



# PENSION PRESS

The Newsletter of the Houston Municipal Employees Pension System



## An Update From the Chairman

Sherry Mose  
Chairman

Dear Participants,

One of the most important duties of an HMEPS Trustee is to stay informed about issues of importance to HMEPS participants, particularly state and federal legislation that directly affects participants and their beneficiaries. This is especially true when the Texas Legislature is in session. Trustees not only must remain informed themselves, but they also must help state lawmakers get accurate information about HMEPS participants and their benefits.

The 83rd session of the Texas Legislature is now coming to a close. During the session, lawmakers considered a wide range of issues, some of which focused on pensions. HMEPS Trustees worked with lawmakers in Austin to ensure that they had a clear understanding of the effects of proposed legislation on pensions in general and HMEPS in particular. I am pleased to report that our efforts were not in vain. While pension-related legislation passed, HMEPS benefits were not

altered or reduced. A more detailed report of the 2013 legislative session is included on page 3.

In other matters, I want to welcome new Trustee Adrian Patterson, who took the oath of office at the March

*(Continued on Page 2)*



Adrian Patterson, HMEPS Trustee, takes the oath of office.

## Inside This Issue

*Report On the 2013 Legislative Session* Page 3

*Clearing Up More Misinformation About the Social Security "Earnings Test"* Pages 4-5

*Educational Outreach* Page 6

## Mark Your Calendars for the 2013 F.R.E.E. Summit

The 2013 Financial Retirement Employees Educational (F.R.E.E.) Summit will be held Tuesday, Oct. 22 and Wednesday, Oct. 23, 2013. Registration information will appear in the next newsletter and on the HMEPS website ([www.hmeeps.org](http://www.hmeeps.org)). Don't miss the opportunity to learn more about your pension, deferred compensation and other topics related to financial planning.



# An Update From the Chairman

(Continued from Page 1)

28 Board meeting. Adrian, a partner with Andrews Kurth L.L.P., is a Houston City Council appointee to the Board. The City Council also reappointed Richard Badger to the Board. Both City Council appointees will serve the current term that ends July 2014.

Planning is well under way for the 2013 Financial Retirement Employees Educational (F.R.E.E.) Summit. This year’s Summit will be held Tuesday, Oct. 22 and Wednesday, Oct. 23, 2013 and promises to be the best yet. Look for further details about the F.R.E.E. Summit in upcoming newsletters and social media updates. And if you haven’t yet followed HMEPS on Facebook or Twitter, please do!

Finally, I want to thank all of the HMEPS Trustees and staff for their dedication and hard work on behalf of the participants we serve, and you for your continued support.

Your Chairman,



Sherry Mose  
Chairman

## HMEPS Investment Update

Market Value by Asset Class

	March 31, 2012	December 31, 2012
US Equity	\$508,894,420	\$464,230,926
Non-US Equity	527,273,466	505,944,675
Fixed Income	448,626,117	438,948,611
Real Estate	186,102,645	188,540,501
Inflation Linked	96,370,975	91,430,351
Private Equity	311,865,569	297,728,754
Absolute Return	104,981,505	105,895,727
Cash	23,427,773	37,955,455
<b>Total Fund</b>	<b>\$2,207,542,471</b>	<b>\$2,130,675,000</b>

## Employees Who Serve In the Military:

After you return to City employment from military service, **immediately**



advise HMEPS and submit a DD-214 so that you are able to claim all eligible USERRA-covered

credited service. For information, please call Terri Murray at 713-595-0100.

## Visit HMEPS’ Social Media Pages

HMEPS encourages you to explore its new Facebook and Twitter accounts.

You can find us under “Houston Municipal Employees Pension System” for Facebook and “@HouMEPS” for Twitter.



## Keep Informed on Pension Matters

Provide HMEPS with your email address so we can keep you informed on pension matters quickly and effectively. Visit the website at [www.hmeps.org](http://www.hmeps.org), click on the “Stay Connected!” box on the home page and follow the simple instructions.

HMEPS will use your email address for general communication and not for providing any personal or individualized information. We do not share personal email addresses with third parties.

