



Fall/Winter 2020

Investing for Firefighters and Their Families®



Brett Besselman
Chairman of the Board

MESSAGE FROM THE CHAIRMAN

Dear Fund Members,

As the end of 2020 draws near, reflection can be a tool for our success in the coming year. Looking back, it is amazing to see how everyone at the Fund came together & rose to the challenge to keep operations running smoothly during what has been an unprecedented time in history. The ingenuity & steadfast commitment of HFRRF Trustees & staff led the way for monumental developments & successes throughout the year.

We are encouraged by the District Court ruling that SB2190 is unconstitutional as applied to HFRRF. The Fund's Board of Trustees has stated, from the beginning of pension reform, that SB2190 infringes on the Board's constitutional rights. As representatives of our members, we will always do what is lawful & in the best interest of our Fund. The City has appealed this ruling & we will keep you up to date through the appeals process.

Accolades to the Investment Team for their disciplined approach to managing our portfolio. Rest assured that the Fund consistently maintains a level of liquidity to satisfy obligations, including your benefit payments. Thanks to our investment professionals & their strategies, we successfully weathered the storm, ending FY20 with a positive return. While uncertainty remains in the market, growth is projected to rebound in 2021.

The COVID-19 pandemic prompted changes worldwide which have affected how we conduct business at the Fund. As we adapt & move forward, we are embracing advances in the virtual world. Staff are working remotely & Zoom meetings have temporarily replaced face-to-face interaction. I am inspired by the dedication of HFRRF staff & Trustees to consistently ensure we provide the highest level of customer service to our members. Digital transformation enables the Fund to provide you (our members) with immediate 24/7 access to your personal information with the ability to securely perform updates & initiate transactions.

We have successfully embraced the challenges of 2020 & used the opportunity to improve what is most important to us, our service to you. This commitment will never change. Please stay safe!

Wishing you & your family good health,

Brett Besselman
Chairman
Houston Firefighters' Relief and Retirement Fund



News from the Board

SB 2190 UPDATE

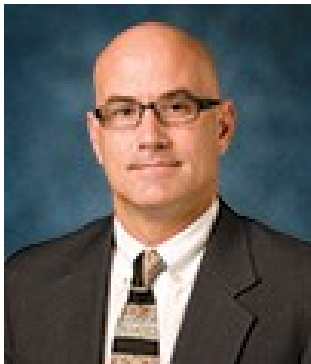
On October 7, 2020, 190th District Court Judge Miller ruled that SB 2190 is unconstitutional as applied to HFRRF. The Judge's order included a stay through November 15th to allow for the appeals process. Following the court's decision, Mayor Turner issued a statement indicating that the City of Houston will appeal.

The City did file an appeal, so the stay will likely be extended through the conclusion of appellate proceedings. A stay prevents execution of the judgement so, as long as a stay is in place, the Fund will operate under current plan provisions. HFRRF will continue to keep members updated.

We are encouraged by the judge's decision in our favor. HFRRF & the Board of Trustees are dedicated to ensuring members receive the benefits they deserve.

HFRRF BOARD OF TRUSTEES ELECTION

In accordance with the HFRRF Policies & Procedures Manual, candidates for the current HFRRF Board of Trustee election were announced as follows:



Stephen Whitehead
Position III



Pete Ng
Position IV

Both candidates were unopposed therefore automatically re-elected. As incumbents, Trustee Stephen Whitehead & Trustee Pete Ng will remain on the Board. They will be sworn in to serve new 3-year terms at the first Board meeting in January 2021.

BOARD & COMMITTEE MEETINGS

COVID-19 restrictions resulted in cancellation of March board & committee meetings. HFRRF successfully transitioned to holding virtual board meetings starting in April. Board agendas have been modified to incorporate investments, budget & audit, & pension benefits committee meetings which are normally held separately on board meeting days. The public may participate in the open portions of board meetings by dialing in & entering the meeting ID. These numbers are listed at the top of each agenda.

Board agendas & minutes are posted on the HFRRF website: [Board Agendas & Minutes](#)

State & Federal News



ELECTION DAY is Tuesday, November 3, 2020



Don't forget to VOTE!

LEGISLATIVE UPDATE

Texas: As the next regular session of the Texas Legislature prepares to convene on January 12, 2021, there are more questions than answers. November election results will determine control of the Texas House, which has been under Republican rule since 2003. Democrats must gain 9 seats to reach a majority in this chamber. With House Speaker Bonnen retiring, the election outcome will also influence the selection of his replacement. The Texas Senate is expected to remain under Republican control.

