

# COPERS' Financial Status

\$2.6 billion - The total net position of COPERS

60.8% - The funded ration of COPERS

\$234 million - The total amount of benefits paid for Fiscal Year 2019



The Retirement Office receives many inquiries from members asking about the stability of COPERS. The Popular Annual Financial Report is a great way to learn more about COPERS and our work towards ensuring a stable, sustainable retirement system. The COPERS Retirement Board and staff are pleased to present the 2019 Popular Annual Financial Report (PAFR), which offers an easy-to-read summary of the full Comprehensive Annual Financial Report for the fiscal year ending June 30, 2019.

To view the PAFR please visit our Website at: [www.phoenix.gov/COPERS](http://www.phoenix.gov/COPERS)

The PAFR is intended to increase awareness about COPERS' financial operations. We want to guarantee that you have access to high-quality, easily understandable financial information so that you can be well informed and have the

utmost confidence in the way your retirement plan is being run.

## Contacting COPERS

Mailing address: 200 W. Washington St., 10th Floor

Phoenix, AZ 85003

Phone: (602) 534-4400

Email: [copers@phoenix.gov](mailto:copers@phoenix.gov)

## A Valentine's Day Message from COPERS

**Roses are red. Violets are blue.**  
**Want to choose your beneficiary?**  
**It's easy to do!**



When was the last time you updated your beneficiaries? Have you selected your beneficiary? Change is inevitable and can happen at a moment's notice. As an active member, you can decide who will receive your contributions when you pass away. You can choose one or multiple beneficiaries and can designate what percentage of your balance goes to each. You can also choose for your beneficiary to be a trust or an estate.

We encourage you to keep your beneficiaries up to date. Failure to make changes could result in payment being made to a previously designated beneficiary who is no longer your choice to receive your benefits.

Confirming and updating your beneficiary information is convenient and easy! For more information, please visit the Retirement Office located at 200 W. Washington Street 10<sup>th</sup> Floor, Phoenix, AZ 85003 or contact us at (602) 534-4400 or through email [copers@phoenix.gov](mailto:copers@phoenix.gov). All forms, including the Designation of Beneficiary form, can also be found at <https://www.phoenix.gov/copers/forms>.

## The local Nationwide Office is moving...



**Effective February 18, the local Nationwide office will have a new home:**

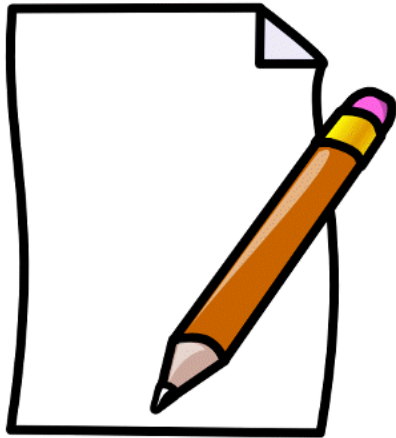
3300 N. Central Ave (the ASRS building), Suite 600, Phoenix, AZ 85012

You can visit Nationwide weekdays, 8 a.m. - 5 p.m.

Visitor parking tickets will be validated during business hours.

For more information, call 602-266-2733, option 9.

## Member Statements



It is that time of year again. Member statements will be arriving shortly. These statements will have estimates of your earliest retirement date, current average salary, contribution balance, and the current beneficiaries you have listed. The earliest retirement date is just an estimate as it can be affected by your usage of sick leave or being in a leave without pay status.

When you get your member statement, take the time to review the information on it, especially the current nominated beneficiaries. These listed beneficiaries are only for your retirement account. If the

beneficiaries are not correct, please contact our office or go to our website at <http://www.phoenix.gov/retirementoffice> and download a Designation of Beneficiary form. Once you return the form to us signed, we will change your beneficiaries on your retirement account.

Tier 1 members who are within three years of being eligible to retire will have access to run pension estimates in eCHRIS. No matter your Tiers, you may want to consider taking retirement classes. Below are the recommended classes depending on when you are eligible to retire.

