

DENVER EMPLOYEES RETIREMENT PLAN

YOUR TRANSITION

TO RETIREMENT

Important Information on Retirement Planning

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Introduction

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With retirement coming closer, now is the time to make the necessary preparations that will ensure you a rewarding retirement experience. There are many things to take into consideration before you retire.

- ◆ Where are you going to live?
 - ◆ How much money will you have to live on?
 - ◆ What will you do with your newfound free time?

You are about to make one of the biggest transitions of your life, and it will be very rewarding if you start planning for it now.

One of the most important elements of retirement preparation is your retirement savings. While your lifetime monthly retirement benefit from Denver Employees Retirement Plan is generous, it is designed to be supplemented by other sources, such as Social Security and personal savings or investments. *It is very important to begin saving as soon as you can, but it is never too late to start.* One-third of retirees have experienced, or are expecting to experience, a decline in their lifestyles due to diminished savings. Do not rely on the benefits you receive from the Plan, or on Social Security alone. You will have to save sufficiently to supplement these benefits for greater financial security. People are living longer than they used to. You will need to prepare financially for many more years in retirement. A good way to get started is to analyze everything, from your current income to your health condition, to get an idea of how much more you will have to save for retirement. Further information may be found in the “Savings and Investment” section of this booklet.

Topics covered in this booklet range from savings, budgeting, and investments, to wills and how to decide where to live after you retire. There are many elements of retirement that you may like to take into consideration. Also included are the specifics of the retirement process through the Denver Employees Retirement Plan. Please keep in mind that this booklet is not intended to be the only source of information on this subject, and is not intended to be taken as specific tax or legal advice. However, this booklet, along with other sources, should place you well on the way to being prepared for your retirement.

*SAVING AND BUDGETING:
PREPARING FOR RETIREMENT AND BEYOND*



SAVINGS AND INVESTMENT

It is best to start saving for your retirement as early as you can. It is possible that your years in retirement will be as or more expensive than your working years, simply because you will not be working, and therefore will be more active. The amount you need to save depends on what kind of retirement lifestyle you wish to have. If you have plans to travel or to reside in an area with a higher cost of living, you will need to save more than if you wish to stay in the same place or move someplace where the cost of living is not as high.

The sooner you start saving and/or investing, the better. An individual will need about the same amount of their current income to maintain their current standard of living after retirement. Some costs will increase, and some will decrease, after you retire. Those that may decrease are:

- ◆ Mortgage payments (this expense can eventually be eliminated)
- ◆ Clothing
- ◆ Taxes
- ◆ Debt payments
- ◆ Transportation (to and from work)
- ◆ Disability Income Insurance (if applicable)
- ◆ Savings and Investments (your need to save money may be lessened)

Costs that may increase are:

- ◆ Rent
- ◆ House upkeep
- ◆ Utilities
- ◆ Health insurance
- ◆ Auto/Home/Liability insurance
- ◆ Long-term healthcare insurance
- ◆ Vacation and travel
- ◆ Recreation and entertainment
- ◆ Contributions and gifts (only if funds are available)

Remember, people are living longer than they used to. Now, American men are expected to live on average until the age of 84, and women until the age of 87. This is an additional 20 years or more beyond your retirement date. You must plan to save enough to last for at least that amount of time.

Inflation is also an important factor in your financial planning. It can have a drastic impact on how much you will need after you retire. Expenses can nearly *double* within 20 years, at a current projected inflation rate of 3%. For example, a vehicle that costs \$25,000 now will cost approximately \$45,000 in 20 years. Your own net worth would also decline; your purchasing power would be cut almost in half in a span of 18 years. Taking the factors of life-span and inflation into account will be essential to your financial retirement planning.

It is easy to procrastinate on your retirement savings. Why put money away now that you could be using for more immediate concerns? Procrastination could result in eventual financial failure. To overcome this, you must think ahead to your future. Plan things step by step. The more organized you are, the easier it will be for you to set up a plan and start saving for retirement.

The lifetime monthly benefit you will receive from Denver Employees Retirement Plan will provide a part of your retirement income. You will need to acquire and save money from other sources, as well. Social Security is one of these sources. IRAs, annuities, personal savings, and other investments can also contribute to your retirement.

The City offers two 457 Deferred Compensation plans to help you save for retirement. You can transfer pre-tax money through payroll deductions to Cooney and Associates, or to ICMA. They can help you select investments that meet your risk tolerance and financial objectives. For more information, you can call Cooney (303-388-0854) and ICMA (303-861-7457) or get a brochure and enrollment form from your Payroll Technician.

BUDGETING

It is a good idea to set up a budget plan before *and* after you retire! A good budget will allow you to save for your retirement needs, and will help you to get the most from your savings after you are retired. A good budget plan will help you with the following:

- ◆ You will more easily gain financial security.
- ◆ You will know exactly how you are doing financially from month to month.
- ◆ It will be easier to save money for future investments or emergencies.

First, write down how much money you spend per month, and what you are spending it on. Think about your income, and how it relates to your expenses. Be sure to look ahead at future inflation adjustments that may need to be made. Also, think about any adjustments that may happen as a result of any life changes. Then, by category, set up your spending budget. When doing this, prioritize the following:

- ◆ Housing
- ◆ Food
- ◆ Transportation
- ◆ Medical Care
- ◆ Clothing
- ◆ Personal Care
- ◆ Entertainment
- ◆ Education
- ◆ Other

Keep track of your spending, and try to cut expenses where you can:

- ◆ Use grocery coupons
- ◆ Go bargain hunting
- ◆ Do comparison shopping
- ◆ Eliminate or minimize debt
- ◆ Set up a separate account for unexpected and emergency expenses

When cutting back on expenses, determine the following factors:

- ◆ Is the service/product in question truly important or necessary at this time?
- ◆ Could you manage with a less expensive brand of the same product (generics/store brands)?
- ◆ Are you using more of the product/service than you need?
- ◆ Are you comparing prices and finding the best option?