**STAY CONNECTED!**  
**HMEPS NEEDS YOUR E-MAIL ADDRESS TO KEEP YOU UPDATED ON PENSION MATTERS**

[CLICK HERE](#)



## Report on the 2013 Legislative Session

The Texas Legislature’s 83rd session concluded on May 27. During the session, lawmakers focused on a number of issues, including the state budget, public education, infrastructure and other core issues. The Legislature also considered a number of pension-related bills.

About a dozen bills concerning pension issues were filed during the session. Of those, two ultimately were passed by the Legislature which are relevant to HMEPS. Following are the two approved bills and what they mean:

- House Bill 13. Under the bill, the State Pension Review Board (PRB) is required to develop and administer model ethical standards, conflict of interest policies and disclosure requirements for use by pension systems. The PRB also is required to develop an education training program for trustees and administrators. Pension systems are required to post on their websites the contact information for administrators and all reports submitted to the PRB. (HMEPS already complies with the requirements in HB 13)
- Senate Bill 200. SB 200 addresses the continuation and function of the State Pension Review Board

(PRB). Under the bill, the PRB is required to develop a policy to encourage the use of appropriate alternative dispute resolution procedures. In addition, the PRB is authorized to conduct training and educational activities for trustees and administrators. The bill also provides a definition for a “defined contribution plan” and exempts such a plan from the statute’s actuarial provisions.

It continues to be a challenging time for public retirement systems at all levels of government. Throughout the session, HMEPS officials visited with lawmakers to provide information about the effects of various pension measures. We also kept close track of any activity on each of these bills.

We want to thank our participants for monitoring legislation and contacting their representatives throughout the session. This is a critical part of the effort to protect your pension.

The 83rd Legislative Session has come to a close, but work in this area is ongoing, both at the state and national levels. We will remain vigilant in working to safeguard the system and our members, and we urge you to do the same.





Steve Waas, CFP®, EA  
Manager of Policy and  
Financial Planning

## Clearing Up More Misinformation About the Social Security “Earnings Test”

In the October 2012 issue of the *Pension Press* I reviewed several misconceptions about how your pension does and does not affect your Social Security benefits (“Does Your Municipal Pension Affect Your Social Security Benefit?”). It turns out there are still other issues creating confusion for many participants when it comes to Social Security.

### What type of income counts towards the earnings test?

If you receive employment income and Social Security payments at the same time, the social security “earnings test” might apply – leading to a reduction in your Social Security payment. But what is “income”? Generally speaking, income is gross wages from an employer or net earnings from self-employment.

The following do NOT count as income for purposes of the Social Security earnings test:

- A pension check does NOT count as income for these purposes. A pension is what Social Security calls a “special payment” which does not trigger the earnings test. You certainly can collect a pension check and Social Security at the same time without reduction.

- A distribution from a DROP account or a deferred compensation account does NOT trigger the earnings test. It is also a special payment.
- Sick and vacation pay accumulated prior to retirement does NOT trigger the earnings test, even though you may receive the dollars after you have started receiving

Social Security benefits. This is another special payment.

If all three of the following apply to you then you may be subject to the earnings test:

- You are receiving pay from the City (or any other employer, including self-employment) for work.
- You are simultaneously receiving Social Security benefits.
- You have not reached your full retirement age under Social Security.



### Is there a limit on how much I can earn in the year I begin receiving Social Security?

Here is another common misunderstanding. How much can you “earn in a year”? Consider this scenario: Mr. Gilligan wants to retire in August and begin Social Security in September. He is 63, which is under his “full retirement age.” Up to that time Gilligan has earned

(Continued on Page 5)

## Clearing Up More Misinformation... (Continued from Page 4)

\$20,000 in salary. He is told that since he is under his full retirement age, he is only “allowed” to earn \$15,120 in the year if he intends to start receiving Social Security benefits. He concludes that he might as well work until January, since his earnings in the year are already far beyond the earnings test limit.

Is Gilligan interpreting the earnings test correctly? NO.

As the Social Security publication “*How Work Affects Your Benefits, 2013*” explains: “Sometimes people who retire in midyear already have earned more than the yearly earnings limit. That is why there is a special rule that applies to earnings for one year, usually the first year of retirement. Under this rule, you can get a full Social Security check for any whole month you are retired, regardless of your yearly earnings.”