The Texas Capitol has been closed to the public since March in an effort to reduce the spread of COVID-19. Normally, the building would be bustling with lawmakers, lobbyists, & the public discussing & debating current issues. It is uncertain how the House & Senate will operate in the coming months. The 87th Texas Legislature may limit business in the regular session & only address the major issues of budget, redistricting based on the 2020 Census, & any items deemed priority by the Governor. Special sessions will probably be necessary in the summer.

United States: HFRRF has been in the forefront of efforts in Washington, for years, to repeal or reduce the impact of WEP & GPO. Windfall Elimination Provision (WEP) reduces the Social Security benefit for individuals receiving a pension benefit earned from non-Social Security employment. Government Pension Offset (GPO) similarly affects spousal & survivor benefits.

There are active bills in Congress, HR 141 introduced by Rep. Davis (R-IL) & S 521 by Sen. Brown (D-OH), to repeal both laws. HR 4540 by Rep. Neal (D-MA) & HR 3934 by Rep. Brady (R-TX) offer different approaches to the transition periods of current workers. As full repeal appears unlikely, HFRRF has been working closely with Rep. Brady (R-TX) & Sen. Cruz (R-TX) to produce a reform bill. The proposal is a proportional benefit formula, based on individual work history, rather than the one-size-fits-all WEP penalty.

The current session will soon draw to a close, most likely without passage of any WEP legislation. However, post-election political dynamics could create an environment in which Congress can finally take action on WEP. In the meantime, HFRRF will continue our work to advocate for the best possible solution for our members.

News from Member Services

HFRRF PENSION OFFICE

While the pension office is currently closed due to the pandemic, all staff are working remotely during **regular business hours, Monday – Friday 7:30am – 4:00pm**. Member services representatives are available by phone or email & for virtual appointments. A wide range of self-service options are also accessible online 24/7 in [MemberDirect](#).

COST OF LIVING ADJUSTMENT



The Fund's actuary determined that **COLA** will be **1%** so members age 55+ & those receiving general disability benefits will see monthly amounts increase by 1% beginning with the **October 31, 2020** benefit payment.

DROP/PROP INTEREST



New Interest Rate is 3.45% effective **September 1, 2020**

Monthly Interest is calculated on account balance the last business day of each month & posts to the account by the middle of the following month.

When planning to withdraw or roll over a large amount of money, consider the timing. You can **specify disbursement processing after the 1st of the month** so you won't lose interest.

For example, a member has \$500,000 in a DROP account & withdraws \$300,000...

- **9/30** Member withdraws \$300,000. **September interest will be paid on \$200,000** ↓
- **10/1** Member withdraws \$300,000. **September interest will be paid on \$500,000** ↑

DROP/PROP STATEMENTS



Quarterly DROP/PROP Statements are no longer mailed out. Members can access statements in [MemberDirect](#). **In response to your requests, current balance now appears at the top on the first page of your statement.**

BACK-DROP

What is it? Back-DROP is a provision of DROP that allows a firefighter to have their account recalculated, based on a date 1 month to 3 years prior to the original DROP entrance date. The member must have at least 20 years of pension service as of the Back-DROP date. Back-DROP is only available **BEFORE RETIREMENT**. Contact Member Services for more info.

What are the steps to Back-DROP?

1. Contact Member Services to discuss your interest in Back-DROP
2. Complete the Back-DROP application (provided by Member Services) **before you retire**
3. Submit the application to Member Services **before you retire**

Please note: Members cannot Back-DROP after retirement

Contact Member Services at 281-372-5100, 800-666-9737 or memberservices@hfrf.org

More News from Member Services

IRA ROLLOVER OPTION

Traditional IRAs are Individual Retirement Accounts that allow pre-tax contributions, so investments grow tax deferred. After retirement, withdrawals are taxed at the owner's current income tax rate. Keep in mind, there are fees & costs associated with all investment products & services. The charges may seem small, but they add up over time & can have a major impact.

The Fund does not charge fees on your DROP/PROP assets, but you may choose to invest elsewhere. Before deciding to roll over funds, make sure you understand & compare the fees you'll be charged & determine whether the bank or brokerage firm will act as fiduciary for your assets. This could save you a lot of money in the long run.

