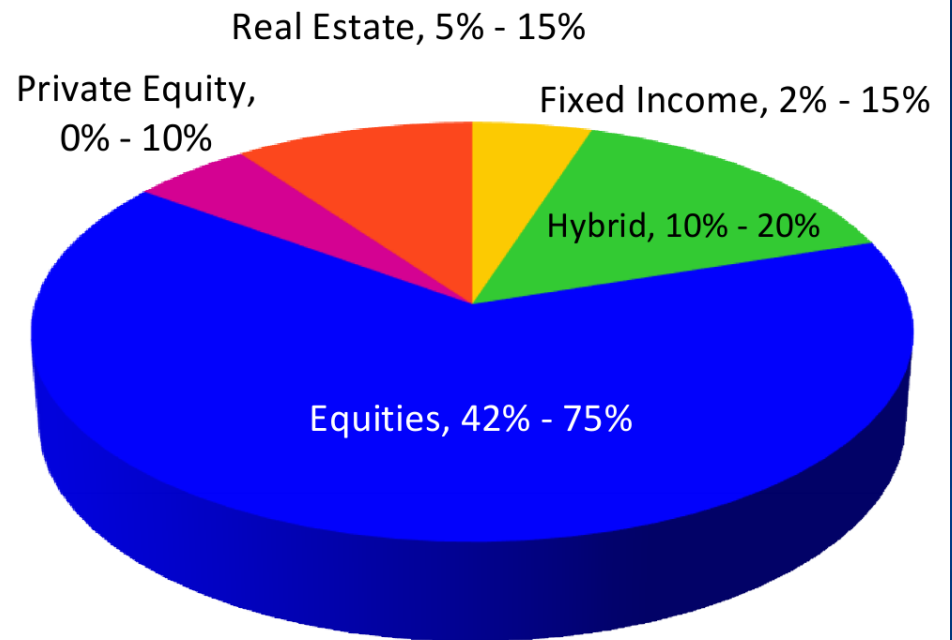
# *Asset Performance*

## *Top 4% !*

- The Total Value of Plan Assets Doubled in the Past 10 Years*
- 70% of Plan Assets Generated by Investment Performance*
- 30% Come From Employer & Employee Contributions*

Manager	Allocation (%)
ACM Small Cap	7.6
Eagle Asset Management	8.1
Pullen	6.4
Schwab Total Stock Market Index	17.2
Vanguard 500	21.8
Cohen & Steers Global Infrastructure	5.2
JP Morgan Strategic Property	3.9
JP Morgan Special Situations Property	3.1
TerraCap Partners V	1.8
Cohen & Steers Real Estate Opportunities	1.3
Richmond Capital	4.4
Constitution Ironsides VI	2.3
Advent Capital	8.8
Cohen & Steers Preferred Securities	5.6
Taurus Private Markets Fund II	0.2
Capital Dynamics Global Secondaries VI	0.6
Cash	1.8

## Asset Allocation per Investment Policy



The Board of Trustees allocates assets to obtain the greatest return with the least amount of risk.

# *Pension Plan Benefits*

Defined Benefit Plan

Retirement Benefits:  
Normal Retirement Benefit  
Early Retirement Benefit  
Optional Forms Payment

Disability Retirement Benefit

Survivor Benefit



A hand is shown dropping a coin into a glass jar filled with coins. The jar has a white label with the word "RETIREMENT" written on it. The background is a soft-focus green, suggesting an outdoor setting.

# *Defined Pension Benefit*

- *Funded mainly by Investment Returns, Investment and Plan Management*
- *Employer contributions + Employee contributions of 6%*
- *Vesting: 10 years service (Amendment 3)*  
*Age requirement eliminated as of April 17, 2017.*
- *Separation before normal retirement*
  - *Deferred benefit*
  - *Refund of contributions with interest*



# *Plan Retirement*

- *Normal Retirement:*

- General Employees: Age 65 and 10 Years Service
- Elected Officials: Age 60 and 5 Years Service
- Public Safety: Age 55 and 10 Years Service
- OR- “Rule of 75” (2024)

- *Early Retirement:*

- General Employees: Age 55 and 10 Years Service
- Public Safety: Age 50 and 10 Years Service

