



FPDR FUNDamentals

A quarterly newsletter for
Fire and Police members

July 2010
Volume 11, Issue 1

DIRECTOR'S MESSAGE

Greetings! First, I would like to thank those of you who recently provided feedback to our recent survey. We are very much interested in knowing how we're doing.

As we begin a new year (fiscal year, that is), our staff is busy wrapping up year-end tasks and preparing to begin work items planned for the upcoming year. Several staff members are just returning from well-deserved vacation breaks, refreshed and ready to resume their assigned activities.

As always, best wishes to you and yours. We hope that you have a fun and safe summer.

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2010 Member Survey Results

Many thanks to the almost 200 members who responded to the member survey in the April newsletter! About 6 percent of members responded, a much lower response rate than the 18 percent response rate to the last survey in 2004. We included the survey in the newsletter to save postage, so perhaps members who don't read the newsletter never saw the survey.

Overall, most of you who responded seem happy with the service you are receiving. 76% scored FPDR as "Excellent", 19% as "Satisfactory" and only 6% as "Poor", but these numbers represent a decline from the prior survey. In 2004, 88% rated the service as "Excellent" and only 1% as "Poor". 95% of those who contacted us thought we were courteous and professional, 92% received the information you requested, and 90% found the information timely and easy to understand. Of members with recent disability claims, 67% rated the service you received as "Excellent", 24% as "Satisfactory" and 10% as "Poor". Recent retirees were also pleased with the service: 75% said "Excellent", and 25% said "Satisfactory".

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PENSION UPDATE

Board Decision on Tax Offset Benefit Overpayment

In 2008, FPDR's staff discovered an error in the formula used to calculate additional pension and disability allowances mandated by the Oregon State Legislature in response to the legal requirement that these benefits must be subject to Oregon income taxes. The miscalculation of the state income tax offset gross-up allowance has resulted in overpayments to certain members going as far back as 1991. FPDR corrected the calculation at the time, and members have been receiving the correct benefits since then.

Because the overpayment of FPDR benefits is considered by the Internal Revenue Service to be an Operational Failure, the Board of Trustees was concerned that the failure to correct the past overpayments could result in the loss of the plan's tax-qualified status. Loss of the tax-qualified status would mean that FPDR benefits would be taxable to members when they vest instead of when they actually receive the benefits following retirement.

The Board of Trustees addressed the Operational Failure by seeking approval from the Internal Revenue Service under the IRS's Voluntary Correction Program, a program specifically designed to resolve pension compliance issues such as this. Now the IRS has responded that FPDR

must either:

- Recover the overpayments, or
- Seek a retroactive Charter amendment from the voters that would permit the overpayments.

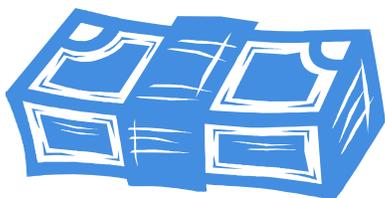
On June 22, the Board of Trustees decided to revise the Voluntary Correction Program application submitted to the IRS to recover overpayments by lump-sum repayment or cost of living adjustment (COLA) recovery. Under this approach, a member or alternate payee whose pension benefits were overpaid may repay the entire overpayment in a lump-sum or, instead, not receive a COLA until his or her overpayment has been recovered. At that point, the pension benefit for the member or alternate payee will be increased to restore all of the COLAs that had been deferred.

FPDR must still revise its Voluntary Correction Program application, and the IRS must respond as to whether the proposed approach is satisfactory. If your pension benefit adjustment was corrected in 2008 for the additional tax offset benefit overpayment, your pension benefit will be subject to recovery unless the total amount of your overpayment is less than the minimum level that is proposed by FPDR and accepted by the IRS.

(Tax Offset Benefit Overpayment, continued from page 2)

When the finalized application has been accepted by the IRS, we will begin contacting each affected member with specific information regarding your overpayment amount and whether or not FPDR will seek to recover that amount through your choice of a lump-sum repayment or the COLA recovery program.

We expect that any pension COLA to be effective July 1, 2010 will be included in the August 1, 2010 pension benefit payments, and that the COLA recovery program will begin with COLAs to be effective July 1, 2011 and will continue until the member's overpayment is fully recovered.