To initiate a rollover from DROP/PROP to a traditional IRA,

➤ Submit paperwork to Member Services

- [**DROP Distribution Election Form**](#) [**PROP Distribution Election Form**](#)
- Letter of Acceptance from the receiving institution including the following info
 - Name of receiving institution
 - Member's name & account number
 - Specify the receiving account is a traditional IRA
 - For transfer by mail, provide address where check should be mailed
 - For wire* transfer, provide routing number of receiving institution

**Receiving institution may charge a wire fee for this expedited service*

➤ Funds are disbursed by BNY Mellon, HFRRF's custodian bank. The process normally takes about 2 – 3 weeks.

Annual Supplemental Benefit Distributions

The annual supplemental benefit will be distributed on or before January 15, 2021 to retirees & eligible survivors who were receiving service or disability retirement benefits as of June 30, 2020 & remain eligible on the distribution date.

This benefit was established in 1998 to supplement the annual pension of firefighters & eligible survivors. The primary focus was to bring the annual pension total up to at least the federal poverty level for those who had been retired a long time & received a very small pension. The guideline is \$31,000 for January 2021 calculations. The aggregate total of this benefit is \$5 million and is distributed each January.

In general, the longer you've been receiving a benefit from the Fund & the further away you are from the minimum gross annual benefit (poverty guideline), the larger your payment.

Eligible recipients will receive a letter with more information about individual calculations.

Contact Member Services at 281-372-5100, 800-666-9737 or memberservices@hfrf.org

Save
the
Date

December 3, 2020

Retiree Christmas Luncheon

HFRRF Greer & Lowdermilk Conference Center

April 10, 2021

HFD Memorial Ceremony

HFRRF Memorial Garden

*Due to the pandemic, no seminars, retiree coffees
or other events are scheduled at this time*

Monthly Pension Payments

Paper Checks will be mailed by BNY Mellon on the following dates:

November 25	January 27	March 29
December 29	February 24	April 28

Direct Deposit monthly pension payments are scheduled by BNY Mellon & should reach your bank account by the last business day of the month.

If you receive monthly pension paper checks in the mail, consider having the funds deposited directly into your bank account. For information, contact HFRRF Member Services at 800-666-9737 or 281-372-5100.

Happy HFRRF Work Anniversary



Name	Title	Celebrating
Lori Bryant	Assistant Controller	15 years in March

Congratulations Lori!

Key Dates

November						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

January						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February						
S	M	T	W	T	F	S
		1	2	3	4	5
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

HFRRF Board & Committee Meetings
are 3rd Tuesday of every month

Office Closings

November 11	Veterans Day
November 26 - 27	Thanksgiving
December 24 - 25	Christmas
January 1	New Year's Day
January 18	MLK Day
February 15	Presidents Day

Office Noon Closures

November 25	January 15
December 23	February 12
December 31	April 2

IN MEMORY

Our condolences & heartfelt sympathies are extended to families of our members who recently passed away.

ACTIVES

ACTIVES	DEPARTED	HFD SERVICE
Leroy Lucio	7/20/2020	1990 - 2020
Gerardo Pacheco	8/3/2020	2005 - 2020
Tommy Searcy	9/8/2020	2002 - 2020
Lemuel Bruce	10/16/2020	2004 - 2020

RETIRED

RETIRED	DEPARTED	HFD SERVICE
Elza Smith Jr.	6/16/2020	1964 – 1975
Tom Martin	6/23/2020	1955 – 1987
William Benningfield	6/25/2020	1974 – 2008
Ronald Barrett	6/28/2020	1969 – 1998
Donny Holcomb	6/29/2020	1972 – 1994
William Reaser	7/10/2020	1980 – 1988
Larry Matlock	7/10/2020	1971 – 1991
Charles Scarmardi	7/16/2020	1973 – 2005
Gary Dean	7/17/2020	1977 – 2003
George Ross	7/17/2020	1974 – 2002
Richard Silence	7/21/2020	1963 – 2003
Charlie Sontag Sr.	7/22/2020	1950 – 1976
Joe Muirhead	7/24/2020	1969 – 2009
Darrell Deckard	8/7/2020	1980 – 2011
Vincent Ruff	8/7/2020	1973 – 2007
Casey Beavers	8/7/2020	1989 – 2015
Fred Mansell	8/11/2020	1958 – 1983
Melvin Yanchak	8/16/2020	1972 – 1992
Guy Travis Wells	9/15/2020	1980 – 2005
Stephen Hill	9/22/2020	1975 – 2007
Samuel Chumley	9/23/2020	1968 - 2001
Paul White	9/28/2020	1967 – 1988
Jackie Langley	10/2/2020	1961 – 1981
C E Hazell	10/3/2020	1952 – 1973
Harold Cobb	10/8/2020	1968 – 1988
Charles Hester	10/9/2020	1959 - 1989
Jack Moffitt	10/17/2020	1950 - 1977
Matt Raney	10/21/2020	1975 - 2000

