



City of Phoenix Employees' Retirement System

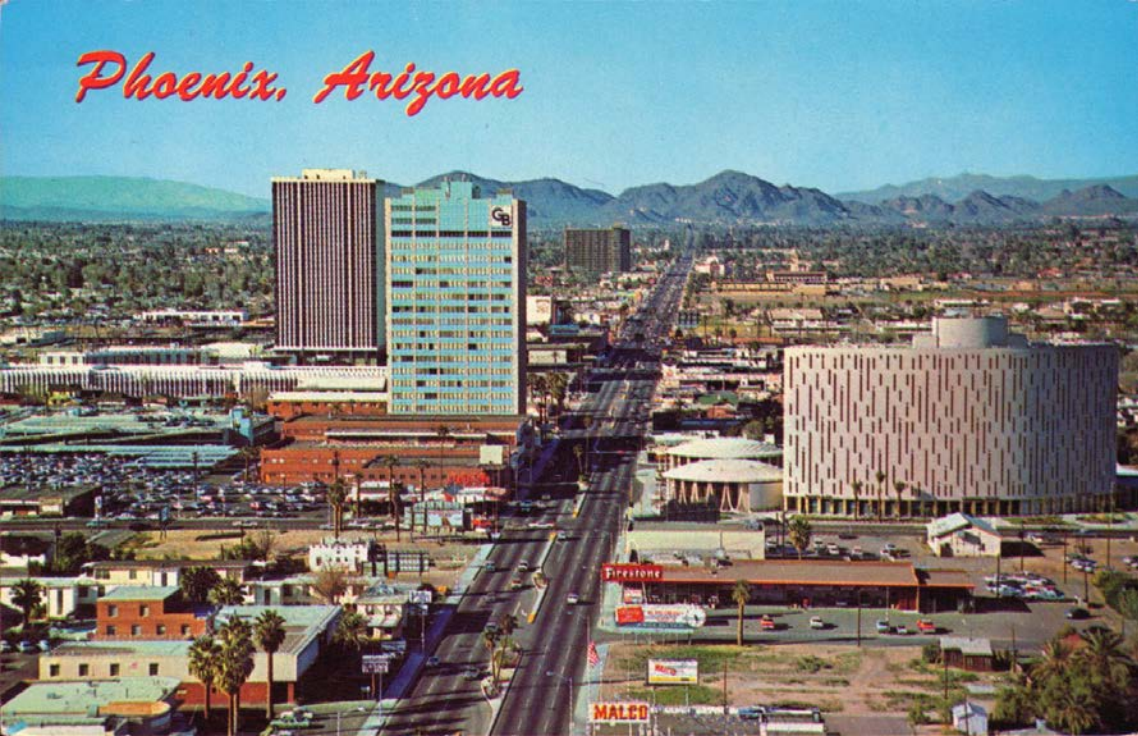
Scott Steventon

Acting Retirement
Program Administrator



sta·bil·i·ty: the strength to stand or endure

Phoenix, Arizona



Where We've Been

Where We're Going



Public Pensions



Arizona holds more than \$45 billion in public employer pension plan assets = generating over \$2 billion annually in personal income¹



Arizona named the number two state in the US that gains the most money from retiree relocation²



Nationally, retirees generate \$202 billion in federal, state, and local tax revenue³

¹ National Conference on Public Employee Retirement Systems, May 2018, *Unintended Consequences: How Scaling Back Public Pensions Puts Government Revenues at Risk*.