- *Credited Service:*

- Years and Completed Months
- Sick Accrual Hours: Additional Months

# *Rule of 75*

- *Available to Police Officers and Firefighters Only*
- *Last Day of Month When Member*
  - Attains Age 50 and
  - Completes 25 Years Service
- *Member Receives 3% Multiplier for ALL Years of Service*
- *Effective as of July 1, 2024*



75



75



75

# *Benefit Formula*

- *Pension Plan Formula:*

*(Final Average Salary) x (Number Years Of Service) x Multiplier%*

- *Final Average Salary:*

Highest 78 Consecutive Bi-weekly Pay Periods

- *Multiplier:*

Age Based -OR- Rule of 75

- *Elected Officials:*

\$45/ Year Service at Age 60, 5 Year Vesting



# *Age Based Multiplier*

## Retirement Age

## Applicable Benefit Percentage

50	1.75% *
51	1.80% *
52	1.85% *
53	1.90% *
54	1.95% *
55	2.00%
56	2.05%
57	2.10%
58	2.15%
59	2.20%
60	2.30%
61	2.40%
62	2.50%
63	2.60%
64	2.70%
65 and above	2.80%

\* Available to Police Officers and Firefighters only.





# *Optional Forms Benefit Payment*

- *Life Annuity (Unmarried Members)*
- *75% Joint Survivor (Married Members)*
- *Optional Survivor Benefits Include Joint 100%, Joint 75%, Joint 50%, Joint 25%*
- *Period Certain: 5, 10, 15, and 20 Years*
- *Partial Lump Sum Options: 5%, 10%, 15%, 20%, and 25%*





# *\*COLA:*

## *Cost of Living Adjustment*

- *Classes 1, 2 & 3 Members:*
  - Automatic, Payable Each January
  - Percent Increase US City Average CPI from November to Preceding November
  - Maximum Cola 3% Annual Increase
- *Classes 4 & 5:*
  - Board Consideration Every 2 Years
  - City Council Votes to Approve



Year	Class 1,2,3 COLA	Class 4,5 COLA	Class 4,5 Eff Date
2025	2.75%	0.0%	
2024	3.00%	0.0%	
2023	3.00%	3.0%	01/01/23
2022	3.00%	3.0%	03/01/22
2021	1.17%	0.0%	
2020	2.05%	0.0%	
2019	2.20%	0.0%	
2018	1.69%	1.7%	05/01/17
2017	0.50%	0.0%	
2016	1.32%	1.3%	06/01/15
2015	1.24%	0.0%	
2014	1.76%	0.0%	
2013	3.00%	0.0%	
2012	1.14%	1.1%	Unk
2011	1.84%	0.0%	
2010	1.07%	0.0%	
2009	3.00%	0.0%	
2008	1.97%	2.0%	Unk
2007	3.00%	0.0%	
2006	3.00%	0.0%	
2005	1.77%	2.0%	Unk
2004	2.20%	0.0%	
2003	1.90%	1.9%	Unk
2002	3.00%	0.0%	
2001	2.62%	0.0%	

# *Cost of Living Adjustment*

## *\*COLA:*



*Additional  
Plan  
Provisions*

# *Refunds of Contributions*



Years of  
Credited Service

Percentage of  
Employee Contributions

<1	100%
1<2	110%
2<3	120%
3<4	130%
4<5	140%
5<6	150%
6<7	160%
7<8	170%
8<9	180%
9<10	190%
10<11	200%
11<12	220%
12<13	240%
13<14	260%
14<15	280%
15<16	300%
16<17	320%
17<18	340%
18<19	360%
19<20	380%
20<21	400%
21<22	420%
22<23	440%
23<24	460%
24<25	480%
25 or more	500%



# *Plan Survivor Benefits*

- *Class 2 and Class 3 Members:*
  - Beneficiary Receives Otherwise Normal Retirement Benefit at Member Age 65
  - Actuarially Equivalent Benefit Payable Immediately
  - Benefit Increased for Members Hired Before December 1, 1987
- *Class 5 Members:*
  - Beneficiary Receives Accrued Benefit at Otherwise Normal Retirement Date
  - 60% of Average Monthly Compensation Reduced if Member Dies Before Age 50
  - Minimum Benefit \$30 Per Year Credited Service
- *Benefit Payable For Life*



# *Other Plan Provisions*

- *Transfer of Service:*
  - Service Combines for Vesting and Eligibility
  - Separately Tracked Benefits Commence at Early or Normal Retirement Date
  