Remember, the amount you receive from the Plan will be a lifetime monthly benefit!

Although monthly benefits may be increased by the Retirement Board granting a Cost of Living Adjustment (COLA), such increases are not automatic and can only be provided when funding circumstances permit.

To help you with your budget planning, the Plan can do an estimate of your retirement benefit. Call, email, or fax your request for an estimate. The Plan will need your name, address, Social Security number, and your Joint and Survivor beneficiary's age and gender (if applicable) in order to process your request. There is also a retirement calculator on our website, www.derp.org. Click "Calculate Benefits" and fill in the required information to get an idea of what your benefit will be.

LIFE AFTER RETIREMENT



WHERE TO LIVE AFTER RETIREMENT

One of the many things you need to decide when you retire is where you are going to live. Many people decide to move closer to family and loved ones, while others choose to relocate to places they have always wanted to live, or that offer a great amount of recreation. Others remain where they currently live. It is up to you!

When you think about moving, there are many aspects of a location to take into account. The lifestyle you prefer to lead will be a large determining factor. If you want to spend your days by the beach, you will end up moving somewhere different than if you were to prefer the mountains. Do you wish to remain close to family, friends, and familiar neighbors? These will all factor into your decision on a location. Also, find out what the cost of living is in the area you are considering. Will you be able to afford a life there on your retirement budget? Take a look at what the weather, the people, and the surrounding areas are like in the locations you are considering. Also, research what is involved with the process of selling your current home. You may realize that you wish to remain in the same place, after all.

It is also recommended that you familiarize yourself with the tax laws of the area you move to. Some states impose no tax on retirement income. Some states do. *For members who remain in Colorado after they retire:* Colorado law currently excludes pension income up to \$24,000 per year for those over age 65. For those under age 65, pension income up to \$20,000 is excluded.

WORKING AFTER RETIREMENT

Many people view retirement as a well-deserved break from work. However, there are those that wish to keep working after they retire. Some may start a business of their own, go into consulting, or simply change their career to something that they've always wanted to pursue. It is a good way to stay active, and to earn some extra income. If you seek employment after you retire, you must be careful. Extra income received after retirement may have an impact on your Social Security benefit and taxes. If you are receiving a retirement benefit from the Plan, there are certain things to take into consideration if you wish to keep working:

- ◆ If you go back to work full time or at least half-time with the City, your DERP retirement benefit will terminate for the period you are reemployed. However, while you are working again for the City, you will accrue additional service. This is called a bridged benefit, meaning that your original retirement benefit will be combined with your additional calculated benefit.
- ◆ If you go back to work for any other employer (not with the City), it will not affect your DERP retirement benefit.
- ◆ If you have a DERP Disability retirement, your benefit will terminate upon reemployment of any kind generating income at or above the "substantial gainful activity" amount as defined in the regulations of the Social Security Administration.

Your Social Security benefit may also be affected by your decision to go back to work. If you are under age 65 and earn more than a certain amount, your Social Security benefit will be reduced. You can contact the Social Security Administration for an estimate of what your reduction would be. If you are over age 65, your income will not affect your Social Security benefit.

VOLUNTEER WORK

As an alternative to remaining employed after retirement, some people choose to do volunteer work instead. You can volunteer for almost anything, and it is easy to find volunteer opportunities to suit almost any interest.

- ◆ Help with your favorite charity
- ◆ Work with children
- ◆ Mentor a student
- ◆ Work with animals
- ◆ Help out at the Airport, the Hospital, the Zoo, the Art Museum, or the Library
- ◆ Participate in a nature cleanup

Look around and see what volunteer opportunities are available. Local newspapers often list organizations that need volunteers. You can also talk to friends and neighbors, or speak with your local social, civic, religious, or political group. They may have suggestions, or they can refer you to places that do.

Be sure to follow your interests! Volunteering is a great way to gain new experiences and contribute to the community.

RECREATION

When you retire, you will have the time and the chance to do those things that you have always wanted to do. Recreation Centers offer a great variety of activities and classes. They can offer anything from calligraphy and ceramics, to dancing and weekly book clubs. There are many Recreation Centers in Denver and the surrounding suburbs. Call the one nearest you and find out what they are offering! There are also many parks in Denver, not to mention the natural attractions—from Rocky Mountain National Park, to the Great Sand Dunes.

There is a list of local Recreation Centers in the Appendix of this booklet.

GOING BACK TO SCHOOL

Many retirees decide to go back to school once they are finished with work. You can go back to further your education, or to simply pursue an interest that you have always had. Some people go to take a cultural class, such as Art, Music, or History. Others go for practical reasons, to learn how to do taxes, manage their finances, or repair their own vehicles. The last option is to go back and pursue a hobby. Ceramics, Scrapbooking, and Sewing are only a few options.

Contact the Community Colleges and Recreation Centers for more information. Some Community College contact information can be found in the Appendix of this booklet.

WILLS AND TRUSTS

An important part of the overall process of financial planning (along with budgeting, taxes, insurance, and retirement planning), should be the writing of your will or trust. Individuals who have children who are minors are definitely encouraged to set up a will or trust. However, it is suggested that everyone should have one. Even if you have your own intended plans for your funds and property, it is better to have legal enforcement behind it in order to avoid distribution or probate issues after you are gone. If you decide to simply write down your wishes yourself and not legalize them, it could cause conflict and confusion for the people you have left behind. At the very least, it is wise to establish who your representative will be. This person would be the one to take charge of the many different tasks that need to be done. You have the option of writing your will or trust yourself, or working with an attorney to create one. It is highly recommended that you work with an attorney, even if it is just for a consultation or to ask questions.