### Members within three years of retirement

- Masterclass: Retirement 3-5 years; can help you navigate these last few years and help prepare you for retirement. (Visit: <http://www.phoenixdcp.com>)
- Retirement: Understanding Your Pension; can help you learn more about how your pension works. (Register for class in eCHRIS)
- Schedule an appointment to meet with one of our Retirement Assistants to get specific questions answered about your retirement. (Call us at (602) 534-4400)

### Members within five years from retirement

- Masterclass: Retirement 3-5 years; can help you navigate these last few years and help prepare you for retirement. (Visit: <http://www.phoenixdcp.com>)
- Retirement: Understanding Your Pension; can help you learn more about how your pension works. (Register for class in eCHRIS)

### Members more than five years away from retirement

- Retirement: Understanding Your Pension; can help you learn more about how your pension works. (Register for class in eCHRIS)

The City of Phoenix Employees' Retirement System (COPERS) recognizes that the COVID-19 pandemic makes this an uncertain time for our members, retirees and beneficiaries. We want to assure you that our commitment to provide excellent customer service to our members continues to be our top priority. Our regularly scheduled business operations such as the processing of payroll, administration of benefits, and retirement payment processing will be maintained as usual. COPERS is here for you.

- The Retirement Office remains open and our team members are available to assist you Monday through Friday from 8:00 a.m. to 5:00 p.m. by calling (602) 534-4400 or by emailing [copers@phoenix.gov](mailto:copers@phoenix.gov).
- Out of an abundance of caution, we are limiting in-person appointments, whenever possible. Please call or email to see if your situation can be addressed while still honoring recommended social distancing.
- Your pension, if you are retired, or your retirement contributions, if you are active, will never be reduced because of COPERS's investment performance.
- Potential increases to pensions and interest on retirement contributions are affected by COPERS's investment performance.
- COPERS is a long-term investor that contracts with a team of experienced investment consultants and managers who are working diligently to monitor the extreme volatility in the financial markets.
- The asset allocation implemented by the Retirement Board was put in place to withstand market downturns.

Know that the COPERS team is dedicated to serving you. Please let us know how we can help and please stay safe.

**For retirees and survivors, with last names beginning with letters N-Z**, the deadline to return the Retirement Benefits Entitlement Affidavit has been suspended until further notice. Your pension payments will NOT be affected if you have not returned the affidavit.

## July Issue

### Staying Active During COVID-19

Social distancing and sheltering in place don't necessarily mean having to endure isolation or living in fearful separation. There are still great ways to getting and staying active. Being physically active is helpful for mind and body well-being. While there are ways to be active outdoors, such as walking, running or hiking; if you can't or don't want to go outside, here are some suggestions for being active indoors. Do your best to find time every day to move. However, remember the advice of medical professionals calling for us to wear face coverings as much as possible until this health crisis ends.

#### Here's how:

- Do your best to find time every day to move. Even a small amount of time each day is good for your health.
- Find the type of movement that works best for you. Physical activity, such as walking or biking, can be done by people of all ages and abilities. Find the type of exercise that works best for you.
- Even in small spaces, walking is good for you. Consider pacing while on a phone call.
- Try to stand up and move around every 30 minutes or so, especially when you are watching TV or working from a computer.
- Take activity breaks. Little amounts of physical activity, like cleaning, gardening, dancing, and cooking add up.
- Join a free online exercise class on YouTube. Cardio, yoga, strength training—the options are endless!
- Maintaining physical distance does not mean social distance—work out virtually with your friends. Plan to tune into the same exercise video or create a workout plan together over video chat.
- Stretch. Gentle movement, like yoga, can help your body relax and rejuvenate. Sync movement with deep breathing.

#### Here's why:

- Exercise reduces levels of the body's stress hormones.
- Exercise stimulates the production of chemicals in the brain that are the body's natural painkillers and mood elevators.
- Exercise helps to boost your immune system.
- The stress reduction and mental health benefits of physical activity and exercise can last throughout the day.

#### Also:

- Give friends and family regular emotional support. Moral support is essential during these times.

- Share ideas with others on ways to stay healthy and positive, such as careful online shopping, preparing nutritious meals, and using other online resources for personal recreation.
- Stay current with ongoing activities, take part in conference calls, and share timely information and links with other family and friends.
- Remember to stay active!

## **New Retirement Document Uploading Feature**

Thinking about retiring? Retirement is excited to announce a new way to start the retirement process. Beginning in July if you are within three years of retirement, you can now securely send the Retirement Department copies of the required documentation needed to complete the retirement process. These documents include copies of your driver's license (employee and spouse), marriage certificate, passport or birth certificate (employee and spouse) and social security cards. Uploading your documents can be done at home or at work through eCHRIS.