- *Rehire Following Retirement:*
  - Ineligible Members Continue to Receive Benefit
    - Member Reached Normal Retirement Date
      - Age 55 for Public Safety
      - Age 65 for General Employees
    - OR-
    - Member At Least Age 62 Upon Reemployment
  - Member Not Employed Full-Time
  - Benefit Stops for Eligible (Full-Time) Employees

# *Additional Considerations*

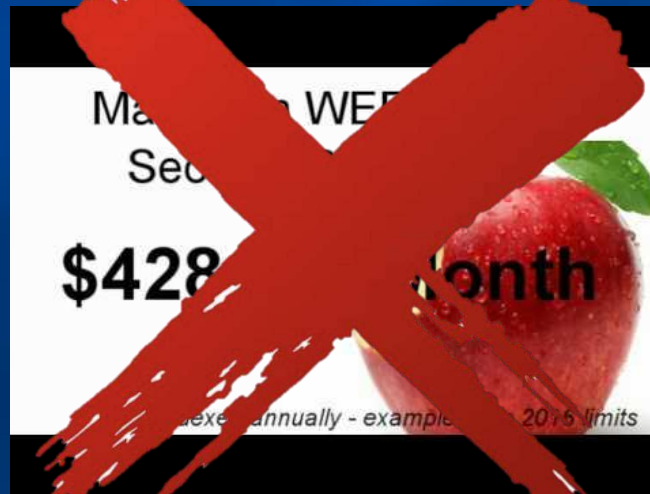
- *Alive and Well:*

The Board sends an annual verification letter to all retirees receiving benefits from the Plan.

- *Social Security Windfall Elimination:*

- Previously reduced benefits from Social Security

- GONE as of January 2025





# Processing Your Pension



# *Board Application Procedures for Retirement*

- *Application filed with Member Services 60 days in advance*
- *Member Services provides estimate of benefit*
- *Actuary certifies benefit*
- *Board review and approval of actuarially certified benefit*

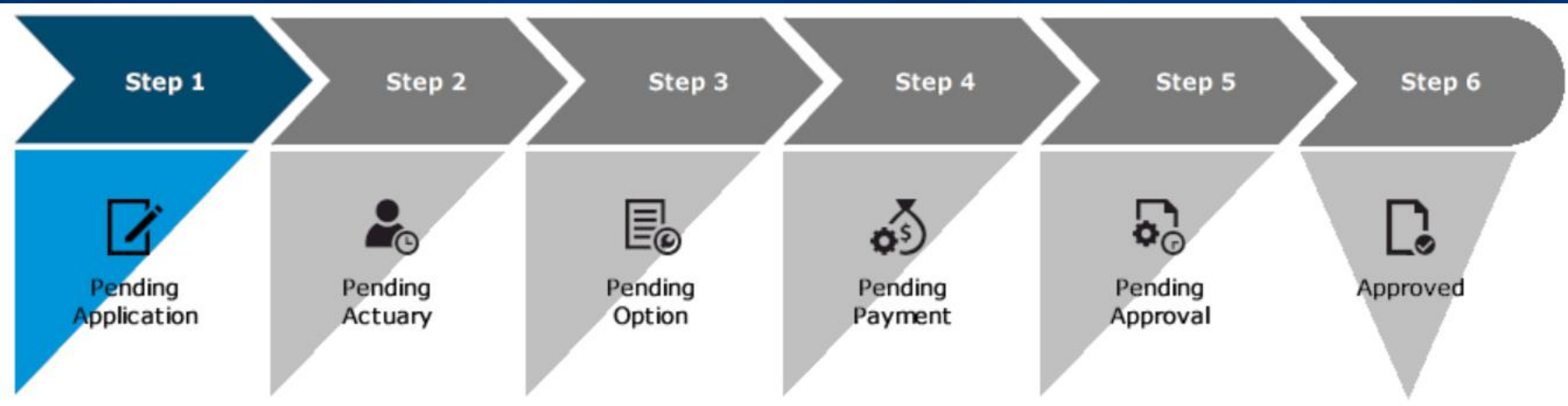




# *Board Application Procedures for Retirement*

- *Participant elects form of benefit payment*
- *Board reviews supporting documentation*
- *Board authorizes all benefit payments*
- *Custodian pays benefit earned by retired members*
- *Benefit commences on first of month following retirement date*
- *Board has 90 days to process all Benefit Applications*

# Processing Your Pension



A vertical image on the left side of the slide shows a tropical beach at sunset. The sky is a mix of blue and orange, with the sun low on the horizon. Several palm trees are visible, and a hammock is strung between two of them, hanging over the sand.