A will or trust is a legal statement of your final expression of wishes. This document needs to be set up as such that the court legally accepts it. Matters that need to be considered when creating your will or trust are:

- ◆ Funeral and costs
- ◆ Bills
- ◆ Personal Business
- ◆ Taxes
- ◆ Vacating of dwelling
- ◆ Organization and distribution of property

Once you have a will or trust, you may need to make changes to it if:

- ◆ You change your mind about your beneficiary
- ◆ Your chosen Executor/Executrix dies
- ◆ There are major changes in your family (divorces, remarriages, deaths)
- ◆ There are changes in your finances
- ◆ There is a change in your assets
- ◆ The needs of your beneficiary change
- ◆ If you move to another state or country

Another option to take into consideration is a living will. It is never too early to make a living will. It is wise to have your affairs in order, and to have your healthcare wishes established. That way, if you are ever in an accident, or become suddenly ill, your family and your doctors will have a way of knowing how you wish to be taken care of. Again, it is recommended that you work with an attorney to create this document. Think of the information that people will need to know if there is ever a time that you would be unable to express your wishes yourself. Some things to take into consideration when you are writing a living will are:

- ◆ Cardiac resuscitation
- ◆ Mechanical respiration
- ◆ Antibiotics
- ◆ Artificial nutrition
- ◆ Artificial hydration
- ◆ Pain medication
- ◆ Oxygen therapy
- ◆ Comfort measures
- ◆ “Do Not Resuscitate” orders

You may also wish to establish a Durable Power of Attorney. This is the person you would trust to make medical and healthcare decisions for you if you were to become unable to do so yourself. Also, the person given your Power of Attorney can be the person able to interpret your living will, if necessary. Become educated on the laws of the state in which you reside. Some laws may differ from state to state. Contact an attorney to go over the details of creating your will or trust.

DENVER EMPLOYEES RETIREMENT PLAN
RETIREMENT PROCESS



Ready to retire? Following are some of the most frequently asked questions about your retirement with the Denver Employees Retirement Plan (the Plan).

FREQUENTLY ASKED QUESTIONS

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WHAT ARE THE REQUIREMENTS FOR RETIREMENT?

You must be age 55 or older and have five years of credited service. At age 65 you are automatically vested and can retire with less than five years of credited service.

WHEN DO I NEED TO NOTIFY MY EMPLOYER?

Notify your supervisor and payroll technician approximately 30 to 90 days prior to the date you've selected for retirement.

Contact a Membership Service Representative at the Retirement Plan office with your retirement date. The Plan will then send a Certification of Retirement form to your payroll technician to certify your retirement date. When the completed form is returned, you will be sent a letter asking you to make an appointment to complete your retirement application. If you are age 65 or older, or Medicare eligible, contact Social Security 90 days prior to your selected termination date to sign up for Medicare Parts A and B. You must have Parts A and B to enroll in health insurance offered by the Plan.

WHEN WILL MY RETIREMENT BENEFIT START?

Your benefit will start on the first of the month after you have terminated employment and completed your retirement application. The benefit is paid on the first day of the month, for that month. This is a lifetime monthly retirement benefit.

If your retirement documents are completed by the 15th of the month prior to the effective retirement date, you will receive your first benefit on the 1st of the following month. If your documents are received after the 15th, you will receive your benefit within 30 days. All retirement benefits are mailed or sent via direct deposit to your bank on the last day of each month.

HOW LONG WILL MY RETIREMENT BENEFIT LAST?

Denver Employees Retirement Plan is a defined benefit retirement plan. You are guaranteed a lifetime monthly retirement benefit.

CAN MY BENEFIT BE DIRECTLY DEPOSITED INTO MY BANK ACCOUNT?

Yes. The benefit will be in your account on the first of the month and a notice of deposit will be mailed to you by the Plan each month. When you start this service or change banks or bank accounts, the first benefit is sent to your mailing address and the next benefit is directly deposited.

HOW IS MY BENEFIT CALCULATED?

For active members employed by the City and County of Denver or DHHA prior to September 1, 2004, the lifetime monthly retirement benefit calculation is 2% of the employee's average monthly salary (based on the highest 36 consecutive months' salary that the member earns from the employer) times years of credited service. For members who were originally hired or re-hired on or after September 1, 2004, the retirement benefit is based on 1.5% of the average monthly salary times years of credited service. The benefit may be reduced 3% per year of each year you are under age 65, unless you meet the Rule-of-75. The Rule-of-75 enables a member to retire as early as age 55, without a benefit reduction, provided the combined years and months of credited service and age at termination equal or exceed the sum of 75.

Your sick and vacation payoff is counted as salary and is calculated in the average monthly salary, if the highest 36 months' salary is your last 36 months, and can make a difference in your lifetime monthly benefit. You might consider saving your vacation days to "boost" your average monthly salary and your monthly retirement benefit.

IS MY RETIREMENT BENEFIT TAXED?

Yes. Your retirement benefit is taxable. The Plan has withholding tables from the government which can be used. Consult a tax advisor to determine the correct withholding amount. You can change your withholding amount at any time.

Currently, Colorado does exclude pension income up to \$24,000 per year for those over age 65 and \$20,000 per year for those under age 65.

WILL I HAVE ACCESS TO GROUP HEALTH AND DENTAL INSURANCE?