To upload your documents:

- Log in to eCHRIS using your employee ID number and normal password
- Open the Navbar menu and click on "Self Service"
- Near the bottom of the menu click on "Retirement Doc Upload"

Once you have uploaded your documents, please contact the Retirement Office at (602) 534-4400 to let our team know.

*Know that the team at COPERS is dedicated to serving you and is here to assist you with your questions, concerns and needs. Contact us at:*


**COPERS**


200 W. Washington Street 10<sup>th</sup> Floor, Phoenix, AZ 85007


Phone: (602) 534-4400


Email: [copers@phoenix.gov](mailto:copers@phoenix.gov)


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- COPERS Pension Estimator
- Retirement Doc Upload**
- Mgr Confidentiality Agreement







## **Are You Financially and Emotionally Prepared for Retirement?**

Before you retire, it is important to consider these three questions now – before you bid your job farewell.

### **1. Where do you plan to live?**

If you still have a mortgage or if you plan to purchase another home, this is clearly a financial issue. Considering where you will live during retirement is also an emotionally laden topic. Whether you envision selling the house, moving out of state and/or relocating to a different climate; planning beforehand will go a long way toward avoiding future issues.

### **2. How will you spend your time?**

Figuring out what do with the rest of your life will require some serious soul-searching. Spend some time now and well before retirement to examine the breadth of your life. This includes your accomplishments, interests, as well as things you would still like to accomplish. It is also crucial to realize what you *do not* want to do. So be honest with yourself about what is most and least appealing to you.

### **3. If your finances fall short of expectations, can you cope with that reality?**

Many of us have grown up with grandiose images of what retirement will be like: freedom from the stresses of work, time to travel, carefree days spent playing golf or doing absolutely nothing at all. Unfortunately, these images are often more fiction than fact.

Be sure to add it all up. Be sure to take an inventory of retirement funds in a pension, 401(k) plan or money set aside in investment or savings accounts. It will be clear that it is more important than ever to manage finances wisely, including debt, especially as you get close to retirement.



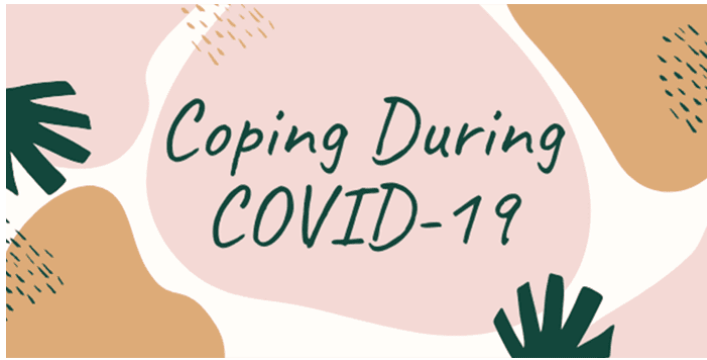
## How Could Divorce Impact Your Retirement?

If you are considering dissolving your marriage, you should know the impact a divorce can have on your pension.

Your divorce decree may state what portion, if any, each spouse will receive of your monthly pension. You, as the member, are responsible for notifying the City of Phoenix Employees' Retirement System (COPERS) in the event of a divorce; and a copy of the divorce decree should be given to COPERS to be kept on file. Additionally, you should review your retirement account beneficiaries and update them, if necessary.

If the divorce decree states, upon retirement, your spouse will receive a portion of your monthly pension, COPERS can only make that payment directly to a former spouse/alternate payee in accordance with a court-certified Qualified Domestic Relations Order (QDRO). A QDRO is what authorizes COPERS to make the monthly payment directly to the alternate payee on your behalf and ensures the alternate payee receives annual tax documents. The lack of a QDRO does not absolve the member from making the monthly payments.

For more information on QDRO guidelines, please click on the following link: <https://www.phoenix.gov/copers/forms> and refer to **Domestic Relations Order Guidelines** form.



## **Coping During COVID – 19**

“Covid Fatigue” is a real and material factor that has affected our everyday lives. However, there are ways to manage the stress and anxiety that has become a part of our new normal. Just like dealing with any stressful situation, we go through various phases of reaction. When those negative reactions begin to materialize, there are ways to cope.