BENEFICIARIES

DEPARTED

Shirleen Friery	6/17
Wanda Bryan	6/21
Nelda Tosh	7/23
Eunice Goss	7/25
Gail Walther	7/31
Hilda Drohan	8/5

BENEFICIARIES

DEPARTED

Donna Peake	8/12
Betty Kent	8/2
Betty Railsback	8/14
Cecile Pierce	8/27
Lucille Reese	9/29
Patsy Hickman	10/1



☑ UPDATE BENEFICIARY INFO

Please take a moment to update beneficiary information for your DROP & PROP accounts. If any of your beneficiaries moved, changed their phone number or email, your account may not be accurate.

[DROP Beneficiary Contacts List](#)

[PROP Beneficiary Contacts List](#)

Use links above to complete the forms then email to memberservices@hfrf.org

☑ STAY CONNECTED WITH HFRRF

Want to receive emails from HFRRF about Fund news, updates, member events, & other notifications?

- Use this link: [MemberDirect](#)
- Find the box at the bottom of the page:
 - ☐ **Email me Fund News and Events**
- Check the box to receive HFRRF emails

COMING SOON...

DocuSign

If you need assistance or have any questions, contact Member Services at 281-372-5100, 800-666-9737 or memberservices@hfrf.org

Health and Wellness

LUNG CANCER: WHAT YOU NEED TO KNOW

Did You Know?

According to the Lung Cancer Foundation, lung cancer kills 433 Americans a day. That is the number of seats on a 747.

Importance of Early Detection

Patients have more treatment options and a far greater chance of survival when lung cancer is detected early. The 5-year survival rate increases from 18 to 55 out of every 100 for those diagnosed before cancer has spread. The key is being tested early.

How to Detect Lung Cancer: Symptoms

Many people believe smoking alone causes lung cancer. But, increasingly, people who have never smoked or quit smoking many years ago are being diagnosed with lung cancer.

Symptoms do NOT always manifest themselves in the early stages of lung cancer. And, there are some classic symptoms of lung cancer that, by themselves, are generally not cause for worry. If you experience any of these symptoms, please talk to your doctor to rule out lung cancer.

- | | |
|---|-------------------------------------|
| <input type="checkbox"/> Shortness of breath | <input type="checkbox"/> Hoarseness |
| <input type="checkbox"/> Chronic bronchitis | <input type="checkbox"/> Chest pain |
| <input type="checkbox"/> Unexplained weight loss | <input type="checkbox"/> Bone pain |
| <input type="checkbox"/> Persistent cough (especially with rust colored sputum) | |

Does insurance cover early detection testing?

Studies over the last 15 years using early detection screening such as spiral CT have been shown to reduce lung cancer death 16% to 20%. The U.S. Preventative Services Task Force recommends annual computed tomography (CT) screening for people who meet specific criteria. This non-invasive diagnostic test is covered by Medicare and most insurance companies.

You meet the criteria if:

- You are between the ages of 55 and 77
- You are asymptomatic (show none of the signs listed above)
- You currently smoke or quit smoking within the last 15 years or had a tobacco history of at least 1 pack a day for 30 years.

If you do NOT meet all the criteria, but have concerns regarding your lung cancer risks, you should make an appointment with your physician.

To find out more about symptoms, risk factors & treatment, visit www.mdanderson.com.

Kristi Marx, LCSW

Family Services Counselor

If you have a suggestion for future health & wellness topics, please contact Kristi Marx at 281-372-5100

HOUSTON FIREFIGHTERS' RELIEF AND RETIREMENT FUND

HFRRF's mission is to provide a secure retirement benefit plan for our members through professional administration, prudent management of system assets, sound investment practices, & prompt, courteous delivery of accurate benefits & useful information.

HFRRF Board of Trustees

Brett Besselman	Chairman
Stephen Whitehead	Vice Chairman
Lisa Slagle	Secretary
Gerard Daniels	Active Member
Pete Ng	Active Member
David Riegor	Active Member
David Lantrip	Retired Member
Al Mays	Citizen Member
Arif Rasheed	City Treasurer Designee
Earnest Wotring	Mayor's Representative

HFRRF Executive Director

Ralph Marsh

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www.hfrrf.org

<https://www.facebook.com/HFRRF>

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