

# Financial focus

FINANCIAL SECURITY FOR YOUR GOLDEN YEARS



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## 2016 Investment Returns Bring Improvement

By Tom Pfeifle  
EPCRP Executive Director

The Plan experienced an above average return for 2016, returning 9.2% for the past year. This return improves greatly on the 2015 return of -.6%. It also exceeded our target long-term return goal of 8% annually by over a full percentage point!

The fair value of the portfolio at the end of the year was approximately \$345.8 million, a healthy increase of over \$ 24.9 million from last year. The bulk of this increase was due to:

- Improved 4Q performance of equity markets
- Greater expectation of fewer governmental regulations and possible tax cuts after Nov 2016 election results
- China regulation of their debt without negative impact on its growth prospects

US Equities were the largest

positive story for 2016, returning 14.4% for the year. The next closest asset category was Emerging Market funds at 13.4%, followed next by Real Estate at 7.8%. Private Equity was the biggest disappointment, gaining only .4% for the year, and International markets gained only 2.2%.

The board monitors all investments on an ongoing basis, but adopts a new investment

policy at least annually. Our current policy is available on our website at [www.epcretirement.org](http://www.epcretirement.org) under Investments.

Looking forward, the board will continue to examine existing asset classes for opportunities to incrementally increase returns. We will also consider new asset classes, as well as the fit of those asset classes for the Plan. Achieving a long-term return of 8% with appropriate risk remains our goal.

### El Paso County Retirement Plan Asset Allocation and Policy

Total Plan as of Dec. 31, 2016

Asset Class	Market Value	Actual %	Policy Range %
Domestic Equity	\$ 140,035,690	40.6	30 - 45
International Equity	\$ 60,259,571	17.4	15 - 25
Private Equity	\$ 2,689,247	0.8	0 - 5
<b>Total Equity</b>	<b>\$ 202,984,508</b>	<b>58.8</b>	<b>45 - 75</b>
<b>Domestic Fixed Income</b>	<b>\$ 47,468,367</b>	<b>13.7</b>	<b>10 - 25</b>
<b>Real Estate</b>	<b>\$ 75,444,196</b>	<b>21.8</b>	<b>10 - 25</b>
<b>Hedge Funds</b>	<b>\$ 16,915,414</b>	<b>4.9</b>	<b>0 - 10</b>
<b>Cash</b>	<b>\$ 2,979,168</b>	<b>.8</b>	<b>0</b>
<b>Total</b>	<b>\$345,791,653</b>	<b>100%</b>	



## BEWARE OF IRS TAX SCAMS

With tax season well underway, the Internal Revenue Service, the states and the tax industry remind taxpayers to be on the lookout for an array of evolving tax scams related to identity theft and refund fraud. Every tax season, there is an increase in schemes that target innocent taxpayers by email, by phone and on-line.

Some of the most prevalent IRS impersonation scams include:

**Requesting fake tax payments:** The IRS has seen automated calls where scammers leave urgent callback requests telling taxpayers to call back to settle their "tax bill." These fake calls generally claim to be the last warning before legal action is taken. Taxpayers may also receive live calls from IRS impersonators. The IRS reminds taxpayers that any request to settle a tax bill using any of these payment methods is a clear indication of a scam.

**Targeting students and parents and demanding payment for a fake "Federal Student Tax":** Telephone scammers are targeting students and parents demanding payments for fictitious taxes, such as the "Federal Student Tax." If the person does not comply, the scammer becomes aggressive and threatens to report the student to the police to be arrested.

**Sending a fraudulent IRS bill for tax year 2015 related to the Affordable Care Act:** The IRS has received numerous reports around the country of scammers sending a fraudulent version of CP2000 notices for tax year 2015. Generally, the scam involves an email or letter that includes the fake CP2000. The fraudulent notice includes a payment request that taxpayers mail a check made out to "I.R.S." to the "Austin Processing Center" at a Post Office Box address.

**"Verifying" tax return information over the phone:** Scam artists call saying they have your tax return, and they just need to verify a few details to process your return. The scam tries to get you to give up personal information such as a SSN or personal financial information, including bank numbers or credit cards.

**Pretending to be from the tax preparation industry:** Emails are designed to trick taxpayers into thinking these are official communications from the IRS or others in the tax industry, including tax software companies. The phishing schemes can ask taxpayers about a wide range of topics. E-mails or text messages can seek information related to refunds, filing status, confirming personal information, ordering transcripts and verifying PIN information. If you receive an unexpected call, unsolicited email, letter or text message from someone claiming to be from the IRS, here are some of the tell-tale signs to help protect yourself.

**The IRS Will Never:**

- Call to demand immediate payment using a specific payment method such as a prepaid debit card, gift card or wire transfer or initiate contact by e-mail or text message. Generally, the IRS will first mail you a bill if you owe any taxes.
- Threaten to immediately bring in local police or other law-enforcement groups to have you arrested for not paying.
- Demand that you pay taxes without giving you the opportunity to question or appeal the amount they say you owe.
- Ask for credit or debit card numbers over the phone.

**If you get a suspicious phone call from someone claiming to be from the IRS and asking for money, here's what you should do:**

- Do not give out any information. Hang up immediately.
- Search the web for telephone numbers scammers leave in your voicemail asking you to call back. Some of the phone numbers may be published online and linked to criminal activity.
- Contact TIGTA to report the call. Use their "IRS Impersonation Scam Reporting" web page or call 800-366-4484.
- Report it to the Federal Trade Commission. Use the "FTC Complaint Assistant" on FTC.gov. Please add "IRS Telephone Scam" in the notes.
- If you think you might owe taxes, call the IRS directly at 800-829-1040.