# *Board Application Procedures for Retirement*

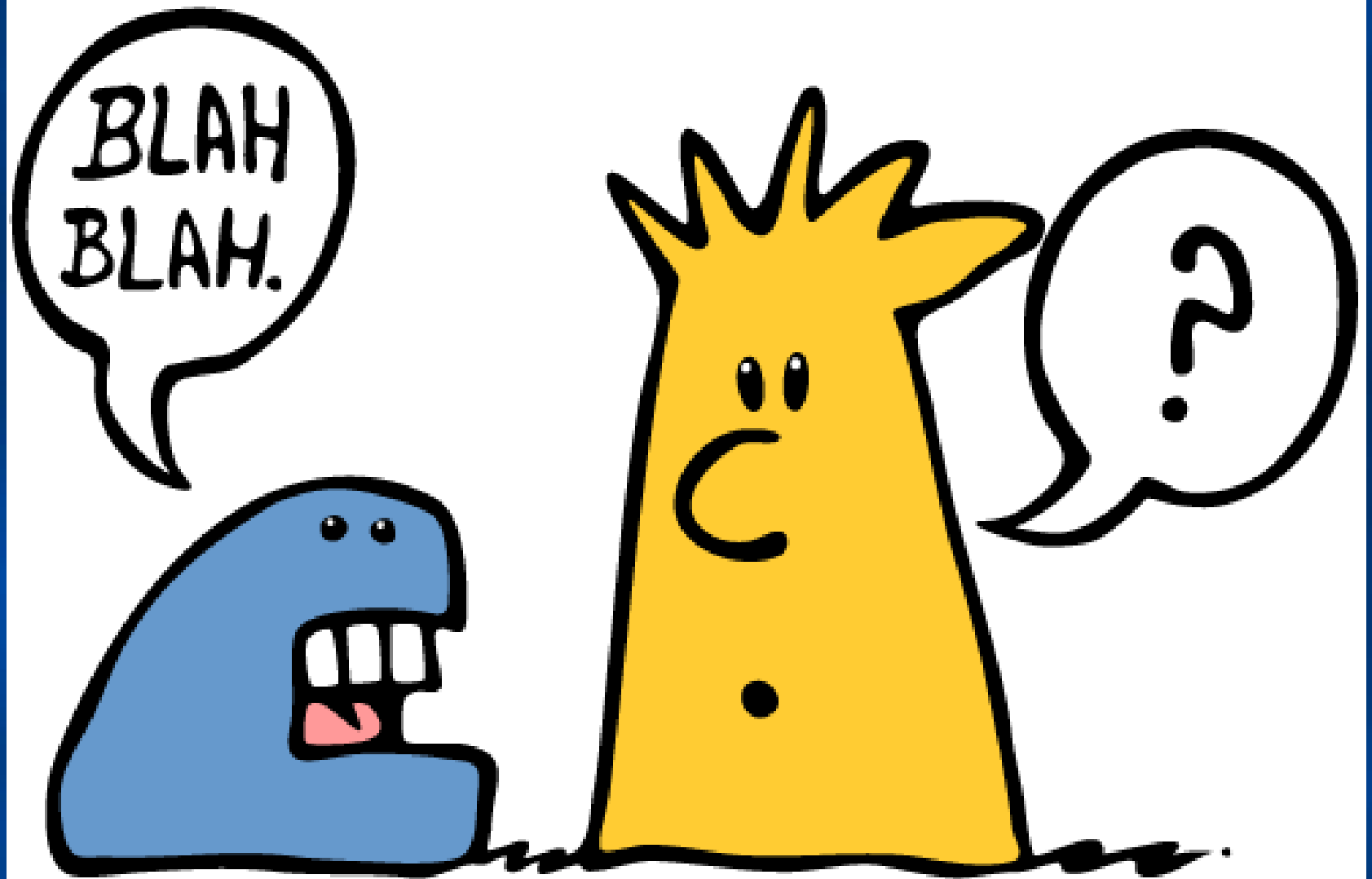
- *Required Forms*

- Application for Retirement
- Commencement Form
- Tax Withholding Forms (W-4P & G4-P)
- Direct Deposit Form & VOID Check

- *Additional Items*

- Proof of Age
- Copy of Marriage License
- Beneficiary Designation

- *Board Has 90 Days to Process All  
Benefit Applications*



© mark du toit.