² *Where to Retire* Releases Income Transfers for Retirement Relocation

³ National Institute on Retirement Security, December 2018, *Pensionomics 2016*

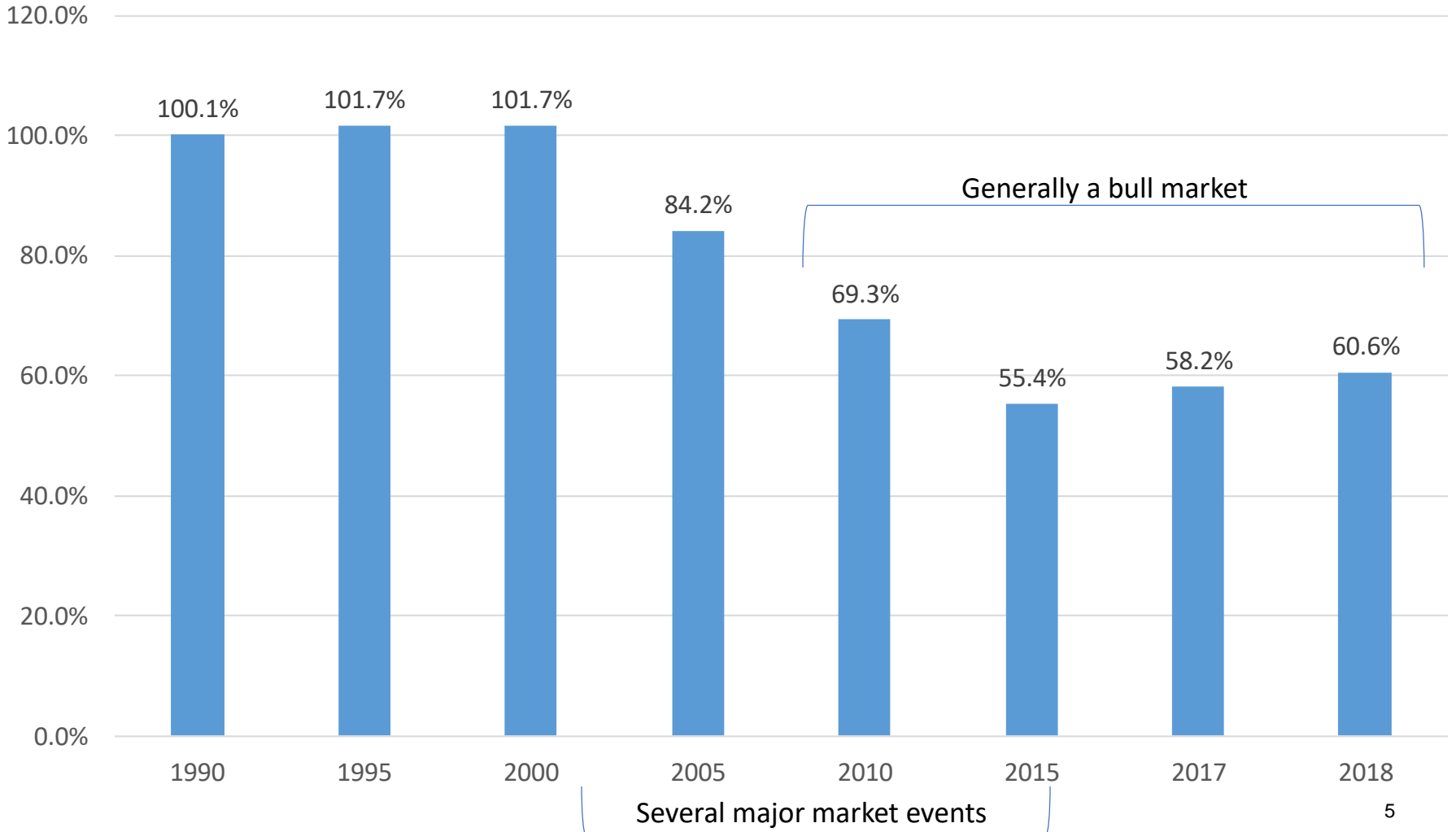
Plan Statistics as of June 30, 2018

- Membership:

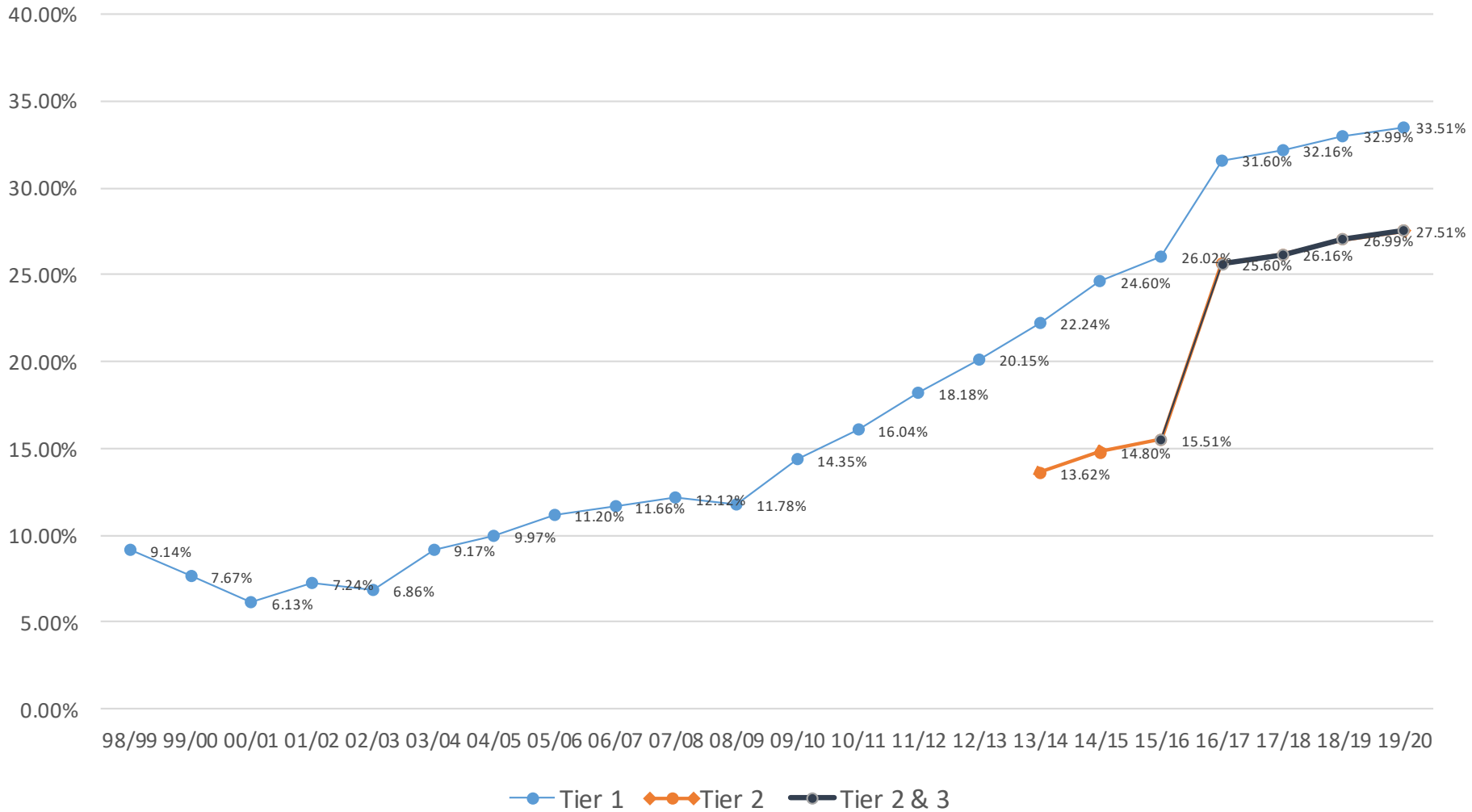
- Employees: 7,977 (-53)
- Inactives: 943 (+18)
- Retirees: 6,974 (+152)
- Total: 15,894 (+117)

- Assets As of June 30, 2018: \$2.55 billion
- Average annual pension, all retirees: \$32,355 (+\$346)
- Average annual compensation for active members: \$64,970 (+\$1,115)
- Average age of active members: 46.6 (+0.1)
- Average years of service of actives: 12.4 (+0.1)
- Number of retirees over age 90: 106 (-3)