Yes. If you are under 65, the Plan uses the same carriers that the City and DHHA use. If you are over age 65, or Medicare eligible, you must have Medicare Parts A and B. There are several Medicare supplemental insurance carriers available to choose from. The Plan also offers dental insurance. The Plan contributes toward your health and/or dental insurance through a Premium Reduction Benefit based on years of service. The Plan has also implemented the Health Insurance Premium Reimbursement for eligible out of state members, which reimburses members for all or part of their individual health insurance premiums based on the member's premium reduction benefit.

WILL I ALSO GET SOCIAL SECURITY?

Social Security annually sends a statement of benefits to those eligible. If you are age 62 or older, contact Social Security (1-800-772-1213) two to three months prior to retirement for an appointment. To be eligible for Medicare supplemental health insurance coverage through the Plan, those age 65 or older must enroll in both Medicare Parts A (Hospital) and B (Medical) when applying for Social Security benefits. Members can get answers to Medicare questions by calling 1-800-633-4227.

DOES SOCIAL SECURITY HAVE RESTRICTIONS ON EARNINGS?

Post-retirement Social Security earnings restrictions for members under age 65 can be obtained by contacting the Social Security Administration (1-800-772-1213). You can also visit them online at www.socialsecurity.gov. There are currently no earnings restrictions for members over age 65.

WHAT IS THE RETIREMENT PLAN'S DEATH BENEFIT?

When you retire with the Plan, you will receive a lifetime monthly retirement benefit. At the time of your retirement, you will be given a choice between taking the Maximum Benefit or choosing the Joint and Survivor option. If you choose the Maximum, your DERP benefit will stop at the time of your death. If you elect a Joint and Survivor benefit for your spouse or other named beneficiary, upon your death he or she will receive a certain amount of your retirement benefit for the rest of his or her life. If you retire directly from active employment you may have a death benefit from the Plan. If you retire under a Normal or Rule-of-75 Retirement, you will receive \$5,000, which may be taken before your death in 50 or 100 equal installments. If you have an Early Retirement, your death benefit will be reduced by \$250 a year for each year you are under age 65. If there is any of this death benefit left at the time of your death, it will go to your named beneficiary. Your other retirement incomes--savings, IRAs, or Deferred Compensation 457 plans--will go to your designated beneficiary.

HOW DO I KNOW IF I SHOULD SELECT A JOINT AND SURVIVOR BENEFIT?

You will be given the option of choosing the Maximum Benefit or a Joint and Survivor option when you retire. It is important that you and your spouse, if married, review your options carefully.

If you elect a Joint and Survivor option, you will receive a reduced lifetime monthly benefit in order to provide a lifetime monthly benefit for a beneficiary, usually your spouse. All benefits are calculated on the assumed mortality rate of the member and beneficiary based on their respective ages upon retirement. Because the benefit covers two lifetimes, the benefit is reduced. If you are married, your spouse must be the designated beneficiary unless he or she formally forfeits these rights and consents to the designation of another beneficiary. If the beneficiary should *predecease* you, your benefit will be increased to the Maximum Benefit as if no Joint and Survivor option had been elected. Once retirement benefits begin, neither this option nor the named beneficiary can be changed.

You can select a 100%, 75%, or 50% Joint and Survivor option. The 100% option gives your beneficiary the same monthly benefit that you had prior to death, or 100% of your benefit. The 75% option would give your beneficiary 75% of your monthly benefit upon your death. The 50% option would give your beneficiary one half of your benefit upon your death. The 50% option reduces your benefit the least. The Plan will calculate your Joint and Survivor options for you. You can better calculate the cost of this option when you have the benefit calculations in front of you.

All the Joint and Survivor options give your named beneficiary a lifetime monthly retirement benefit upon your death. Any benefit payment to your named beneficiary will terminate upon the beneficiary's death. Your beneficiary is also eligible for health and dental insurance through the Plan's group insurance and in most cases will also be eligible to receive the Premium Reduction Benefit.

Should you take the Joint and Survivor option? This is a personal decision. You may want to consider the following:

- ◆ Will my spouse need the continuation of my Plan benefit when I die?
- ◆ Do we have enough income-producing assets or life insurance to provide future financial security without my Plan retirement benefit after I die?
- ◆ How much will my Plan retirement benefit be reduced if I take the Joint and Survivor option?
- ◆ Request an estimate to see what reduction is taken for each level of Joint and Survivor benefit: 100%, 75% and 50%
- ◆ Assess other assets to provide income for your beneficiary upon your death
- ◆ Research additional income for a beneficiary that may be provided in a different way for less money. For example, get information about your life insurance options.
- ◆ If your beneficiary should die prior to you, your benefit would “pop-up” to your original unreduced benefit.
- ◆ What is your family health history? You and your spouse may not follow your family genetics but it *can* influence your life expectancy.
- ◆ Your Joint and Survivor beneficiary is eligible for group health insurance usually with your Premium Reduction Benefit upon your death.
- ◆ Your beneficiary designation and benefit option is irrevocable.

The DERP staff can give you information on your Joint and Survivor benefits. However, you may also want to talk to your attorney, accountant, or financial advisor.

Once you’ve thought through your options and made your decision, you will know that you have taken all reasonable precautions to protect yourself and your family. Once you sign your retirement paperwork and select a Joint and Survivor option, the decision will be irrevocable. Neither the option nor named beneficiary can be changed after you receive your first benefit.

WHAT HAPPENS IF I RETURN TO WORK?

If you return to work for the City in at least a half-time position, your retirement benefit will terminate and you will resume accruing service credits and salary for a bridged retirement benefit. If you are employed by any employer other than the City, your Plan retirement benefit will continue without interruption.