# Your Annual Benefit Statement

## CITY OF EAST POINT EMPLOYEES RETIREMENT PLAN



### GENERAL EMPLOYEES – CLASS 5

#### STATEMENT OF ESTIMATED BENEFITS AS OF JANUARY 1, 2023

#### JOE EMPLOYEE

##### YOUR BASIC INFORMATION AS OF JANUARY 1, 2023:

Social Security Number:	XXX-XX-5702	Salary Rate:	\$	50,000
Date of Birth:	05/16/1959	Service for Benefit Eligibility:	18.250	Year(s)
Date of Hire:	09/20/2004	Service for Benefit Accrual:	18.250	Year(s)
Date of Participation:	09/20/2004	Total Contributions without Interest:	\$	36,986
Normal Retirement Date (NRD):	06/01/2024	(Age 65 with at least 10 years of Service)		

##### YOUR RETIREMENT BENEFITS ASSUMING TERMINATION ON DECEMBER 31, 2022:

Your Estimated Lump Sum Refund Payable on January 1, 2023: \$ 133,151

Upon termination of your employment you may select a one-time lump sum payment **in lieu of any other Plan benefits**, as detailed below. The lump sum payment is equal to your total contributions without interest multiplied by a percentage ranging from 100% for service of less than one year to 500% for 25 or more years of service.

Your Estimated Monthly Accrued Benefit\*: \$ 1,718

You may retire with a reduced benefit as early as age 55 with at least 10 years of service. If you terminate your employment on or after completing at least 10 years of service, your benefit will commence on your Normal Retirement Date, or in a reduced amount as early as age 55.

*\* This figure reflects your service through December 31, 2022 only. Your monthly benefit is not payable prior to meeting the conditions of the previous paragraph.*

##### YOUR ESTIMATED PROJECTED MONTHLY RETIREMENT BENEFIT IF YOU CONTINUE WORKING UNTIL MAY 31, 2024:

Your Estimated Monthly Benefit Payable Starting on June 1, 2024: \$ 2,144

##### ADDITIONAL NOTES APPLICABLE TO MONTHLY BENEFITS:

- When you retire you may elect to receive between 5% and 25% (in 5% increments) of your monthly benefit as an actuarially equivalent lump sum payment. Your monthly benefit will be reduced by an equal percentage.
- **Joint and Survivor Option:** In the event of your death after retirement, your eligible spouse will receive a monthly benefit equal to 75% of your original monthly accrued benefit (before reduction, if any, for partial lump sum payment). In the absence of an eligible spouse, children under age 18 are also eligible.
- **Cost of Living Increases:** Retirement benefits are subject to a Cost of Living review and possible adjustment every two years by City Council; however, there is no guarantee that monthly benefits will be increased.
- The projected monthly benefits shown in this statement assume no future salary increases.

*Every effort has been made to ensure the accuracy of this statement; however, these benefits should be considered as **estimates only**. Your right to any benefit, and the amount of that benefit, will depend upon the provisions of the official Plan document in effect at the time you terminate or retire. If you have any questions about any of the information shown or a correction to your basic information, please contact Resource Centers 800-206-0116.*

Your Information

Your Service & Pay

Your Contributions

Contributions + Interest

Your Pension Now

Benefits You Earned

Your Pension at Retirement

Pension at Retirement

# Summary Plan Description

## CITY OF EAST POINT EMPLOYEES RETIREMENT PLAN

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### SUMMARY PLAN DESCRIPTION