Funded Ratio



History of Employer Contributions



Post-Retirement Increases

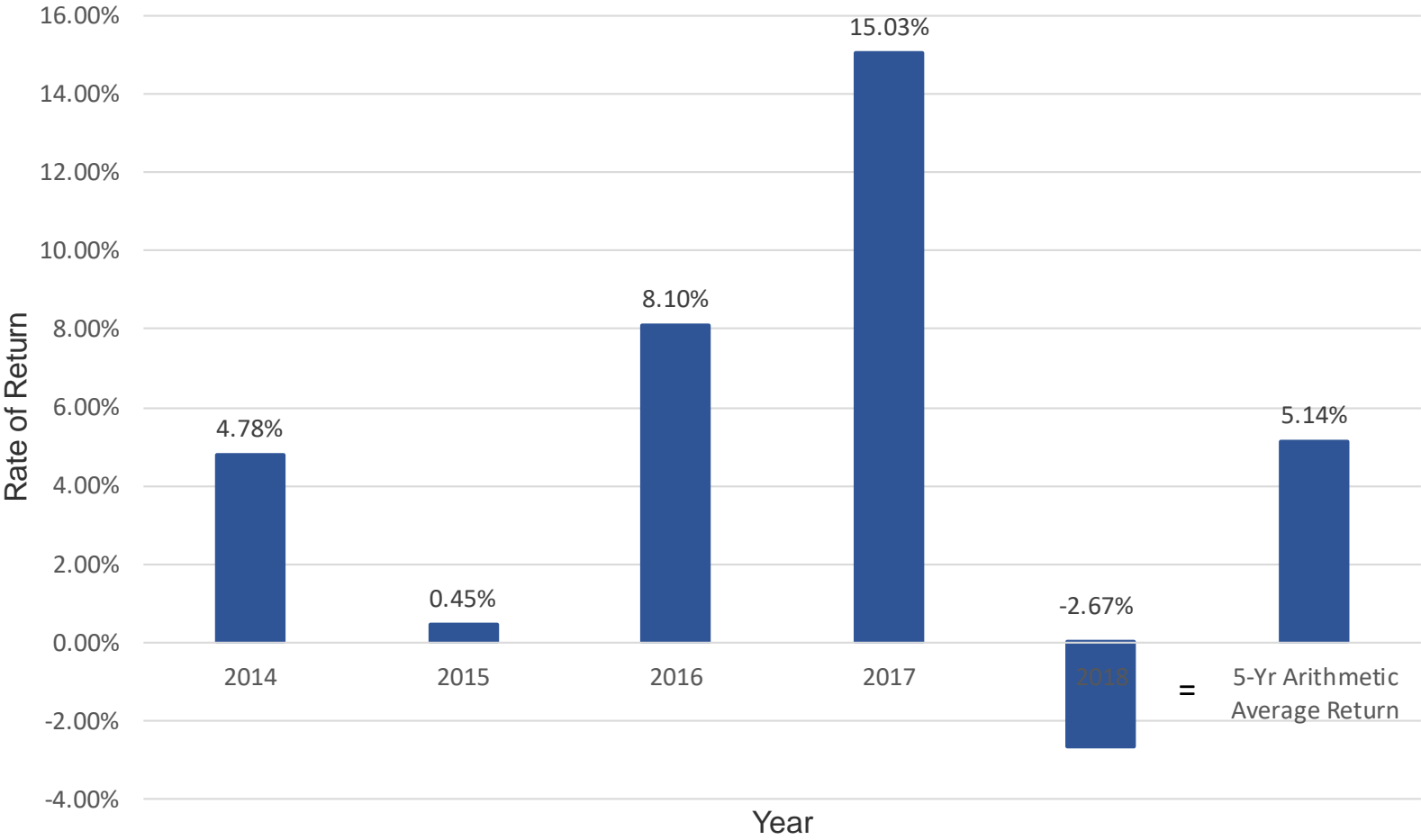
Pension Equalization Program (PEP)

- Permanent increase
- Eligible if retired 36 months by January 1st
- Paid with March check retroactive to January
- Lesser of prior year's CPI (not less than zero) or percentage supported by excess returns reserve
- Reserve Fund balance based on excess investment returns over 8%