July 1, 2010 COLA

July 1, 2010 COLAs for FPDR Two (or New Plan) members will be:

- 0.12% for a member whose last day of employment was in Fiscal Year 2009-10
- 1.40% for a member whose last day of employment was in FY 2008-09
- 2.00% for a member who retired earlier

FPDR One (or Old Plan) members will not receive a COLA effective July 1, 2010 because the Portland Fire Fighters Association (PFFA) and Portland Police Association (PPA) contracts have not been finalized yet.

Charter Section 5-120 says that FPDR One benefits vary annually based on the current salary of a First Class Fire Fighter or First Class Police Officer “computed annually at the beginning of the fiscal year.” When the PFFA and PPA contracts are settled, any COLA for July 1, 2010 would be added to your pension benefits effective the first of the following fiscal year, and a retro payment would be issued to you then for the period July 1, 2010 through June 30 of the fiscal year in which the contracts are finalized.

We will announce the contract settlements in a future newsletter, as that was one of the suggestions made in the recent member survey.

DISABILITY UPDATE

Pathogen Exposure

Occupational Health and Infectious Disease Program Manager Carolyn Williams, RN BSN provides pathogen exposure services to all City employees except those in Fire. Fire personnel work with Janet Woodside, RN.

Carolyn's program responsibilities with the Portland Police Bureau include vaccinations, laboratory blood draws, seasonal flu clinics, medical evaluations for the respirator program, TB testing for the Police ID technicians, consultation, disease surveillance, training and the bloodborne pathogen exposure program.

According to Carolyn, if there is an exposure to blood or other bodily fluids, members from Portland Police and Portland Fire and Rescue begin the process by calling the Exposure Control Line at 503.721.0529. The nurse evaluates the situation and recommends a course of action, depending on the level of exposure. If the officer or firefighter is referred out to medical care, FPDR must be notified. Also, please be sure to complete any bureau-specific protocols.

Call FPDR (503.823.6823) if your exposure or treatment for the exposure requires you to either seek outside medical treatment or cause you to miss time from work. If you require immediate attention, go to the nearest hospital. Otherwise, you may choose to treat with a physician of your choice within Kaiser-on-the-Job or CareMark Comp. If you have difficulty getting an appointment, please contact FPDR immediately for assistance.

If you are involved in an exposure, call the Exposure Control Line at 503.721.0529

When to file a claim with FPDR

- If you are sent to the hospital, urgent care or any other medical facility for testing.
 - If at any time your condition necessitates medical treatment from a qualified medical physician.
 - If you will miss time from work due to the exposure. Remember that you must seek medical treatment from a qualified medical physician who will authorize your time away from work and complete a Work Status Report.
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From the Editor

To mail this newsletter we use a very cost-effective method called Standard Mailing. This allows the newsletter to be forwarded to you at no cost to FPDR when a “Change of Address” form is on file at the post office. Note: This does not update the address we have on file in your FPDR member record. If you filed a “Temporarily Away” notice with the post office, your newsletter is returned to us for an additional fee, and we have no way of knowing where to resend it. Please be aware that you may be missing out on some important news if you do not inform FPDR of your new address. Email is always an option, so feel free to call 503.823.6823 or email fpdr@portlandoregon.gov to be added to the distribution list.

(2010 Member Survey Results, continued from page 1)

However, only 18% of you said you had visited FPDR’s website in the last year. 20% of you said you didn’t understand your FPDR benefits, and 43% of those didn’t know where to find the information when you need it. We’ll be updating the website in 2010 as part of the overall Portland Online refresh, and we’ll introduce the new layout and content in a later newsletter.

You also gave us many pointed comments on what we could have done differently and how we might better our relationship with you. We appreciate your input and will use it to improve our processes. Look in future newsletters for articles relating to your questions. If you have a topic you would like to see covered, please let us know.

There were several comments regarding our communication procedures. Our staff members have voice mail on their telephones, and you may have their direct phone number and not our general number (503.823.6823). Our office policy is to return all calls and emails within 24 hours of receipt (Monday through Friday). If you prefer to leave a message with a real person rather than voice mail, you can always “press 0” after the voice mail message, or hang up and dial 503.823.6823 to talk to our receptionist.

If you wish to see the numerical results of all the survey questions, it is available on our website (www.portlandoregon.gov/fpdr). Thank you, again, for returning your survey and for the kind words some of you wrote commending our service to you.



FPDR

The Bureau of Fire and Police Disability and Retirement administers disability, death and retirement benefits to Portland firefighters, police officers and their survivors.

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We're on the Web!

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