WHAT IS THE PLAN’S RETIREMENT PROCESS?

Retirement Benefit Estimates: The Plan will calculate your estimated retirement benefit upon request. The Plan will need the date of intended retirement. Estimates including the Joint and Survivor benefit option are also available. To receive a Joint and Survivor benefit estimate, include the beneficiary’s birth date and gender.

Notice of Member's Benefit Options and Distribution: The Plan will provide members with information regarding their benefit options no less than 30 days and no more than 90 days before their retirement date. However, members may elect and begin receiving benefit payments in less than 30 days after the notice.

When members are ready to retire they should:

- **Notify their Supervisor and Payroll Technician** approximately 30 to 90 days prior to the date selected for retirement.
- **Contact a Membership Service Representative** at the Retirement Plan office with the retirement date. The Plan will then send a Certification of Retirement form to the payroll technician to certify the retirement date. Upon receipt of the completed Certification form from the payroll technician, the Plan will send a letter requesting the member to come to the Plan's offices for an individual appointment to complete the retirement application.
- **Come to the Plan's offices** and complete the retirement application.

Items to bring to the Plan's office when completing the retirement application:

Forms:

- ◆ Copy of the member's birth certificate
- ◆ Copy of the beneficiary's birth certificate (if electing a Joint and Survivor benefit)
- ◆ Consent of spouse (if married and taking the Maximum Benefit or naming another beneficiary)
- ◆ Social Security numbers (member and beneficiary)
- ◆ A deposit slip if electing direct deposit for monthly benefit payments

Health Insurance Information:

For a member, and an eligible spouse or dependent obtaining health insurance coverage through the Plan's group insurance, the member should provide the following:

- ◆ Primary care physician selection
- ◆ Social Security number
- ◆ Date of birth

SUMMARY OF RETIREMENT FACTS

- √ Retirement benefits are paid on the first business day of the month, for that month.
- √ This is a defined benefit plan. You will receive your retirement benefit through the month of your death. If you choose a Joint and Survivor beneficiary, his or her benefit will start the month after your death and last for their lifetime.
- √ Members whose retirement documents are completed by the 15th of the month prior to the effective retirement date will receive their first benefit on the 1st business day of the following month.
- √ Members whose retirement applications are received after the 15th will receive their first benefit within 30 days.
- √ Once the retirement benefit begins, neither the benefit option nor the Joint and Survivor beneficiary can be changed.
- √ Your retirement benefit is taxable. Consult a tax advisor to determine the right withholding amount.
- √ Medicare eligible members should contact Medicare (1-800-633-4227) two to three months prior to retirement. Members must have Medicare Parts A and B to enroll in health insurance offered by the Plan.

RETIREMENT CHECK LIST

INITIAL DECISION

Retirement Date: _____

- Submit notification of resignation/retirement in writing to supervisor and send copy to payroll technician
- Ask payroll technician for the amount of accumulated sick and vacation and hourly wage
- Notify a Membership Service Representative at the Retirement Plan. Give them sick and vacation and hourly wage amounts
- Contact Deferred Comp, if applicable, regarding potentially reducing the taxes on your sick and vacation payoff, and about investments during retirement
Cooney: 303-388-0854 ICMA: 303-861-7457
- Contact Social Security, if applicable, to start benefits or enroll in Medicare (if you are age 65 or older, or Medicare eligible)

RETIREMENT DECISIONS

- Request a current estimate from the Retirement Plan of your retirement benefit with the Maximum Benefit and potential Joint and Survivor option, if applicable. This estimate will include your sick and vacation payoff (if you provide your accumulated sick and vacation amounts to the Plan).
- After you receive a letter from the Plan, schedule an appointment to complete the retirement application. *To get your first retirement benefit on the 1st business day of the month of your effective retirement date, the Plan must have your completed retirement documents by the 15th of the prior month.*
- Maximum Benefit: terminates upon your death. If you are married, your spouse must sign a consent form.
- Joint and Survivor Benefit option: your spouse must be your joint and survivor unless the spouse waives this right.

Beneficiary: SS#: _____

Birth Date: _____

Options: 100%

75%

50% _____

*Upon your death your named beneficiary will receive a lifetime monthly benefit based on the percentage of your benefit designated above. Your maximum benefit will be reduced actuarially based on the ages of you and your beneficiary. **Once your retirement benefit begins, neither the benefit option nor the Joint and Survivor beneficiary can be changed.***

- Lump-sum death benefit (if applicable):
 Normal, Rule of 75, Disability retirement after age 65: \$5,000
 Early retirement: reduced by \$250 for each year under age 65
 Deferred retirement: no death benefit

 Amount: _____
 Beneficiary: _____ SS#: _____
 Address: _____
- Lump-sum death benefit withdrawal 100 or 50 equal payments:
 No withdrawal: _____ 100 months: _____ 50 months: _____
- Retirement Benefit Distribution - on the first of the month for the current month
 By mail, or
 Direct Deposit: bring a deposit slip or bank routing and account numbers
- Tax Withholding - Retirement benefit is taxable and taxes can be withheld
 Federal tax withholding: _____
 State tax withholding: _____ (Annuities and pensions are currently exempt from Colorado tax up to \$20,000 if under 65; \$24,000 exempt if over 65)

DOCUMENTS NEEDED AT RETIREMENT APPOINTMENT

- Birth certificate: you and your Joint and Survivor beneficiary
- Deposit slip if electing direct deposit
- Social Security numbers for beneficiaries and those who will receive health insurance
- Consent of spouse if taking Maximum Benefit and married
- Divorce decree, if applicable