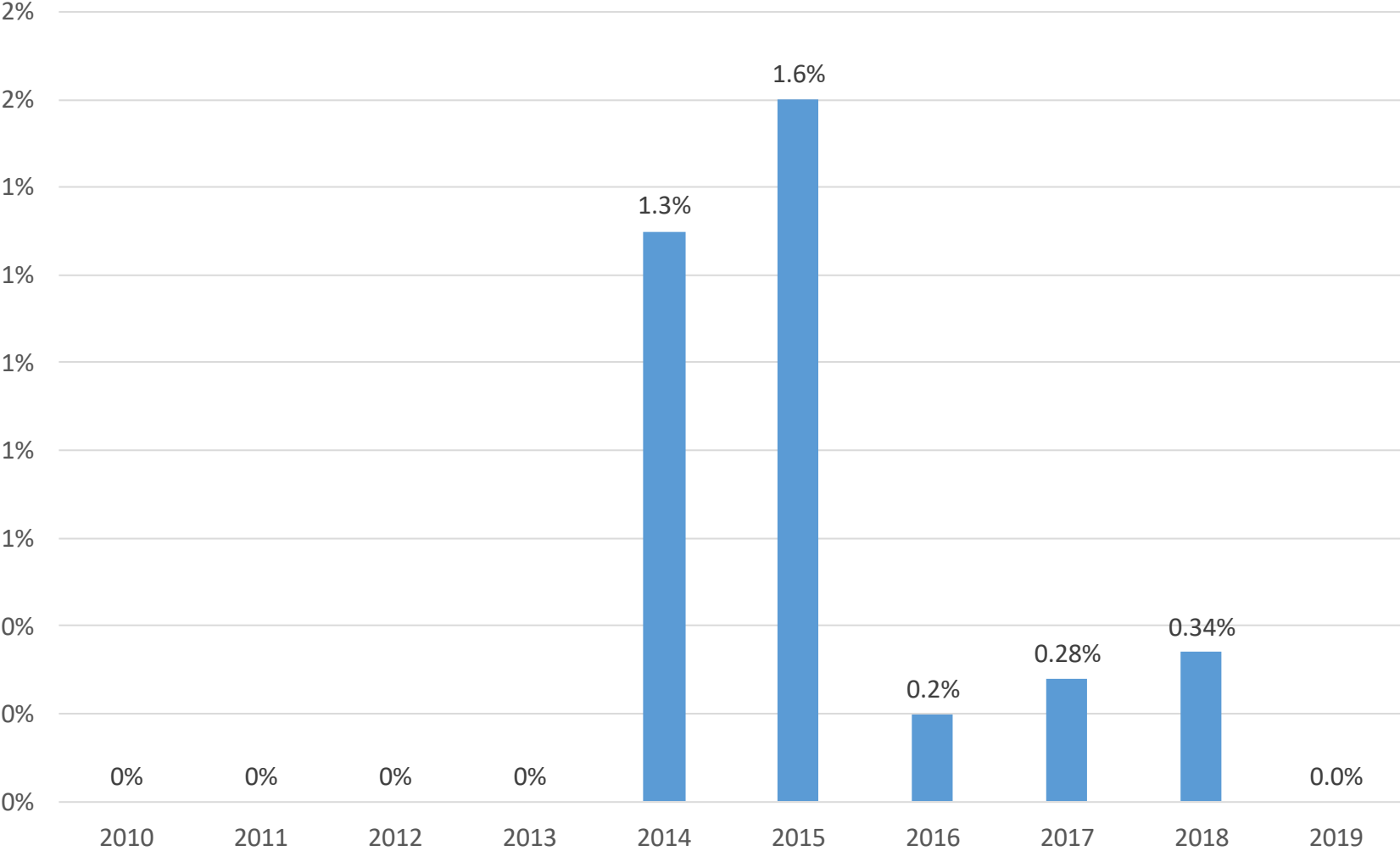
13th Check

- Dependent upon last Fiscal Year's Results
- One time payment
- Eligible if retired by June 30th of payment year
- Paid with December pension payment
- Lesser of ½ of prior year's CPI increase or 3%; minimum of 1%, if excess returns reserve balance sufficient

