



H.E.R.F.

A publication of the City of Hollywood Employees' Retirement Fund

Winter 2018

New Direction, New Vision

Dear members,

Welcome to the first edition of the quarterly H.E.R.F. newsletter, a publication designed to provide important retirement information to the members of the City of Hollywood Employees' Retirement Fund (HERF). We are excited to reach out to you, our members in a new way, on this, our 60th year of operation. We hope this new service will provide you with valuable information about your retirement and for your retirement planning.

We realize that a lot of our members are not familiar with the Retirement Fund and the benefits that it can provide for you and those who depend on you for support. To this end, the Board is changing the way we do business, beginning with the administration of the Fund. In January, the Board hired an Executive Director, who is an employee of the Fund rather than having an outside independent contractor. By taking this action, the Board intends to take a more active role in the day to day operation of the Fund and make it more accessible to you, our membership. The offices will be opened and staffed from 8:00am to 5:00pm, Monday through Friday, except on holidays observed by the City. The Board will be holding workshops and seminars for new members, active members, and retirees beginning this summer to help you understand the benefits of being a member of the Fund and to assist you in retirement planning.

The Retirement Fund was established on October 1, 1958. The Fund is contained in Sections §33.025 - §33.031 of the City's Code of Ordinances. The Fund is also covered by Chapter 112 Part VII of the Florida Statutes and various other state and federal laws. The Fund is a defined benefit plan which provides a fixed, pre-established benefit for our members' retirement based on years of service, age and earnings. We provide retirement, disability and death benefits to members of the Fund and their beneficiaries. For members who separate from service without attaining the years of service required to secure a retirement benefit, the Fund will return their contributions with accumulated interest (currently 4% per annum).

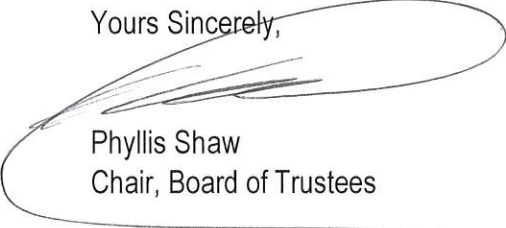
The Fund's Financial Year begins on October 1st of each year and ends on September 30 of the following year. In September 2017, the Fund had over \$315 million in assets, invested in a diversified portfolio, including Domestic Equities, International Equities, Private Equities, Fixed Income Securities, and Real Estate.

Most employees who work for the City on a full-time basis (excluding Police and Fire (Public Safety) sworn officers), whose services are compensated in whole or in part by the City, are required to participate in the Fund. The Fund currently has a total membership of over 1,400 consisting of over 800 retirees and beneficiaries, and 600 Active Participants.

In upcoming issues of H.E.R.F. we will provide you with valuable information about the Fund, including information on the Fund investments, the benefits we offer, how those benefits are calculated, and what you should know when planning your retirement at the beginning of your career in public service and at the time of retirement.

The Board of Trustees and the Staff of the retirement system consider it a privilege to work for you. We look forward to seeing our vision for a better, more member friendly organization and ask for your feedback so we can better serve you.

Yours Sincerely,



Phyllis Shaw
Chair, Board of Trustees

Meet the Board of Trustees

The Employees' Retirement Fund of the City of Hollywood is a Trust operated for the exclusive benefit of participating employees the City of Hollywood. A seven member Board of Trustees administers the Fund in accordance with Section §33.025 of the City of Hollywood Code of Ordinances. The Board is responsible for the proper operation and administration of the Fund, including policy formulation, investments, and benefit determinations.

The Board of Trustees consists of two persons designated as citizen members who reside in the city and are appointed by the City Commission, the City Manager or the City Manager's designee, two elected active employee members, an elected retiree member, and a member representing employees not included in a collective bargaining unit, appointed by the City Manager. The term of office for each Board member is three years.

The Current Board of Trustees are:

Phyllis Shaw, Chair, Employee elected
Jeffery Greene, Vice Chair, City Commission appointment
Christopher Cassidy, Employee elected
Charles Howell, City Commission appointment
George Keller, City Manager appointment
Cintya Ramos, City Manager appointment
Robert Strauss, Retiree elected

The Board of Trustees schedules monthly meetings, with its annual meeting being held at the end of the calendar year, usually in December. A notice of each meeting will be available on our website as well as on the Sunshine Board. The meetings of the Board of Trustees are public and you are invited to attend to meet the Board members protecting your retirement benefits.

Board of Trustees Appoints New Executive Director

On January 22, 2018, the Board of Trustees appointed Christine Bailey as Executive Director. Ms. Bailey is the first Executive Director under the new provisions of the Fund as authorized by ordinance number 0-2016-08, which amended Section §33.025 of the Code of Ordinances.

Ms. Bailey has almost 30 years of experience in the Financial Industry and previously served as the Executive

Director of the New York City Board of Education Retirement System. Ms. Bailey is a graduate of the University of the West Indies with a Bachelor of Science degree in Economics and Management. She holds a Master of Business Administration degree in Finance from St. John's University. We welcome her to our Hollywood family and look forward to her implementing our new vision.