HEALTH INSURANCE

- Review health and dental options and costs
- Have primary care physician names ready

Under age 65 members

- Decide on health insurance choice
- Decide on dental option
- Which family members will be enrolled?
- Bring SS# for each
- Choose primary care physician for each

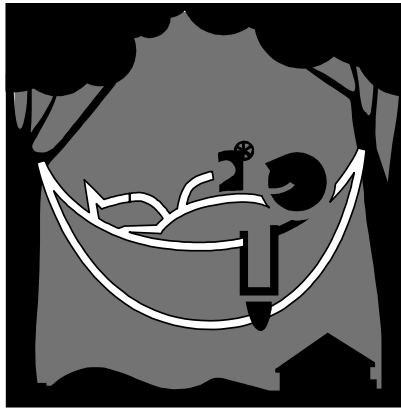
Over age 65 members or members eligible for Medicare

- Contact Medicare three months prior to pending retirement date
- Enroll in Medicare Part A and Part B: *You cannot enroll if the Plan's health insurance if you do not have Medicare Parts A and B and are eligible for Medicare*
- Bring Medicare card or award letter from Medicare
- Decide on health insurance choice
- Decide on dental option
- Which family members will be enrolled?
- Bring SS# for each
- Choose primary care physician for each

***Health Benefit Premium Reduction
(contribution by the Plan for group insurance offered by the Plan)***

Under age 65: Years of service	multiplied by \$ 12.50	= _____
Over age 65: Years of service	multiplied by \$ 6.25	= _____
Insurance premium	Less reduction	= _____

APPENDIX



BUDGETING WORKSHEET

This worksheet should help you get started on a budget plan by allowing you to write down and then see your income, what you spend your income on, and how much you will need after you retire. Simply fill out the spaces that apply to you.

ASSETS AND LIFE INSURANCE

	Yourself	Spouse	Combined
Liquid Assets			
Cash/Checking Accounts	\$ _____	\$ _____	\$ _____
Savings Accounts	_____	_____	_____
DROP Account Balance	_____	_____	_____
IRA/401(k)	_____	_____	_____
Money Market Accounts	_____	_____	_____
Certificates of Deposit	_____	_____	_____
U.S. Treasury Notes	_____	_____	_____
U.S. Savings Bonds	_____	_____	_____
Brokerage Accounts	_____	_____	_____
Other	_____	_____	_____
Total Liquid Assets	\$ _____		
Marketable Investments			
Stocks	\$ _____	\$ _____	\$ _____
Bonds (corporate, municipal)	_____	_____	_____
Mutual Funds	_____	_____	_____
Other	_____	_____	_____
Total Marketable Investments	\$ _____		
Nonincome-Producing Assets (Possible Cash Conversions)			
Residence (net of mortgage)			
Other Real Estate (net of mortgage)	\$ _____	\$ _____	\$ _____
Sale of Business Interest	_____	_____	_____
Expected Inheritances	_____	_____	_____
Collections:	_____	_____	_____
Stamp	_____	_____	_____
Antique	_____	_____	_____
Coin	_____	_____	_____
Art	_____	_____	_____
Other	_____	_____	_____
Total	\$ _____		

BUDGETING WORKSHEET

Life Insurance Policies

Insurance Company	Policy #	Beneficiary	Amount
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Amount			\$ _____

CURRENT ANNUAL SPENDABLE INCOME

	Yourself	Spouse	Combined
A. Annual Income			
Salary (including overtime and bonuses)	\$ _____	\$ _____	\$ _____
Dividends	_____	_____	_____
Interest	_____	_____	_____
Business Income	_____	_____	_____
Rental Income	_____	_____	_____
Other Income	_____	_____	_____
Total Income	\$ _____	_____	_____
B. Annual Taxes on Income			
Federal Income Taxes	\$ _____	\$ _____	\$ _____
Social Security Taxes	_____	_____	_____
State Income Taxes	_____	_____	_____
Total Taxes on Income	\$ _____	_____	_____
Spendable Annual Income (A - B)	\$ _____		

BUDGETING WORKSHEET

PROJECTED ANNUAL RETIREMENT SPENDABLE INCOME

	Yourself	Spouse	Combined
A. Annual Income			
Social Security	\$ _____	\$ _____	\$ _____
DERP Retirement Benefit	_____	_____	_____
Other Pension Plans	_____	_____	_____
IRA/401(k)	_____	_____	_____
Profit Sharing	_____	_____	_____
Private Annuity	_____	_____	_____
Dividends	_____	_____	_____
Interest	_____	_____	_____
Business Income	_____	_____	_____
Rental Income	_____	_____	_____
Salary <i>(if you or your spouse continue to work after retirement)</i>	_____	_____	_____
Other Income	_____	_____	_____
Total Estimated Annual Income	\$ _____		
B. Annual Taxes on Income			
Federal Income Taxes	\$ _____	\$ _____	\$ _____
Social Security Taxes (if salary is earned)	_____	_____	_____
State Income Taxes	_____	_____	_____
Total Taxes on Income	\$ _____		
Spendable Annual Retirement Income (A - B)	\$ _____		