**If you receive an unsolicited email that appears to be from either the IRS or an organization closely linked to the IRS, such as the Electronic Federal Tax Payment System (EFTPS), report it by sending it to [phishing@irs.gov](mailto:phishing@irs.gov). Please visit the IRS website [www.irs.gov](http://www.irs.gov) for more information on tax scams.**

## Retirement Board

**Ray Bernier**  
SECRETARY  
Member Elected

**Mark Lowderman**  
CHAIR/TREASURER  
Current El Paso County  
Treasurer

**Chris Long**  
BOCC Appointed

**David Guest**  
ASSOCIATE BOARD  
MEMBER

*Board meetings are held on the fourth Monday of every month, except for June and December.*

**Nicola Sapp**  
Member Elected

**Michael Pennica**  
VICE CHAIR  
BOCC Appointed

**Michael Varnet**  
ASSOCIATE BOARD  
MEMBER

*Contact the retirement office (719) 520-7490 for the location.*

# Cleaning Out Your Financial Closet

The Dime – Spring 2017

Seeing as it's officially springtime, Americans everywhere are beginning the process of cleaning out their closets (cue Eminem), fridges, and basements. The annual spring cleaning ritual is designed to help us evaluate our belongings and ask ourselves if they still fit in our lives.

Many of us are inspired to do a monetary deep clean once we brave a closer look at our spending patterns and credit card balances. As a result, we promise to cut out the morning lattes, nix the movie theaters, and bring our lunch every day. But, with cleaning out our finances, just as with cleaning out our homes, it can be awfully easy to dirty things up again—and much faster than we want to admit. If changes are taken begrudgingly and you're counting down the days until you can spend freely again, permanent change will be an uphill battle.

The key, therefore, is to ask yourself the following questions as you move through the process (and don't be afraid to step outside of your comfort zone when you do so):

## Have my beliefs around money changed?

As kids, we thought our parents were perfect. As far as we were concerned, they could do no wrong. We'd watch them spend money, time, and energy, and

never question any of it. Whatever they did, it had to be right...right? Hindsight is 20/20 though, and we know now that our parents probably definitely made mistakes, but were just trying to do the best they could.

Case in point: Growing up, Friday night was restaurant night in one team member's household. *Chili's*, *Red Robin*, or, if you lived in Colorado during the '90s and want a truly nostalgic throwback, *Round the Corner*, was ON as soon as Mom and Dad got home from work. For many of us, a similar tradition continues today—especially after a particularly tough day or week at work. However, with credit cards, student loans, and other debt weighing us down, does a tradition like that *really* make sense? Questioning even subconsciously-held beliefs like these is an important part of any financial spring cleaning effort.

## Time is money

Sometimes, all it takes to get our spending under control is a change in perception. One suggestion is to think of money as effort or time instead of a dollar amount. How much will brunch at that popular place with bottomless mimosas cost? *2.5 hours of your hourly wage*. That new pair of jeans? *A full day's pay*. Once you begin thinking of your money in this way, spending it becomes an exercise in awareness.



## Why do I want to buy this?

If you're driven by the need to impress others with how you dress, what you own, and where you eat, there will always be a reason to spend money. If your self-esteem has become attached to the things you buy, you might need a reality check (sorry).

First of all, nothing can improve your self-worth like [giving back](#) (and if you want to give cash, you might be able to write it off on next year's taxes). But if you're ready to spend less and *not* give up that haute couture lifestyle, you may want to learn to love thrifting. Antique stores and other second-hand shops are a gateway and treasure trove for thrifter lifestyle—one that potentially makes almost no sacrifices when it comes to being hip and trendy.

Armed with the answers to these questions, you're well on your way to a full financial deep scrub. Now, if you could just figure out which of your countless pairs of shoes you want to donate...

## Life Doesn't Stop When You Retire

Call EPCRP at (719) 520-7490 and let us know if you have any changes to your beneficiaries. This helps ensure that any benefits payable when you pass away are processed efficiently and according to your wishes.

Let us know when your marital status changes, too, whether due to divorce or marriage, or if your spouse passes away.

Plus, keep EPCRP contact information with your important papers. This makes it easier for your loved ones to contact us.

## El Paso County Retirement Plan



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# Plan Welcomes New Employee



Linda Fowler started as a Retirement Assistant with the Plan on February 27. This is the first hire for the Plan in over 6 years, and was made in anticipation of the eventual retirement of Dana Fuller in early 2018.

Linda comes most recently from a financial services firm, where she worked on defined contribution plans, such as IRS Section 401(k) and 457 Plans. She has worked directly with client-based businesses for over twelve years, and has specialized in employee sponsored retirement plans,

individual retirement plans and health care plans. Linda is excited to join the team, and looks forward to aiding County employees and retirees with their retirement needs. "One of my career goals has always been to be helpful to employees and retirees that serve the public. Being able to give back to those that make public service their career is very important to me, and I look forward to helping employees and retirees alike attain their financial dreams."

Linda and her husband Brian are

natives of Colorado and reside in Hanover, Colorado, where they are Members of the Hanover Park Committee. Linda and Brian are the proud parents of three amazing girls: Jamie (25), Briana (23) and Cheyenne (21).

[www.epretirement.org](http://www.epretirement.org)



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