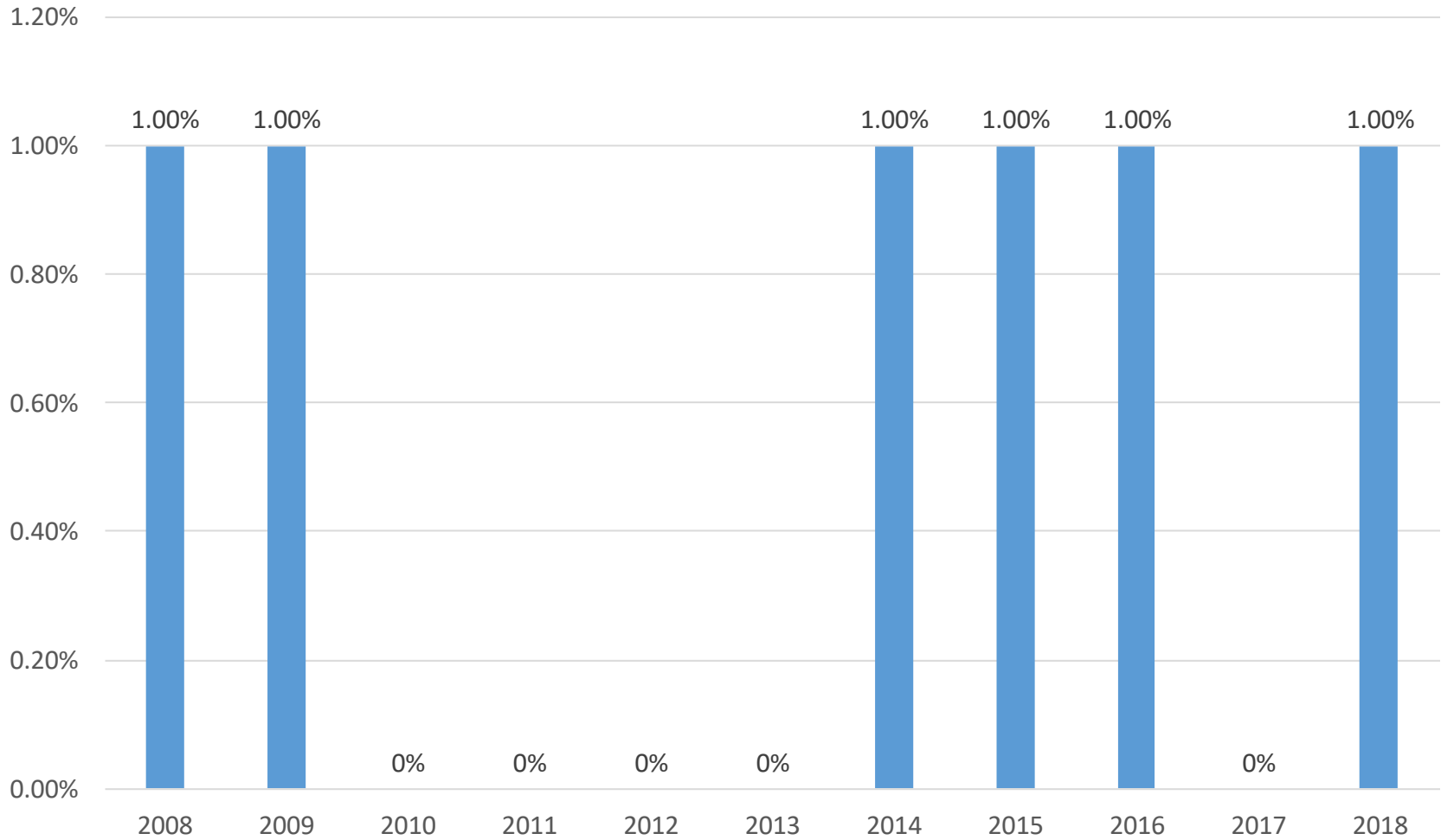
Time-Weighted Rates of Return – Gross of Fees
Calendar Year End: December



Pension Equalization Program (PEP) Adjustment



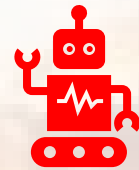
13th Check



Benefit Entitlement Process

- Changes from 2018
 - 2018 - Last names beginning A-F
 - **2019 - Last names beginning G-M**
 - 2020 - Last names beginning N-Z
- The affidavits need to be notarized to be sure it is actually you responding
 - We have a notary here today along with some blank affidavits if you would like to complete your affidavit.

Where We're Going



Approve/
Implement
Investment
Committee
Charter

Diversify
Risk by
Managing
Asset
Allocation

Procedure
Gap
Analysis

Staff
Attrition

Enhance
Member
Education/
Communication

Website
Presence

Enhance
Technology

sta·bil·i·ty: the strength to stand or endure



Visit our Website at:
www.phoenix.gov/retirementoffice

Thank You