- **Exercise:** It is the best thing to do to cope. Any exercise, even a simple walk, helps. It releases endorphins and some of the adrenaline when frustration builds up. Just getting out and moving can be very helpful.
- **Talking:** Saying it out loud is important. Find the right places and times to express yourself but do it. Ignoring feelings does not make them go away. It is like trying to hold a beachball underwater – eventually you lose control and it pops out. You cannot control where it goes or who it hits.
- **Constructive thinking:** We cannot change the situation, but we can adjust our thinking. Be compassionate with yourself and others. Remind yourself that you are doing the best you can.
- **Mindfulness and gratitude:** Try being in the moment. The more you do this, the easier it gets. Do not put yourself through a lot of unnecessary misery projecting into the future or ruminating about the past. For now, just take life day by day.

Are you ready to retire? For many members of COPERS, that time is near. Here are a few questions you should ask yourself and steps needed to start the retirement process.

**Am I eligible to retire?**

Employees in COPERS fall into one of three different retirement categories:

General City Tier 1 (Hired before July 1, 2013)	General City Tier 2 Hired between July 1, 2013 and Dec. 31, 2015	General City Tier 3 Hired after Jan. 1, 2016
<ul style="list-style-type: none"> <li>• Age 60 w/10 or more yrs service</li> <li>• Age 62 w/ 5 or more yrs service</li> <li>• Rule of 80: Age + Service = 80</li> </ul>	<ul style="list-style-type: none"> <li>• Age 60 w/10 or more yrs service</li> <li>• Age 62 w/ 5 or more yrs service</li> <li>• Rule of 87: Age + Service = 87</li> </ul>	<ul style="list-style-type: none"> <li>• Age 60 w/10 or more yrs service</li> <li>• Age 62 w/ 5 or more yrs service</li> <li>• Rule of 87: Age + Service = 87</li> </ul>

**Have I saved enough?**

Experts say the average person will need between 70-80% of their working income in retirement. This number may be different for each person depending on the lifestyle you expect to have during your retirement. By comparing your working income with your retirement income you will be able to see if there are any gaps you need to compensate for. You can do this by saving more with a personal savings account and/or contributing to the Deferred Compensation program, or by working a few years longer.

**How to apply for retirement.**

- ❶ Register for a COPERS retirement class. There are several retirement classes available through the Human Resources training catalog. You can also search in eCHRIS using the keyword “retirement”.
- ❷ Speak with a Retirement Assistant.  
If you are thinking about retirement, we encourage you to speak with a Retirement team member. They can answer your questions about the retirement process over the phone and help you decide if you should come in for a one-on-one counseling session. Our team can walk you through the retirement application, run benefit estimates, discuss payment options and answer all of your questions.

Call us at (602) 534-4400 to speak with a team member or schedule an in-person counseling session.

- ❸ Choose your retirement effective date.

Your retirement effective date is the first day of the month following your last day of employment.

You’ll need to make your department aware of your retirement plans and choose your last date of employment. Employees retiring under the Rule of 80 or 87 are required to give 14 calendar days notice of their retirement. Employees retiring under the Rules of 62+5 or 60+10 are required to give 30 days notice.

- ❹ Complete your retirement application

To apply for your retirement benefits, you’ll need to complete the application process. The

application will be generated once you select your retirement date.

When completing your application, you'll be asked to pick your payment plan for your monthly benefit. You'll also be asked to designate a beneficiary.

**Documents needed at retirement**

Member will need to bring: valid photo identification, birth certificate *or* valid passport, and social security card. If you are married you will need to bring all the same documents for your spouse along with a marriage certificate.

At their meeting on November 5, 2020, the COPERS Board of Trustees approved several policy changes that may be of interest to you. These changes are outlined below:

- Policy 180 – General requirements for the purchase of non-military permissive service credit:

Many of the changes to this policy were dictated by recent changes in the laws that govern COPERS set forth by the IRS. The most notable change to this policy was to add a requirement that a member must be vested prior to completing a service purchase.

Effective December 1, 2020, any member who files an application to purchase permissive, non-military service must be fully vested (5 years of regular service) in the COPERS System. The change in policy brings COPERS in-line with other federal requirements that impose a five-year employment prerequisite for the purchase of other types of service credit.

No changes were made to the purchase requirements for military service time covered under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

- Policy 178 – Processing of COPERS distributions in accordance with IRS Code and Policy 197 – Internal Revenue Code Compliance:

On December 20, 2019, the Setting Every Community Up for Retirement Enhancement Act (“SECURE Act”) became law when President Trump signed Congress’ year-end spending package. The SECURE Act made several changes to government retirement plans. For COPERS, the SECURE Act made changes to the required minimum distribution age. This is the age at which you, or your survivor/beneficiary must take a distribution from COPERS.

