The El Paso County Retirement Plan’s net assets held in trust for pension benefits increased during 2014 by just under $23 million, from $301.7 million to $324.5 million. The major reason for the 2014 increase was continued improvement in real estate investments, as well as performance of domestic equities. Real estate gained $9.4 million and equities $9.3 million, for a total of $18.7 million. The plan had an underwhelming year in the market, returning 6.93% on assets, as the equity appreciation in the market slowed for the first time since the recovery began in 2010 due to the drop in oil prices late in the year. This 6.93% return was just 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 Board also undertook an employee survey for the first time in a number of years in July 2014 to get the pulse of its employees for further possible changes to the plan, should they be needed. The plan was further strengthened by the use of alternative investments and realignment of the total portfolio towards those investments during the latter half of the year. These investments have a zero to opposite correlation to equities, so while this realignment dropped the return of the fund for this year below what was expected, it positioned the fund well for a market that expects lower returns on equities for the next several years.

Thanks to deferred gains and two very good prior years in the market, we again recognized a GAIN in our funded status for the second consecutive year, from 69.5% to 70.9%! The plan has gained further momentum this past year despite an underwhelming investment performance. This increase should not be taken, however, as a given every year, since we are starting to see a downturn in the equity markets. Furthermore, returns are coming into line with their historical averages, and the days of expecting double digit returns in the market are coming to a close.

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 16.25% of payroll for 2015. Employees and employers together currently contribute 16%.

See “Valuation” on page 3…
Retirees: Where are they now?

John Franklin: Keeping Active is the Key

John Franklin is a man on the go. He still works out nearly every day, for nearly an hour at a time. John and his wife Irene believe in staying fit in order to fully enjoy the golden years. A member of Silver Sneakers, John is not reclining his days away in retirement. “I cannot be a couch potato. My wife would get angry if I was!”

After 30 years in the County Attorney’s office, John Franklin retired in early 2008. Focusing on his goal helped him achieve his target retirement date. “I planned well in advance during my work career for retirement. It surprises me at times that I nearly supplemented my work pay in retirement”.

Travel was always part of the plan for the Franklins after their work life was over. They take annual treks to Mexico to celebrate their anniversary with their two sons and their families, and have taken a couple of trips to Europe.

One of the keys to happiness after work, he has found, is to stay flexible, and not just physically.

“The concept of doing what you want to do versus what you have to do is very enjoyable. I try not to have a set schedule”. John appears to be fully enjoying retirement, and his doctor would agree. “He says whatever you are doing, keep doing it!”

Shirley Keslar: Artist at Heart

Shirley Keslar always wanted to be an artist. “I always wanted to live beneath Pikes Peak and be an artist. I got my childhood wish”. Shirley comes from a family of artists back in Missouri, and she even got a Masters in Art. As she soon discovered though, “you cannot make a living as an artist”, so she went to work for the County drawing subdivision maps in the Assessor’s Office. “It gave me an outlet to my art”. After retiring from the Assessor’s Office in June 2005, the first thing she did was clean her attic and her house, and hold a garage sale. Shirley wanted a fresh start to her new life after work, and she jumped in with both feet!

After a decade in retirement, she has gone on numerous trips to the mountains and to see relatives with her husband. Now, she mostly fills her days painting landscapes and gardening outside at home. Shirley just finished writing her life story, with experiences from childhood to the present. She cannot wait to see what the next chapter brings.
Vacationing on a Retiree Budget Made Simple

Traveling in retirement offers a world of possibilities. Even with the price of gasoline and air travel these days, there are still deals to be found, especially for retirees.

No matter where you go, being financially prepared is your best bet for a relaxing vacation.

1. **Make a plan.** Whether you want to go on a cruise, a European adventure, or just explore America, research your trip at your local library or online, or talk to a travel agent. If you’re considering international travel, visit travel.state.gov for travel warnings and tips.

2. **Budget.** Create a budget that takes into account all your vacation expenses, from transportation and length of stay, to meal costs and sightseeing. Save as much as possible prior to going so you don’t come home to a big credit card bill.

3. **Travel during the off season.** Heading to a tropical destination in November or taking a European cruise in April can get you where you want to go for less. Tourist spots offer discounts to attract off-season travelers.

4. **Discounts.** AARP (www.aarp.org) offers members discounts on car rentals, cruises and group tours. Your AAA (www.aaa.com) or USAA (www.usaa.com) membership may also be a source for vacation packages and discounts.

5. **Stay-cation.** Call a local bed-and-breakfast for a weekend getaway or visit local tourist attractions. Scan your local newspaper or search online for new museum or zoo exhibits, as well as discount admission coupons or free admission days.

“Valuation” continued from page 1...

Although still a deficit, this is the smallest deficit recorded since it began in plan year 2003. Participants have supported the difficult decisions the Retirement Board has made to ensure the plan’s future, and they have made an impact. We do not take these sacrifices lightly.

We are pleased with the year overall, but will strive to do even better in 2015. 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 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
3 Things You Can Do to Free Yourself from Debt

If you are faced with a mounting debt problem, you have banks, credit card companies, and other creditors calling you constantly to remind you about past due payments. You realize you cannot just sit by and allow your debt load to continue to get larger with interest penalties and rate increases each day, but you need help to get out of this cycle. Now is the time to come up with an action plan using proven, effective ways to allow you to pay down your debt as fast and as easy as possible.

1. PAY YOUR BILLS ON TIME AND MORE THAN MINIMUM DUE

If you pay only the minimum amount due each month, you are actually increasing the overall amount you will pay, which makes your creditors very happy. This will extend the time needed to pay off your bills, and let your banks and credit card companies take more of your money through interest charges. Paying more than the minimum puts you back in control of your debts. Furthermore, paying on time or prior to the due date saves you late fees or higher interest charges.

2. PAY OFF SMALL BALANCES FIRST

Normally, you would pay off higher interest balances first. New studies have shown, however, that paying off the low hanging fruit FIRST actually gives more momentum towards saving and paying off debt. This increases the likelihood of paying off your debt in full.

3. APPLY ANY SAVINGS TO HIGHEST INTEREST DEBT

It would not be prudent to have money in an interest account paying less than 1% when you have debt piling up at rates of 16-18% or higher. This gets you out of debt sooner, and gets you on the road to saving again. Using these tried and true methods will get you back on your feet in no time, and back on the road towards financial independence.

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