ANNUAL DISBURSEMENTS

	Now	After Retirement
Shelter		
Mortgage	\$ _____	\$ _____
Rent	_____	_____
Property Taxes	_____	_____
Homeowner's or Tenant's Insurance	_____	_____
Repairs and Maintenance	_____	_____
Other	_____	_____
Total Shelter	\$ _____	\$ _____
House Operations		
Gas and Electricity	\$ _____	\$ _____
Water	_____	_____
Telephone	_____	_____
Yard	_____	_____
Total House Operations	\$ _____	\$ _____
Household Expenses		
Food	\$ _____	\$ _____
Laundry and Dry Cleaning	_____	_____
Installment Payments (credit cards, etc.)	_____	_____
Other	_____	_____
Total Household Expenses	\$ _____	\$ _____
Personal Expenses		
Clothing	\$ _____	\$ _____
Personal Grooming (barber, cosmetics, etc.)	_____	_____
Other	_____	_____
Total Personal Expenses	\$ _____	\$ _____
Transportation		
Gas and Oil	\$ _____	\$ _____
Repairs and Maintenance	_____	_____
Auto Insurance	_____	_____
Monthly Payment (Vehicles)	_____	_____
Registration and License	_____	_____
Other (garage, bus, taxi, etc.)	_____	_____
Total Transportation	\$ _____	\$ _____

BUDGETING WORKSHEET

ANNUAL DISBURSEMENTS, CONTINUED

	Now	After Retirement
Recreation		
Entertainment	\$ _____	\$ _____
Eating/Drinking Out	_____	_____
Cable TV	_____	_____
Other	_____	_____
Total Recreation	\$ _____	\$ _____
Medical (not reimbursed by insurance)		
Doctors	\$ _____	\$ _____
Dentists	_____	_____
Prescriptions	_____	_____
Health Insurance	_____	_____
Other	_____	_____
Total Medical	\$ _____	\$ _____
Contributions		
Religious	\$ _____	\$ _____
Charity	_____	_____
Other	_____	_____
Total Contributions	\$ _____	\$ _____
Miscellaneous		
Life Insurance Premiums	\$ _____	\$ _____
Gifts	_____	_____
Vacations	_____	_____
Newspapers and Subscriptions	_____	_____
Education and Self-Improvement	_____	_____
Loan Repayments and other Interest	_____	_____
Other	_____	_____
Total Miscellaneous	\$ _____	\$ _____
Subtotal Ordinary Living Expenses	\$ _____	\$ _____

ANNUAL DISBURSEMENTS, CONTINUED

	Now	After Retirement
Work Related Expenses		
Clothing	\$ _____	\$ _____
Lunches	_____	_____
Transportation	_____	_____
Other	_____	_____
Total Work Related Expenses	\$ _____	\$ _____
Capital Expenses	\$ _____	\$ _____
Extraordinary Expenses	\$ _____	\$ _____
Savings and Investments		
Contributions to Savings (bank account, bonds, etc.)	\$ _____	\$ _____
Contributions to Investments	_____	_____
Contributions to Pension, Deferred Compensation, Profit-Sharing, or Other Savings Plans	_____	_____
Other	_____	_____
Total Savings and Investments	\$ _____	\$ _____
Total Annual Disbursements	\$ _____	\$ _____

REFERENCES FOR FURTHER INFORMATION



RETIREMENT

Denver Employees Retirement Plan

777 Pearl Street
Denver, CO 80203
303-839-5419
www.derp.org

Social Security

1-800-772-1213
www.socialsecurity.gov

Employee Benefits Security Administration

U.S. Department of Labor
200 Constitution Avenue N.W.
Washington, D.C. 20210
1-866-444-3272
www.dol.gov/pwba

EBSA can provide more information on saving and making investments for retirement.

DEFERRED COMPENSATION PLANS

Cooney & Associates

303-388-0854

ICMA

303-861-7457

Books

Making the Most of Your Money

Author: Jane Bryant Quinn

Publisher : Simon and Schuster

Contains worksheets and checklists for investing and budgeting.

Wall Street Journal Lifetime Guide to Money

Author: Wall Street Journal's Personal Finance Staff

Publisher: Hyperion

Discusses integrated financial planning.

Guide to Understanding Personal Finance and Guide to Understanding Money and Investing

Author: Wall Street Journal

Publisher: Simon and Schuster

These are illustrated and concise guides to finance and the market.

The New Retirementality: Planning Your Life and Living Your Dreams...at Any Age You Want

Author: Mitch Anthony

Publisher : Dearborn Trade Publishing

Contains information on investing and saving for retirement, as well as providing alternatives to full-time retirement.

Magazines

“Kiplinger’s Personal Finance Magazine”

Contains articles about investing, taxes, and retirement planning.

“Money Magazine,” “Mutual Funds Magazine,” and “Smart Money Magazine”

All contain articles on current financial matters, and have a good focus on retirement.

Internet

www.asec.org

The site for the American Savings Education Council.

www.choosetosave.org

Provides calculators and information on savings for all age groups.

www.fpanet.org

The site for the Financial Planning Organization. This provides a directory of Certified Financial Planners, searchable by area.

www.investoreducation.org

Provides information about investment.

TAXES

Books:

Tax Facts. National Underwriter, Cincinnati, Ohio. A source of information on taxation of employee benefits, particularly retirement plans.

Internet:

www.irs.gov

IRS. Provides information on federal income taxes.

CHANGING CAREERS AFTER RETIREMENT

The Quick Job-Hunting Map

Author: Richard Bolles

Provides a starting point for anyone who is looking for a new job. Helpful in allowing you to discover what kind of job you really want.

What Color is Your Parachute? A Practical Manual for Job Hunters and Career Changers

Author: Richard Bolles

This is a guide for people who wish to change careers. Includes information on useful Internet websites, on how to select a career counselor, and more.

LIVING WILLS

Internet:

http://www.legacywriter.com/LivingWill_Home.html

<http://www.uslivingwillregistry.com/default.htm>

http://www.urgentbusinessforms.com/living_will.asp

<http://www.thewillexpert.com/>

MISC./GENERAL INFORMATION

Books:

Over Fifty: The Resource Book for the Better Half of Your Life. Tom and Nancy Biracree. Harper Collins Publishers. Contains listings of resources for areas of finance, taxes, healthcare, recreation, and more.