The bill increases an individual’s required minimum distribution age from 70 ½ to age 72. As a result, effective January 1, 2020, COPERS members are required to take minimum distributions at age 72.

The required minimum distribution policy requires a COPERS member, survivor, or beneficiary to start collecting a portion of their benefit when they reach age 72 if they are no longer working in a COPERS covered position.

## **Recent Changes that May Affect Your Retirement**

COPERS' policy requires the Board to review actuarial factors every five years and make necessary changes to match COPERS' specific experience and the life expectancy of its members. These factors determine the percentage of the Straight Life pension a retiree would receive if another pension option is elected, e.g. Option A – 100% Joint and Survivor, Option B – 50% Joint and Survivor. The percentage is based on the age of the retiree and the age of the retiree's spouse/survivor at retirement.

New factors will go into effect on January 1, 2021 for anyone who retires that day or later.

Based on a review of the data, most individuals will see a slight increase in their estimated pension amount; but some will see a slight decrease.

If you requested a pension estimate from the Retirement Office or ran one yourself in eCHRIS (Tier 1 only) prior to December 15, 2020; it is strongly recommended that you contact the Retirement Office to request a new estimate before making any retirement decisions.

## **Want to Know More About Retirement?**

Ever wondered how your COPERS' pensions are calculated and what survivor options are available? COPERS is excited to announce a new six-part video vignette series aimed at providing you with more information about how the system works. Each video is between three and six minutes and covers a variety of topics. These topics include:

1. An Overview of COPERS
2. Membership Information
3. When Can I Retire?
4. Pension Calculation: Straight Life Option
5. Pension Calculation: Part 1 – Option A Standard, Option A Pop-up
6. Pension Calculation: Part 2 – Option B Standard, Option B Pop-up, Option C

All six videos are available on the Retirement Office's Home Page at: [www.phoenix.gov/copers](http://www.phoenix.gov/copers)

## **2020 COPERS Board Election Results**

On November 30, 2020, the COPERS Board closed the triennial election process to elect three active employee board members. The following six candidates ran in the election:

1. Charlene Reynolds
2. Jason Stokes
3. Aaron Avila
4. Ben Lane
5. Kanika Jones
6. Ron Ramirez

The election and tabulation processes were overseen by the City Clerk Department and official results were certified by the City Clerk on December 4, 2020.



The Retirement Office is excited to announce that Charlene Reynolds, Jason Stokes and Aaron Avila will officially be seated on the COPERS Board at their first meeting of 2021 on January 7<sup>th</sup>. Candidate profiles of the newly elected board members are below.

**Charlene Reynolds**  
**Assistant Director – Aviation Department**  
**18 years as a COPERS Member**

For five years, I have proudly served as a COPERS Board member. For the last three years, I have had the honor of serving as COPERS Chairperson. During my tenure, the Board and I have made decisions which strengthened our portfolio, increased communication to members, begin the replacement of the 15+ year old legacy Pension Gold system, re-engaged our Investment Committee, and replaced outdated policies and procedures. While, I am term-limited for the Chairperson role, I hope the members will allow me to continue to serve on the Board and utilized the knowledge I have gained in institutional investing.

**Jason Stokes**  
**Communications Shift Supervisor – Police Department**  
**27 years as a COPERS Member**

It has been my honor to serve as a Trustee for the last three years. I also serve on the Investment and the Charter Amendments/Policies and Procedures committees. As the only non-executive on the Board, I feel it is important that employees at all levels retain their voice. I have worked for the City for 27 years and currently serve as President of ASPTEA. I am proud to represent the interests of our employees and protect one of the most valuable benefits we have. I hope you will support my efforts to continue to represent you on the COPERS Board.

**Aaron Avila**  
**Management Assistant II – Budget & Research Department**  
**20 years as COPERS Member**

My name is Aaron Avila and I am seeking an opportunity to represent you. I have bachelor degrees in finance and human resources and a master of public administration from ASU. I have been with the City since 2000. I am currently a Management Assistant II in the Budget & Research Department. One of my current job roles is to forecast and monitor citywide pension costs for the City. I am familiar with the COPERS's Board fiduciary responsibilities and look forward to representing you in making sure our retirement benefits are secure and properly managed for the long-term.

Retiree representation on the COPERS Board is decided through a separate process managed by the City of Phoenix Retiree Association (COPRA). Please visit their website at: [www.phoenixcopra.com](http://www.phoenixcopra.com).

Thank you to all who voted.

**Contacting COPERS**  
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