

EL PASO COUNTY
BOARD OF RETIREMENT

EL PASO COUNTY RETIREMENT PLAN
2880 INTERNATIONAL CIR., SUITE N030
COLORADO SPRINGS, CO 80910
TELEPHONE (719) 520-7490
FACSIMILE (719) 520-7495

NICOLA SAPP, CHAIR
MICHAEL PENNICA, VICE CHAIR
ROBERT C BALINK
RICHARD BENGTTSSON
REBECCA ELLIS
MICHAEL VARNET
DAVID GUEST

April 17, 2014

Dear Fellow Employees and Retirees,

This letter is to provide all of you with relevant and accurate information about upcoming discussions that will take place regarding possible **future** changes to the El Paso County Retirement Plan. Please be assured the current El Paso County Retirement Board is absolutely committed to providing a strategic direction that is transparent and engaging of all members, as we charter the course to strengthening our Retirement Plan.

Prior to financial downturn (commonly called the Great Recession of 2008-2009) our El Paso County Retirement Fund was at or near 90% “fully funded” to meet the projected requirements of retirees for many years to come. But as the Retirement Board continues to closely monitor the **long term funding projections** we have seen that percentage drop to approximately 70%. While this is a much better position than many plans similar to ours (see below), the Retirement Board realizes it is still too low.

Other sister plans in the State of Colorado:

- Adams County 51.5%
- Arapahoe County 64.7%
- El Paso County 70.0%
- Pueblo County 61.5%
- Weld County 65.7%

As we begin these discussions let me assure you:

-There will be no reduction of any kind to benefits already accrued by current employees and retirees
-No decisions have been made by the current Retirement Board and no decisions will be made without a full and open discussion of all possible options for **future changes** to the plan

On Monday, the Retirement Board will begin a five month review process of potential plan changes for **future benefits and/or contribution changes** to increase the funded percentage of the plan to an appropriate level and ensure the financial strength and viability of the plan:

- At the April Retirement Board meeting (this Monday at 8am), there will be a presentation on potential plan change options to increase the funded percentage of the plan
- At the May meeting, further discussion will occur regarding the appropriate way to receive employee input on **possible future plan changes** via an employee survey
- In June, the employee survey will be conducted requesting your input on the potential **future** plan changes. It is absolutely critical we hear from our plan members!
- At the July meeting, the Retirement Board will review and discuss the input from the employees and retirees

“Financial Security for the Golden Years”

- Then at the August meeting, action may be taken regarding possible **future** plan changes

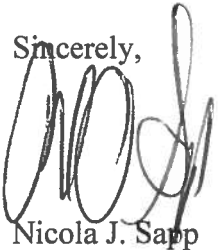
No changes under consideration or discussion will reduce any benefits earned to date. Any possible changes will be looking forward to the future - impacting new employees hired after 2014, and any changes impacting current (active employees) would be to increase contributions or reduce the retirement multiplier for years worked after 2015. No changes will impact current retirees.

As the Chair of the Retirement Board, I am committed to ensuring your voice is heard. Therefore, I strongly encourage all of you to participate by paying close attention to the Board meetings as outlined above – either by attending or streaming the meetings on your computer. Most importantly, please be sure to participate in the surveys when they come out in June.

It is **our** Retirement Plan. We are all “stakeholders” with an interest in ensuring the Plan remains financially strong for current and future retirees.

Thank you all so much for your time and attention and as always, you can contact any of your Retirement Plan Board Members and Retirement Board staff with any questions you may have!

Sincerely,

A handwritten signature in black ink, appearing to read 'Nicola J. Sapp', written over the word 'Sincerely,'.

Nicola J. Sapp
El Paso County Retirement Board Chair
El Paso County Budget Officer