

# Financial *focus*

FINANCIAL SECURITY FOR YOUR GOLDEN YEARS



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## 2014 Investment Returns Slow Down

By Tom Pfeifle  
EPCRP Executive Director

The Plan experienced a slowdown from recent growth of the fund this past year, returning 6.93% for 2014. This return, while not disappointing, shows that the rebound in the equity markets since the 2008 downturn is now beginning to slow down. The 6.93% return on the fund is just shy of the 8% long-term target investment return assumption.

The fair value of the portfolio at the end of the year was approximately \$322.7 million, an increase of just over \$ 8.5 million from last year. The bulk of this increase was due to:

- The recovery of the market with respect to equities.
- Continued usage and increased allocation to alternative investments, especially real estate, to limit the downside risk of the overall portfolio.

Domestic equities again led the way in 2014, earning nearly 12%,

followed closely by real estate at 8%. International equities continue to disappoint, dropping -1.4% for the year, but recent quantitative measures undertaken by the European Central Bank has Europe poised for a rebound in 2015.

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 to add to our portfolio, as well as the appropriateness 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, 2014

Asset Class	Market Value	Actual %	Policy Range %
Domestic Equity	\$ 149,353,264	46.3	30 - 50
International Equity	\$ 45,989,066	14.3	10 - 20
Private Equity	\$ 633,866	0.2	0 - 10
<b>Total Equity</b>	<b>\$ 195,976,196</b>	<b>60.8</b>	<b>40 - 70</b>
<b>Domestic Fixed Income</b>	<b>\$ 62,757,447</b>	<b>19.4</b>	<b>15 - 40</b>
<b>Real Estate</b>	<b>\$ 43,029,539</b>	<b>13.3</b>	<b>10 - 25</b>
<b>Hedge Funds</b>	<b>\$ 16,581,384</b>	<b>5.1</b>	<b>0 - 10</b>
<b>Securities Lending Pool</b>	<b>\$ 112,584</b>	<b>0.1</b>	<b>0</b>
<b>Cash</b>	<b>\$ 4,263,792</b>	<b>1.3</b>	<b>0</b>
<b>Total</b>	<b>\$322,720,942</b>	<b>100%</b>	

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



## Things to Consider When Naming a Beneficiary

Naming a beneficiary for your EPCRP benefits helps ensure that your contributions and interest, as well as any other benefit, is paid to the person you wish should you pass away. Your marital status influences how your benefit will be distributed, even if you don't name a beneficiary. Here are a few things to keep in mind:

### If you are **married** ...

- Your spouse must provide written consent if you name someone other than him or her as your primary beneficiary; or if, at retirement, you select an optional payment method that pays less than the joint and 50% survivor option. More information on spousal consent is available on page 16 of your EPCRP *Income for Your Retirement* handbook. The latest edition of the handbook is available online at [www.epcretirement.org](http://www.epcretirement.org).
- With no beneficiary on file at EPCRP, any benefit payable at your death will automatically go to your spouse. This is true even if you die without a will.
- Only one person may be named as primary beneficiary for any joint and survivor benefit to be paid at the time of your death. If you have more than one primary beneficiary and would desire a survivor benefit for the remainder of your beneficiary's lifetime should something happen to you, you will need to refile your Beneficiary form with the Retirement Office so that you have only one primary beneficiary named. See page 17 of the Retirement Handbook for more information.

### If you are **single** ...

- You may name anyone you wish as a beneficiary, including your estate.
- Your benefit will automatically pass to your estate if you pass away without a beneficiary on file with EPCRP. This is also true if you pass away without a will.

### Other Types of Beneficiaries

- **Minors:** You may name a minor as a beneficiary, but you will need to name a custodian to receive payment for that child until 18. EPCRP cannot make payments directly to minors.
- **Contingent beneficiaries:** If your primary beneficiary passes away, we will split any benefit payable equally between your first and second contingent beneficiaries. You may allocate different percentages of your benefit to each contingent, if you wish.

### Member or Retiree?

As a member, you may change your beneficiary at any time. If you are a retiree, your ability to change your beneficiary will depend on the payment method you selected. You can find more information about changing your beneficiaries in retirement on page 18 of the EPCRP handbook.

## Retirement Board

**Ray Bernier**  
BOARD MEMBER  
Member Elected

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

**Rebecca Ellis**  
VICE-CHAIR  
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**  
CHAIRWOMAN  
Member Elected

**Michael Pennica**  
SECRETARY  
BOCC Appointed

**Michael Varnet**  
ASSOCIATE BOARD  
MEMBER

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

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

# Estate Planning Basics through Power of Attorney Directives



There are many different items to think about and consider when it comes to Estate Planning; this even means you need to consider what documents you should have if you are living, but unable to act on your own behalf. One of the most important legal documents anyone should have is a Power of Attorney (POA). In the simplest terms, a POA allows you to name a responsible person or persons (your attorney-in-fact) to handle your affairs if you are unable to do so, while still living.

There are several different types of POAs to be aware of; you may only need one or you may need to have all of them in your estate plan.

## Financial

A Financial or General POA designates your attorney-in-fact to handle your financial affairs. This POA can cover all of your financial bases such as bill paying, banking and dealing with property or it can be specific (Limited POA). For instance,

if you were trying to sell your car, but must be out of town for an extended period of time, you may name someone to specifically handle the selling of your car.

## Health Care

When you are creating your estate planning documents, the Health Care POA is typically one of the forms included in your Advanced Medical Directives. This specific document allows the person you appoint to make medical decisions on your behalf.

Be aware that neither the Financial nor Health Care POA will cover you if you become mentally incompetent, unless it is specifically stated in the POA. If it is stated, it then becomes a Durable POA. Making them durable is a must, as it allows your designated person to discuss treatment options with your doctor or make financial decisions on your behalf should you become incapacitated.

If you are interested in more information on POAs or estate planning in general, you can visit the Colorado Bar Association's website ([www.cobar.org](http://www.cobar.org)). This website can assist you in finding out more through their *Public: Legal Resource* section. Another informative website is LegalZoom ([www.legalzoom.com](http://www.legalzoom.com)); this site has an education center where you can learn more about POAs, wills and living trusts. If you are ready to create one, it can walk you through an easy step-by-step process.

There are many different items to think about when considering estate planning. Now is always the time to consider making or reviewing your plans to protect you and your family.

**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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# Annual Statements Mailed to EPCRP Members



EPCRP mailed annual benefit statements to active and deferred vested members in late April.

This year, the statements are in a different format than previous years. Your annual statement shows the status of your account up to Dec. 31, 2014, and gives your **earned** benefit amount as of that date, assuming you left service on that date. The statement uses your **actual** salary history. This allows you to see your retirement benefit banked to date. We think this is a far more accurate picture of where you stand in your

retirement planning, since projecting to age 62 in prior years was too far into the future to be accurate for most employees. We continue to provide your Normal Retirement Age date and your Rule of 75 date under the Plan.

As you continue your career with Pikes Peak Library District, the 4th Judicial District, El Paso County Public Health or El Paso County, your monthly benefit will increase as you accrue more service time and pay raises.

The new statement format also includes your accumulated

contribution balance, your 2014 contribution total, and interest through December 31, 2014. You can log in to your retirement account anytime at [www.epcretirement.org](http://www.epcretirement.org), and run any estimate for any period through the Employee Self Service (ESS) module.

If you have not received your annual statement or have questions, please call EPCRP at (719) 520-7490.

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



El Paso County Retirement Plan

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