In this example, the \$15,120 limit is converted to a \$1,260 monthly limit – and this limit only applies to the months after he begins collecting Social Security. The

earnings through August – prior to beginning Social Security – have no impact. Gilligan can begin his Social Security benefits in September as planned without any reduction.

For more information about social security, go to: **[www.ssa.gov](http://www.ssa.gov)**.

*Steve Waas is a Certified Financial Planner and is available for individual meetings with participants. Steve also discusses financial topics in our newsletters to help participants better understand these important issues.*

The information contained herein is general in nature and is not intended as legal, tax, or investment advice, and should not be used in any actual transaction without the advice and guidance of a professional tax advisor who is familiar with all the relevant facts. HMEPS assumes no obligation to inform any person of any changes in the tax law or other factors that could affect the information contained herein.

## It's Hurricane Season – Is Your Pension Benefit on Direct Deposit?

Using direct deposit is an easy and convenient way to deposit your benefit payments electronically to a checking or savings account at a participating bank, savings and loan association or credit union. During a hurricane or severe storm the last thing you want to do is worry about whether or not your check will reach your mailbox. Utilizing direct deposit ensures your check will be deposited no matter what the weather conditions may be.

If you are still depositing your benefit check in person at your bank, HMEPS asks that you consider the following advantages that direct deposit offers:

- Direct Deposit Eliminates Postal Delays and Lost or Stolen Checks
- With Direct Deposit Your Money is Immediately Available
- Direct Deposit Eliminates the Need for You to Personally Endorse Your Check or Wait In Lines At Your Bank

If you don't have an account, consider opening one and sign up for direct deposit at that time. Direct deposit is extremely reliable.

*If you have any questions about direct deposit of your pension benefit, call the HMEPS office at 713-595-0100.*



## A Reminder About the Timely Submission of Documents to HMEPS

Participants who submit Direct Deposit, Change of Address and/or W4-P form(s) to the HMEPS office should remember that the date you submit the form(s) directly affects when the form is processed.

The HMEPS office must receive forms by the 15th of the month in order for the form(s) to be processed that month. Any forms that are submitted after the 15th of the month will be processed the following month.

HMEPS would also like to remind participants that filling out forms incorrectly can delay their processing

date. Some examples of common mistakes participants make when filling out forms include:

- **The participant fails to sign the form.**
- **Forms are incomplete.**
- **Incorrect forms are submitted.**
- **In the case of Direct Deposit forms, the forms contain invalid bank routing numbers or incorrect account numbers.**

*If you have any questions about filling out HMEPS forms call the HMEPS office for assistance.*

## Contact the HMEPS Educational Outreach Team For Questions About Your Pension Benefits

As a participant of HMEPS, whether just starting your careers with the City or receiving a pension benefit, you face many questions about your pension benefits and retirement plans. Factor in the demands of everyday life and it becomes easy to put those questions off until a later date. HMEPS understands this and wants to help get you the information you need.

The HMEPS Educational Outreach Program uses a team approach to provide participants with the information they need to make informed decisions about their HMEPS benefits and other financial issues at a time and place that fits into their busy schedules.

Steve Waas, Manager of Policy and Financial Planning, is available to meet with participants and their immediate families to offer information regarding life insurance, retirement planning, investments, education planning, estate planning, social security, pension, DROP and

other financial issues. Steve is a Certified Financial Planner™ and his services are free to participants.

Terri Murray, Senior Benefits Counselor, has over 15 years experience in benefit administration, training and outreach initiatives. If you can't make it to the HMEPS



Steve Waas, Manager of Policy and Financial Planning, discusses retirement planning with Eloise and Antonio Rodriguez.

office for a personal meeting with your Benefits Counselor, you or your supervisor may call Terri and schedule a team meeting at your job site to discuss the plan and other pension related matters. Terri can provide training and education in a formal, large group meeting or in an informal small

group discussion and she holds several “Meet and Greet” events in different departments throughout the year.

