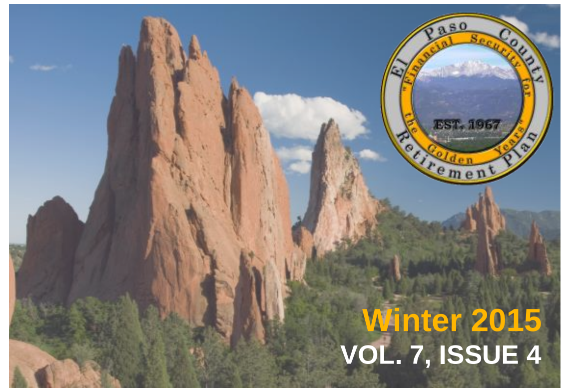
Financial *focus*

FINANCIAL SECURITY FOR YOUR GOLDEN YEARS



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Purchasing Service Credit

Purchasing Past Employment Can Boost Your EPCRP Benefit

If you're a vested EPCRP member, you can add any non-vested service you had with a previous employer — either in the public or private sector — to your EPCRP account. It's called "purchasing service" and it can boost your benefit in retirement.

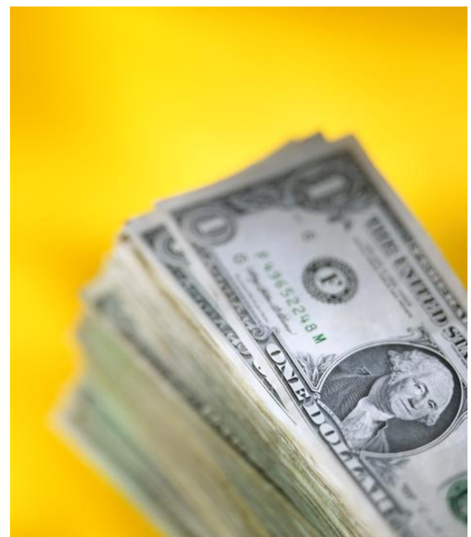
You may purchase up to five years of service credit with EPCRP for the time you were covered under a previous employer's retirement plan. You may take advantage of this as long as:

- You were a full-time employee of your previous employer.
- You were not vested in your previous employer's retirement plan. In other words, you cannot receive a retirement benefit from that plan.
- You must be an active employee and currently vested under the EPCRP Retirement Plan.

You may purchase one month of service credit for every month of full-time employment you had with your previous employer. The maximum amount of service you can purchase is 60 months.

Adding this service credit to your EPCRP account will increase the monthly benefit you receive from EPCRP when you retire. It will also help you meet your retirement eligibility requirements, including the requirements for special early retirement (Rule of 75). The cost of purchasing this service covers the increase you'll see in your EPCRP monthly payment.

Before you decide whether purchasing service is the right move for you, call the EPCRP office at (719) 520-7490 and request a free estimate. Remember, you must be a vested member. You may purchase service with personal savings or with money rolled over from different types of retirement savings accounts, such as 401(k)s, 457(b)s and IRAs.



If the numbers add up and you believe purchasing service is right for you, the Retirement Office will aid you in obtaining a letter from your previous employer's human resources department stating that you were a full-time employee covered by that employer's retirement plan, AND that you do not have the right to a retirement benefit from them. If that employer is no longer in business, we can provide you with an affidavit you can complete to document your previous employment.

Please call the EPCRP office if you have any additional questions about purchasing service.

www.epcretirement.org

Will or Living Trust: What's the Right Choice for You?

Easily distributing your assets to your loved ones after you die is one of the purposes of your estate plan. Two common ways of doing that are through a will or a revocable living trust.

While both a will and a living trust outline who you want to receive your assets when you pass away, they do it in different ways.

A will is a legal document that covers the distribution of probate assets, which is any property that you cannot name a beneficiary for. Examples include your personal property and your car. During the probate process, the court follows your will when transferring these assets.

One of the advantages of a will is that it's easy to understand, even if you don't have a law degree.

In contrast, a revocable living trust is a separate legal entity into which you can put your assets, according to Michael Kirtland, an attorney and managing member of Kirtland & Seal, a Colorado Springs-based estate planning and elder law practice. While you are alive, you act as the trustee and maintain control of the trust's assets. When you pass away, a trustee you name distributes the assets as outlined in the trust.

