

# Financial *focus*

FINANCIAL SECURITY FOR YOUR GOLDEN YEARS



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## 2016 Annual Valuation Review of EPCRP

By Tom Pfeifle  
EPCRP Executive Director

The El Paso County Retirement Plan's net assets held in trust for pension benefits decreased slightly during 2015 by just under \$1 million, from \$324.5 million to \$323.7 million. The major reason for the 2015 decrease was the overall poor performance of the market, and the oil price decrease that contributed to downward pressure on alternative investments in our equity portfolio. Real estate was the bright spot for the year, gaining \$2.9 million. The plan had a disappointing year in the market, returning a slightly negative -.61% on assets, as the equity appreciation in the market continued to slow due to the drop in oil prices late in the year. This -.61% return was far short of our stated goal of 8%.

The Board has undertaken further initiatives to enhance the security of the retirement plan and to ensure that EPCRP is able to provide benefits to all retirees,

current active members and deferred vested members. The most significant step taken this past year was increasing the eligibility requirements for new hires after 2015 to meet a minimum age of 50 on the Rule of 75. The plan was further strengthened by seeking out the lowest cost alternatives within our investment portfolio, and saving the Plan administrative costs through the selection of US Bank as our new Directed Trustee for its assets. We further continued the use of alternative investments and realigned the total portfolio towards those investments during the year.

Thanks to deferred gains and two very good prior years in the market, we only had a slight drop in our funded status for the year, from 70.9% to 70.0%! While a disappointing result to be certain, we are encouraged by the slight rebound of the market so far in 2016, and have high hopes that we can meet our assumed return of 8% this year.

Actuaries calculate an Annual Required Contribution (ARC) for EPCRP every year based on Governmental Accounting Standards Board (GASB) guidelines. Colorado Revised Statutes require an equal contribution from employers and members. When analyzing the plan, the current ARC for active employers and employees totals 16.8% of payroll for 2016, a slight increase from 16.25% the prior year. This is directly attributable to not meeting our 8% return goal. Employees and employers together currently contribute 16%. This small funding deficit, although narrowed significantly over the past five years, has existed since plan year 2003. Essentially, the contributions to the plan have been less than the GASB required contribution rate for 13 years, but the gap is closing slightly, and we continue to make that a focus as we continue to improve the financial underpinnings of the Plan.



## National Retirement Security Week October 16-22

Mark your calendars! National Retirement Security Week is Oct. 16–22. It was established in 2006 by U.S. Senators Kent Conrad (D-ND) and Gordon Smith (R-OR) as National Save For Retirement Week, but changed legislatively by Congress to National Retirement Security Week in late 2015. The program’s stated purpose is to increase public awareness about retirement and about employer-sponsored plans.

Now is a great time to consider how much of your current income you need to replace once you’re retired. Being realistic and proactive can help you achieve your retirement goals.

If you’re a full-time employee with El Paso County, El Paso County Public Health, the 4th Judicial District Attorney, Pikes Peak Library District or the Retirement Plan, you are a participant in EPCRP.

Participation in the El Paso County Retirement Plan is mandatory (you cannot opt out of the plan). As a member, you are currently saving 8.0% of your income toward your future retirement benefit.

As an EPCRP member, you also contribute to Social Security. Although Social Security is often in the news, it is still an important factor in your future retirement income.

Add any personal retirement savings you may have to your pension with EPCRP and your Social Security benefit to get a more complete picture of your retirement savings. If you are contributing to the County’s Deferred Compensation (or 457) plan through Empower Retirement, you are not only saving for retirement, but you’re also getting additional pre-tax savings. For more information about the County 457 plan, contact EBMS for more details at 520-7420.

Meeting with a certified financial planner can help you set a realistic goal for your retirement savings, and give you the tools to reach it. To find a certified financial planner in your area, visit [www.cfp.net](http://www.cfp.net).

For more information and links to other financial resources, visit our website at [www.epcretirement.org](http://www.epcretirement.org).

**If you have any questions about your EPCRP benefit, please contact our office at (719) 520-7490.**



### Retirement Board

**Ray Bernier**  
SECRETARY  
Member Elected

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

**Chris Long**  
BOARD MEMBER  
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.*

# Lowderman Named Chair of Retirement Board



Mark Lowderman, the El Paso County Treasurer, was elected the Chair of the Retirement Board at its March 28<sup>th</sup> meeting. Lowderman served as the El Paso County

Assessor from January 2007 to January 2015, and then took on his duties as County Treasurer in January 2015 after his November 2014 election. As County Treasurer, Mr. Lowderman is responsible for the collection and distribution of property taxes in compliance with Colorado Statutes. The Treasurer serves as the banker and investment officer for all El Paso County funds.

Mark is a native of Colorado Springs and a Palmer High School graduate, as well as graduating from Colorado State University. He has made public service a large part of his work life. He understands the desires and sacrifices employees make to heed the call of public service, and always keeps that in mind in his decision making.

“This is a challenging time for all public retirement plans in the United States, and our County is focused on

keeping the Plan fiscally sound, both for its current retirees and its retirees to come. The Board will be keeping a close watch on trending issues nationally that affect public retirement plans, while continuously monitoring the performance of its investments and its advisors that provide services and advice to the Plan and its Board.”

The Retirement Board is made up of two elected positions from amongst County employees, two members appointed by the Board of County Commissioners, and a permanent position is reserved for the County Treasurer. The Board meets monthly, excluding June and December, on the fourth Monday of each month. The Board invites you to attend these meetings in the Hearing Room in the Regional Development Center Building (2880 International Circle) to keep up on the latest developments with your Retirement Plan! You can also see Plan Minutes and Agendas on the Plan website at [www.epretirement.org](http://www.epretirement.org).

**“Valuation”  
continued from  
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Employers and employees alike have tightened their belts over the past several years, and supported the difficult decisions the Retirement Board has made to ensure your plan is sustainable and viable well into the future, and they have made an impact. We do not take these

sacrifices lightly. We are disappointed with the year overall, and will strive to do much better in 2016. We will also continue to explore all viable options to help lessen the market’s impact on the plan, and to position the retirement system for success for years to come.

**Life Doesn’t  
Stop When  
You Retire**

**Call EPCR 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 EPCR 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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SENIOR RETIREMENT  
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# Volunteering: Finding the Perfect Fit After Work

Colorado PERA Spring 2016 Newsletter

Volunteering can be a great way to find a connection with others that you may miss since retiring. You can meet new friends, learn new skills, and keep your mind active, all while helping an organization you support.

## Before you begin volunteering:

- **Think about your goals and interests.**

Ask yourself why you want to volunteer. Do you want to meet new people, fill your spare time, or make a difference in your community? Perhaps you want to do something more with a hobby or interest. This is a good starting point to find an organization that you would like to volunteer for.

- **Ask questions.**

Once you've found an organization you'd like to volunteer for, be sure to ask what will be expected of you as a volunteer. For example: Will I be trained? Who will I be working with? What will an average day of volunteering be like?

- **Consider your time commitment.**

An organization may offer ongoing assignments, short-term assignments, or one-time assignments. Be sure to choose the opportunity that matches the amount of time you're willing to give to the organization.



## Finding Volunteer Opportunities

The following types of organizations often need volunteers:

- Non-profits
- Groups that promote a cause
- Libraries or senior centers
- Places of worship
- Community theaters, museums, and monuments
- Historical restorations and national parks
- Service organizations like the Lions club or Rotary clubs

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



## El Paso County Retirement Plan

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