*Steve Waas, CFP™, can be reached at 713-595-0140 and [swaas@hmeeps.org](mailto:swaas@hmeeps.org) and Terri Murray can be reached at 713-595-0134 or [tmurray@hmeeps.org](mailto:tmurray@hmeeps.org).*



# Retirements

## 1st Quarter 2013

### Administration & Regulatory Affairs

Moran, Alfred  
Smith, Juniva  
Sowell, Anita

Tran, Ngoc  
Williams, Johnny

### Controller

Levy, Cassie

Roaches, Chester  
Stafford, Richard  
Stephens, Lloyd  
Washington, Harold

Ledezma, George  
Lenzy, Calvina  
Lopez, Sam  
Mendiola, David  
Moore, James  
Nolley, Phillip  
Reynolds, Kelly  
Roberts, Jerry  
Robertson, Robert  
Savory, Rebeca  
Smith, Joe  
Thomas, Lonnie  
Vanegas, David  
Weninger, Luis

### Aviation

Chhong, Yaleng  
Clark, Elizabeth  
Curtis, Gary  
Davis, Barbara  
Davis, Ursie  
Garmon, Daniel  
Gradney, Betty  
Lockhart, Willa  
Mar, Sarin  
Marinas, Conrado  
Moreira, Alberto  
Patino, Joe  
Roberts, Steven  
Robinson, Norman  
Syzdek, Edmund  
Templeman, Regina  
Thok, Huoth

### General Services

Cupial, Wladyslaw

### Health & Human Services

Dinkins, Alice  
Maxwell, Sandra  
Simpson, Brenda  
Williams, Michael

### Planning & Development

Hyatt, Shirley

### Police

Cash-Bonton, Lucille  
Williams, Patricia  
Zapata, Mary

### Public Works & Engineering

Bullard, Donald  
Butler, Loretta  
Casildo, Helen  
Clark, Johnny  
Desai, Carol  
Gahr, Nicholas  
Jefferson, Reginald

### Solid Waste Management

Hawkins, Terry

### Neighborhoods

De Los Santos, Pedro  
Reynolds, Will

### Parks & Recreation

Moore, Charles

The Retirement section lists names and departments of those retiring participants who have indicated on their retirement applications that they wished to have an announcement of their retirement included.

## Pension Payment Schedules June to September 2013

Direct deposits (ACH) will be deposited on the last business day of each month, as follows:

- Friday, June 28
- Wednesday, July 31
- Friday, August 30
- Monday, September 30

Checks are mailed to arrive before the last business day of the month.

## HMEPS Retirees at the 2013 ARHME Social

The Association of Retired Houston Municipal Employees (ARHME) held its 2013 Social on June 1 and more than 80 HMEPS retirees attended the event.



# PENSION PRESS

Houston Municipal Employees Pension System



1201 Louisiana, Suite 900  
Houston, Texas 77002-5608  
713-595-0100  
1-800-858-1450

Presorted Standard  
U.S. Postage  
PAID  
Houston, TX  
Permit No. 7057

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

## BOARD OF TRUSTEES

### ELECTED AND APPOINTED TRUSTEES

Sherry Mose, *Chairman*  
Roy W. Sanchez, *Vice Chairman*  
Lonnie Vara, *Secretary*  
David L. Long  
Asha Patnaik  
Lenard Polk  
Barbara Chelette, *Appointed*

### CITY APPOINTED TRUSTEES

Richard Badger  
Ramon Manning  
Craig T. Mason  
Adrian Patterson

## PENSION PRESS

Rhonda Smith,  
*Executive Director*  
Peter Koops,  
*Communications Specialist*  
Anna Whitson,  
*Administrative Assistant*

Thanks to the HMEPS staff for their  
contributions to the ongoing success  
of the *Pension Press*.



# HMEPS

HOUSTON MUNICIPAL EMPLOYEES PENSION SYSTEM

## NEWSLETTER CONTENT

The material contained in this newsletter is intended to provide you with important information about your pension participation. The content cannot be taken as the basis of any contractual rights between HMEPS and its participants. If there is a question of interpretation, retirement laws are the final authority.

## HMEPS CONTACT INFORMATION

HMEPS Address:  
1201 Louisiana, Suite 900  
Houston, Texas 77002-5608

HMEPS Phone Numbers:  
Phone: 713-595-0100  
Toll Free: 800-858-1450  
Fax: 713-650-1961

HMEPS Website:  
[www.hmeeps.org](http://www.hmeeps.org)