Pardon the Delay...

You may have noticed delays in service and in benefit payments received from the Fund for the last few months. We sincerely apologize for any inconvenience or hardship this may have caused our members. The Retirement Fund has assumed full autonomy and as such we are reorganizing the operation of the Fund. Many of the services were provided to the retirement fund by, or contracted through, the City of Hollywood or independent contractors. The changes in the organization will benefit all our members, unfortunately the transition will take time.

The reorganization requires that the Fund take over full control of its administration, requiring changes in our contracts, hiring, and accounting processes. The changes to our operation are taking some time and, as a result, there is a backlog of member concerns that we will be addressing in the coming months.

Please know that we have already taken steps to address the backlog and you should see marked improvements in the coming months. We ask for your patience as we make the transition to the new structure and procedures.

The greatest impact of the transition has been the delay in the timely processing of the Cost of Living Adjustments (COLAs) for retirees who were due COLAs in December and January. These retirees either did not receive, or received the incorrect COLAs in January. Their accounts will be adjusted on February Pension Payroll to make them whole.

The retirees who were due COLAs in December received their correct prorated COLAs in December, however, they also received prorated COLAs in January. These retirees received the portion of the January COLAs that were not paid plus their full COLAs for February in their February pension payment.

The retirees who were due COLAs in January, did not receive their COLAs in January. These retirees received their prorated COLAs for January and their full COLAs for February in their February pension payment.

This means that retirees who were due COLAs in December and January saw an increase in their pension payments in February above the COLA amounts which represents the amounts not paid in January. These retirees will see a decrease in their March pension payments which will represent their prior pension payment plus the full month's COLA for March.

The retirees who were due COLAs in February were paid timely and received their prorated COLAs for February in their February pension payments.

We apologize to our members, especially our retirees for any inconvenience that this transition may have caused. We know that once all the new organization changes that we are putting in place are fully operational, we will be better able to meet the needs of our members.

2017 1099-R Form

The 1099-R Forms for the Calendar Year 2017 were mailed to members, retirees and beneficiaries in January 2018. These Statements represent the information submitted to the Internal Revenue Service (IRS) regarding your pension payment or benefit distribution received in 2017. These 1099-R Forms are prepared in accordance with the requirements of the IRS.

If you are a member or beneficiary who received a taxable benefit during calendar year 2017 and you have not received your 1099-R, a duplicate can be obtained by contacting our office. Your request should include your name, and if different, the name of the member, and your current mailing address.

Pension Check Dates

Retirement Benefits are paid to HERF retirees monthly. Pension payments are paid on the 25th day of the month. If the 25th day of the month happens to fall on a weekend or an observed holiday, payments will be made on the next business day.

If your pension payments are paid by check, they are mailed on the 25th day of the month and will take a few days to get to you. Unless you know for sure that your check has been stolen, please allow a reasonable amount of time for delivery before contacting our office to reporting a lost check. Once a lost check has been reported, you cannot cash the check as a stop payment will be placed on the check. It will take some time before another check can be reissued to you.

If your pension payments are paid by electronic funds transfer, you do not have to worry about a late, lost or stolen check. Your pension payment will automatically be transferred to your account. This is fast, easy and convenient, and your money is available to you. To obtain an Electronic Deposit Authorization form, please call us.

Be sure to let us know of any changes to your banking information or your address. Following are the dates when your payment will be made for the remainder of 2018:

March 26	April 25	May 25
June 25	July 25	August 27
September 25	October 25	November 26
December 26		

Do Not Leave Employment Before Consulting Us

If you are leaving employment for any reason, please consult us, it is the best way to safeguard your benefits and prevent future complications. We do not keep track of individuals who leave employment. An active member does not "automatically" retire and receive benefits once they leave work. Instead, it is possible for a member to endanger their prospects of retirement benefits, if they do not meet the prerequisites.

Furthermore, we have no way of knowing whether there has been any changes to any important information concerning our members, such as their name or mailing address. This will leave the member, and their beneficiaries, unaware of any issues or options concerning their benefits.

If you are planning to leave employment and you are eligible to retire, please ensure that you complete a retirement application. Your retirement payments will begin once we have received and processed your completed application. Your retirement payments do not accrue interest, and if you participate in the DROP program, your account does not accrue interest beyond the end of your DROP participation period.

If you are not eligible to retire, but you are eligible to receive a deferred vested retirement (that is, you have acquired sufficient service credits to receive a benefit at a future retirement date) and you have not received a refund of your contributions, please ensure that you know your deferred vested retirement date and complete a retirement application before that date in order to receive your payments timely.

If you are neither eligible to retire, nor eligible for a deferred vested retirement, you are eligible for a refund of your total contributions plus simple interest at a current rate of 4% per annum through your date of separation. If you are eligible for retirement or deferred retirement but chose to, you can also receive a refund of your contributions with simple interest through your date of separation. Know however, that a refund of your contributions will waive, forfeit and relinquish all accrued rights in the Fund.

There are many decisions that have to be made when you separate from service and a number of ways a member can impair their benefits by not consulting us first. Please schedule an appointment if you are leaving employment.