Living trusts are more complicated than wills and setting one up may cost more in legal fees than writing a will. Additionally, if you make changes to an asset, you have to update the trust. For example, if your house is a trust asset, you may have to take the house out of the trust to refinance it. You have to remember to transfer your house back into the trust. If you forget, your house will have to go through probate.

"It's an ongoing management process to make sure the trust is up to date so that when you pass away you don't end up doing both the trust process and doing the probate process," Kirtland said.

A will, medical and financial powers of attorney, and a living will is enough for 90% of the people creating an estate plan, according to Kirtland.

However, in some cases a revocable living trust may suit your needs better. Kirtland says your answers to the following three questions can help you decide if you need a living trust:

1. **What state do you live in?**

   If you live in Colorado and all of your property is in Colorado, then a will may be all you need. In Colorado, the probate process is simple and straightforward. Kirtland says that, for the typical family, the probate process does not involve a court hearing.

2. **Do you own property in other states?**

   If your answer is yes, then a revocable living trust might help. Property is governed by the laws of the state it's in, according to Catherine Seal, an attorney and senior member of Kirtland & Seal. Creating a living trust can make selling or transferring that property easier when you pass away.

   "Because legally the trust owns your assets, not you, your estate doesn't go through probate," Seal said. "The terms of the trust say what to do with your assets when you die."

See "Will or Living Trust?" on page 4…

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 or marital status. This helps ensure that any benefits payable when you pass away are processed efficiently and according to your wishes.

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

Retirement Board

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

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

www.epcretirement.org

US Bank Takes over Trustee Duties of the Plan effective January 1, 2016

Beginning on January 1, 2016, US Bank became the Trustee of all the El Paso County Retirement Plan assets, succeeding the Custodial relationship previously held through Wells Fargo Bank. Wells Fargo had been our Custodian since 1989, but had not bid on these services in over a decade. To stay within best business practices in soliciting bids for Plan services no further out than every five years, the Plan had submitted an RFP proposal for a new Trustee in their March meeting, and received four responses. After weighing the responses through the spring and early summer, the Board decided to award the Trustee contract to US Bank at their July 27th meeting.

The contract term is a three year period, starting on January 1, 2016 and subject to 2 one year renewals, for a possible five year contract.

The new arrangement has NO IMPACT on your benefit payments in any way. Currently, if your pension payment is sent directly to your financial institution, your payment will continue to be sent to the same institution and in the same dollar amount. Please note, if you use direct deposit, you will receive a summary statement containing the same information as a check stub each month. It may be possible later in 2016 to elect to suppress the mailing of these direct deposit notices by individual election, but for now, all pensioners will receive a written summary each month of their gross pay to net pay breakdown.

The Board and Plan Staff are excited to partner with a proven leader within the governmental plan market within Colorado for Trustee services, and look forward to many years of a beneficial and solid relationship with US Bank.

Should you have any questions, please contact the Retirement Office at 719-520-7490.

Retirees: 1099-R Forms Coming Soon!

Your IRS 1099-R for 2015 should arrive in your mailbox by the end of January. The 1099-R shows all the income you received from EPCRP during 2015, and you use it to file your tax return.

Now is also a good time to review your withholding and make sure it is adequate for the coming year. Your withholding amount should be based on your total retirement income, not just what you receive from EPCRP. Consulting a tax professional can help you determine the right withholding level for you. The IRS also has an online withholding calculator on its homepage at www.irs.gov.

You may change the withholding for your EPCRP pension payment at anytime during the year. If you would like to make a withholding change, contact the EPCRP offices at (719) 520-7490.

Your tax forms were all mailed by the January 31 deadline. If you haven't received your 1099-R from yet, please call EPCRP directly for a replacement copy.

El Paso County Retirement Plan

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Will or Living Trust? (cont'd)

3. Have you been diagnosed with a degenerative illness?

A long-term illness can be devastating emotionally and physically. It also increases the odds that you may spend a period of your life unable to manage your affairs. A revocable living trust can help if you have complicated asset arrangements, such as rental property in multiple states or any brokerage account that requires your active involvement.

You can provide for your possible disability with medical and financial powers of attorney, which name a person to act for you (called an "agent"). However, Seal says financial institutions are sometimes more accepting of a trustee actively managing your assets or property.

Before writing a will or creating a living trust, discuss your options with an attorney who has experience in estate planning. A conversation about your specific needs could save your loved ones time and money in the long run.

www.epcretirement.org

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