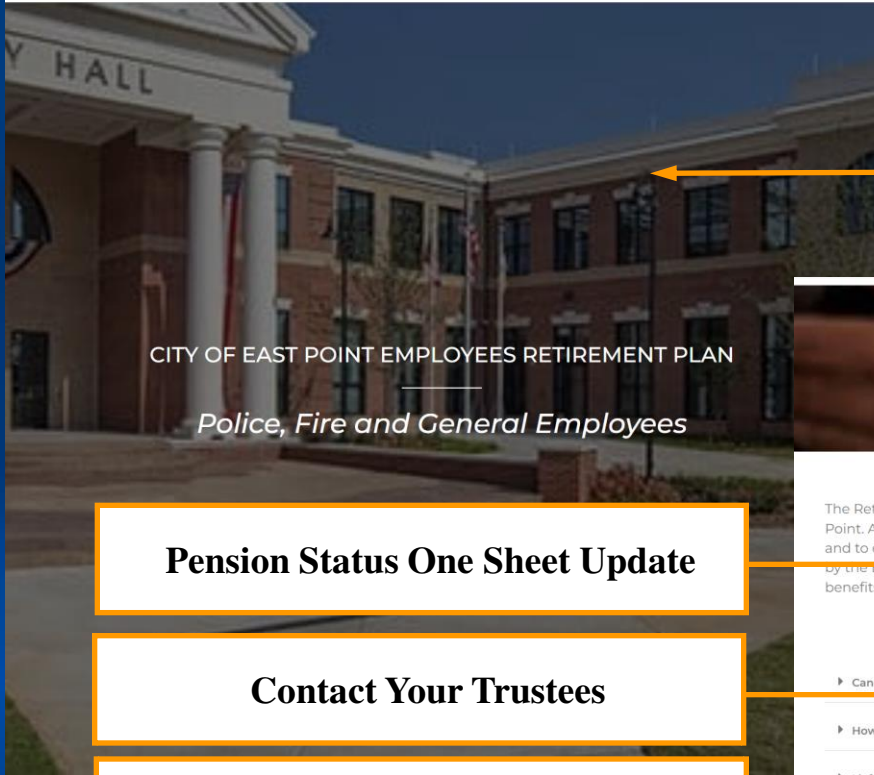
July 2024

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# Online Resources



**Online Pension Benefit Estimator  
(Account Balances and Real Time  
Pension Estimates)**

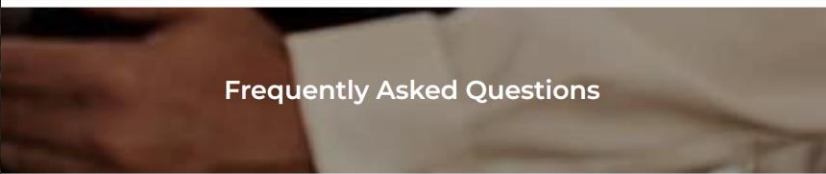
**Pension Status One Sheet Update**

**Contact Your Trustees**

**Plan Reports and Documents  
(Summary Plan Description, Valuation,  
GASB, and Audit Reports)**

**Board Awards: Administration,  
Funding, Transparency and Reporting**

**Board Professional Memberships and  
Affiliations**



The Retirement Plan provides the most valuable benefit that you will receive as an employee of the City of East Point. As a valuable part of your compensation, the Retirement Plan is a reason to work for the City of East Point and to continue working at the City until you become eligible to retire. The following summary was developed by the Board to answer some Frequently Asked Questions about the benefits and the process to apply for benefits from the Retirement Plan:

- ▶ Can I take a loan or hardship distribution from the Retirement Plan?
- ▶ How do I submit an application for benefits from the Plan?
- ▶ I left my employment at the City of East Point, and I want to receive a refund of my contributions. When should I submit my application?
- ▶ What should I expect once I submit my application?
- ▶ How much longer must I wait until I get my money?
- ▶ What options do I have to receive my payment?
- ▶ I want to retire now. What should I consider to decide when to retire from the City of East Point?
- ▶ When can I retire?
- ▶ When should I submit my Retirement Application?
- ▶ What else should I consider when planning my retirement?
- ▶ Will any sick or vacation hours that I have remaining at retirement count toward my pension benefit?

A wooden signpost with four signs: HELP, SUPPORT, ADVICE, and GUIDANCE.

# *Where else can I go?*

- *East Point HR*
  - Hard Copies Forms
  - Hard Copy Summary Plan Description
- *Pension Questions*

Contact Resource Centers for ALL Pension questions!



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THE RESOURCE CENTERS

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*Services to Members of Plan*

*(800) 206-0116*

*EastPoint@ResourceCenters.com*

# *Disclaimer*

*This workshop is designed to be educational in nature and is not intended to provide investment, tax, or legal advice.*

*You should consult with your own tax, legal, accounting professionals or any other advisors for advice on the implementation of any plan of action in your particular situation.*





**THANK YOU!**