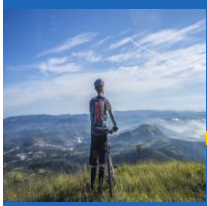


Financial *focus*

FINANCIAL SECURITY FOR YOUR GOLDEN YEARS



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2017 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 increased during 2016 by just over \$22 million, from \$323.7 million to \$345.8 million. The major reason for the 2016 increase was the overall positive performance of the equities market, and greater expectations of possible tax cuts and regulatory reform as the result of the election of President Donald Trump. US Equities were the bright spot for the year, gaining 14.4 percent, or \$16 million. The next closest was Emerging Markets at 13.4%, followed by Real Estate at 7.8%. The market return of 9.2% overall is a major improvement on our 2015 performance, and bests our target rate of return of 8% by over a full percentage point!

The Board continually examines 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 plan was further strengthened by continuing to seeking out the lowest cost alternatives within our investment portfolio, and selecting active managers where higher returns are possible in excess of the management fee charged. We further continued the use of alternative investments and realigned the total portfolio during the year.

Thanks to this good year in the market, we improved our funded status from 70.0% to 70.2%. While a disappointing result to be certain given the 9.2% overall return for 2016, we are encouraged by the continued solid performance in the market so far in 2017, and have high hopes that we can again meet or exceed our assumed return of 8%.

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 16.38% of payroll for 2017, a slight decrease increase from 16.39% the prior year. Employees and employers together currently contribute 16%. This small funding deficit, although narrowed significantly over the past several years, has existed since plan year 2003. Essentially, the contributions to the plan have been less than the GASB required contribution rate for 14 years. The gap is closing ever more slightly, as the market continues to perform positively and the additional contributions made by Plan members over the past several years continue to make a meaningful difference to the Plan's funding.



National Retirement Security Week October 15-21

Mark your calendars! National Retirement Security Week is Oct. 15–21. 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.

For more information and links to other financial resources, visit our website at 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.

Pick Your Colorado Summer Adventure!

The Dime – Summer 2017

Alas, summer! For those looking to chill poolside or score an adrenaline rush via Colorado's many rapids (and not break the bank doing either), Colorado is a weekend traveler's paradise.

The variety of activities comes with a variety of price tags, but don't worry: the Centennial State's got a weekend trip for every budget. One of our favorite tricks for preparing for summer travel is stashing away cash ahead of time. It may be seem old-school, but believe us, your future self will thank you. If your job allows you to schedule multiple direct deposits, make it a goal to direct a portion of each paycheck to a vacay savings account that's separate from your general savings. Once you've got a decent cushion, read on for some fun ways to treat yourself this summer.

Palisade/Grand Junction bike wine tour

Whether you're in it for the views or the wine, cruising along the Colorado River through the Grand Valley is worth the drive. Several shops offer bike rentals so you can pedal along a route with over 25 wineries. Between stops, the views of Grand Valley and Grand Mesa show off a beautiful desert landscape that's vastly different from the High Country. For a perfect ending to your bike tour, book a room at [The Chateau at](#)

[Two Rivers Winery](#) which overlooks the Colorado National Monument.

Buena Vista Rafting/Hot Springs

Surrounded by the Collegiate Peaks Wilderness, Buena Vista is one of the best kept secrets in Colorado (oops...cat's out of bag). Just a few hours' drive from anywhere in the Front Range, it's a great weekend destination for adrenaline junkies and spa aficionados alike. Picturesquely situated along the Arkansas River, Buena Vista's quaint downtown and River Park are full of shops and restaurants where you can wind down after a day of rafting or relaxing at Mt. Princeton Hot Springs (just 15 minutes away). What's more, there are over a dozen rafting expedition companies for rafters of all levels. You'll likely shell out \$300-500 for a weekend getaway for two in Buena Vista, but hey—they'll toss in 360-degree mountain views for free.

Camping in Grand Lake

Lodging accommodations range from

scenic campsites to lakeside cottages, but for those who prefer to glimpse the stars from their tent, camping in Grand Lake is hard to beat. Located on the western edge of Rocky Mountain National Park, the wilderness around Grand Lake offers much of the same wildlife found within the park (and with fewer tourist sightings than Estes Park). From the lake, you can hike 3.5 miles to Cascade Falls (be sure to take in the lush wildflowers along the trail), and then return to enjoy a SUP ride on the lake. Several outfitters and marinas offer rentals for everything from the pole to the boat. The largest natural lake in Colorado, Grand Lake can be a relaxing oasis or enjoyable adventure on any budget.



"Valuation"
continued from
page 1...

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 will further 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 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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www.epcretirement.org

Risks of Taking Cash from Your Retirement Account

www.smartaboutmoney.org

Low on money and considering tapping your retirement savings? Think about the following before making a withdrawal.

Look Elsewhere

Before dipping into your retirement savings, take a close look at your finances and your other financial options.

- Do you know where your money is going?
- Could you find the money you need by slashing expenses and plugging spending leaks in your budget?
- Can you use the money

you've set aside in a savings account for an emergency or find an alternative borrowing option?

Avoid Penalties

As a general rule, if you are younger than 59 ½ and you withdraw money from a retirement account:

- You will pay a 10 percent early withdrawal penalty.
- The amount you withdraw will be considered taxable income.

To Minimize Penalties:

Make small withdrawals. The penalty only applies to income **actually withdrawn**.



Return money in 60 days. You can withdraw funds from an IRA without taxes or penalty if you return the funds to a different IRA by the end of the 60-day period.

Exceptions to the Rule

If you are 55 or older and “separated from service” (either quit work or are laid off) and you’ve been participating in a qualified retirement plan, such as a 401(k) or a pension plan, the 10 percent early withdrawal penalty does not apply. Just keep in mind that any amount withdrawn still will be taxable as ordinary income.

www.epretirement.org



El Paso County Retirement Plan

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