Unbelievably Good Deals and Great Adventures That You Absolutely Can't Get Unless You're Over 50, 2005-2006. The McGraw Hill Companies. Contains information on savings and great deals for travelers age 50 and up.

by Joan Rattner Heilman

Internet:

www.aarp.org

AARP.

www.medicare.gov

Medicare.

www.socialsecurity.gov

Social Security.

www.wiser.heinz.org

Provides information on the interests and concerns of women regarding retirement.

ORGANIZATIONS

Aging and Adult Services

1575 Sherman Street #4

Denver, CO 80203

303-866-3851

Can contact about governmental programs that provide assistance to older citizens.

AARP: American Association of Retired Persons

610 E Street N.W.

Washington, D.C. 20049

202-434-2277

City and County of Denver: Commission on Aging

201 West Colfax Avenue Dept. 1102

Denver, CO 80202

720-913-8450

720-913-8475

<http://www.denvergov.org/Aging/default.asp>

Serves the older adult population of Denver.

National Council of Senior Citizens (NCSC)

1331 F Street N.W.

Washington, D.C. 20004-1171

202-347-8800

Provides connections to approximately 10,000 senior employment opportunities.

Sends out two publications, "Senior Citizen News" and "Retirement Newsletter."

LOCAL COMMUNITY COLLEGES

Arapahoe Community College

5900 South Santa Fe Drive
Littleton, CO 80160
303-797-4222
www.arapahoe.edu

Community College of Denver

1111 West Colfax Avenue
Denver, CO 80204
303-556-2600
<http://ccd.rightchoice.org/index.html>

CCD East
3532 Franklin Street
Denver, CO 80205

CCD North
6221 Downing Street
Denver, CO 80216

CCD West
2420 West 26th Avenue
Denver, CO 80211

Front Range Community College

www.frcc.cc.co.us

Boulder County Campus
2190 Miller Drive
Longmont, CO 80501
303-678-3722

Larimer Campus
4616 South Shields Street
Ft. Collins, CO 80526
970-226-2500

Westminster Campus
3645 West 112th Avenue
Westminster, CO 80031
303-404-5550

Red Rocks Community College

www.rrcc.ccco.es.edu

Lakewood Campus
13300 West 6th Avenue
Lakewood, CO 80228
303-914-6600

Arvada Campus
5420 Miller Street
Arvada, CO 80002
303-914-6010

SENIOR CENTERS/RECREATION CENTERS

Adams County

Aurora Senior Center 303-739-7950

Brighton Senior Center 303-655-2075

Northglenn Senior Citizens Center 303-450-8801

Senior Hub 303-426-4408

Thornton Senior Center 303-255-7850

Tri-Valley Senior Citizens Association 303-734-1223

Westminster Community Senior Center 303-426-4310

Arapahoe County

Aurora Senior Center 303-739-7950

Littleton Community Center 303-794-9216

Malley Senior Recreation Center 303-762-2660

Tri-Valley Senior Citizens Association 303-734-1223

Broomfield, City and County of

Broomfield Senior Center 303-464-5526

Clear Creek County

Project Support Senior Center 303-567-2382

Denver, City and County of

Athmar Recreation Center 303-937-4600

Barnum Senior Center 303-937-4655

Berkeley Recreation Center 303-458-4871

Carl Park Recreation Center 303-477-9251

College View Recreation Center 303-937-4630

Cook Recreation Center 303-692-5659

Curtis Park Community Center 303-295-2399
Eisenhower Recreation Center 303-692-5650
GANAS Community Center 303-893-5114
Glenarm Recreation Center 303-295-4474
Harvard Gulch 303-698-4999
Highland Senior Center 303-458-4868
Jewish Community Center 303-399-2660
Johnson Recreation Center 303-295-4477
La Alma Recreation Center 303-572-4790
La Familia Recreation Center 303-698-4995
Montbello Recreation Center 303-373-8710
Montclair Recreation Center 303-364-8607
Mulroy Senior Center 303-892-1540
Platt Park Senior Recreation 303-698-4965
Senior Support Services 303-832-1622
Sunset Park Senior Center 303-297-0230
Swansea Recreation Center 303-295-4434
Twentieth Street Recreation Center 303-295-4430
Washington Park Recreation Center 303-698-4962
Zion Senior Center 303-333-5746

Douglas County

Castle Rock Senior Center 303-688-9498

Parker Senior Center 303-841-5370

Jefferson County

Clements Community Center 303-987-4820

Evergreen Park and Recreation 303-674-6441

Foothills Park and Recreation District 303-409-2300

North Jeffco Senior Recreation 303-425-9583

Seniors' Resource Center/Mountain Services 303-674-2843

Wheat Ridge Community Center 303-422-0800

This publication is for informational and educational purposes only. The Denver Employees Retirement Plan ("DERP") and its administration of the Plan is governed by the Revised Municipal Code of the City and County of Denver, as well as the Internal Revenue Code and its rules and regulations which are complex and subject to change. Though the information and explanations contained in this publication are based on the pertinent laws in effect as of this date, it cannot be relied on as legal authority, and any conflict or inconsistencies between it and the governing laws are resolved and controlled by those governing laws. DERP makes no guarantees pertaining to the information contained within it.

DENVER EMPLOYEES RETIREMENT PLAN

**777 PEARL STREET
DENVER, CO 80203
(303) 839-5419
WWW.DERP.ORG**