I have been privileged to serve as Chairman of the District of Columbia Retirement Board ("DCRB") for nearly two years now. This past year has been filled with both challenges and changes, but I am pleased to announce to you, the members, including survivors and beneficiaries of participants, in the District of Columbia Police Officers and Firefighters’ Retirement Plan and the District of Columbia Teachers’ Retirement Plan ("the Plans"), that DCRB’s performance has continued to improve.

First, I would like to provide an update on the performance of the D.C. Police Officers and Firefighters’ Retirement Fund and the D.C. Teachers’ Retirement Fund (collectively referred to as “the Fund”), which is where your retirement money has been invested. During fiscal year 2012, which ended September 30, the Fund benefited from a substantial recovery in stock markets around the world. Driven by a 30% increase in the Russell 3000 Index, a broad measure of U.S. stock market performance, the Fund’s value rose by $700 million, from $4.5 billion to $5.2 billion. The Fund’s fiscal year return of 14.5%, gross of fees, exceeded the policy benchmark.

Following our mission to prudently manage the Fund on behalf of our members, DCRB’s Board of Trustees further enhanced the Fund’s diversification by adding new exposures to investments in high-yield bonds, emerging markets debt, and commitments to natural resources/energy partnerships. In addition, the Board of Trustees continued to shift assets into lower-cost index funds to minimize investment management fees and to achieve index returns. These changes enable the Fund to continue to be well-positioned regarding its future retirement obligations.

To support DCRB’s ongoing member communications efforts, DCRB staff conducted an online communications survey between August and mid-November of this year to gather feedback from members of the Plans on the various forms of materials, electronic and printed, that DCRB uses to communicate with you. Member feedback on our current forms of communications was greatly appreciated as DCRB plans to re-evaluate its communications strategy over the next few months. For more details on the results of the survey, go to page 3 to read more.

Finally, DCRB has continued to expand and improve member benefits administration capabilities through launching its Retirement Modernization Program this past year. This three to five year program will invest in DCRB technology to meet member needs in the benefits area. Eventual outcomes will be quicker processing of the first payments of annuities, regular distribution of benefit statements to members, and improved member services with our access to complete member data.

DCRB looks forward to keeping you informed on our work and progress in future newsletters. As always, we are proud to serve you and welcome your feedback.
As the end of the tax year approaches once again, here are some tips to make your tax filing process easier:

**Distribution of 1099-R Forms:**
Prior to January 31, 2013, the U.S. Treasury Department’s Bureau of the Public Debt will issue 1099-R Forms for payments received by retirees, survivors, and beneficiaries in the plans during tax year 2012. The majority of annuitants will receive only one 1099-R Form. However, those who, for example, are both a retiree and the survivor of a retiree will receive more than one 1099-R. In that case, both 1099-R Forms must be filed with your 2012 tax return.

**Planning to Move?** If you have recently moved or have plans to move in the near future, remember to notify the DCRB Member Services Center of your updated address and contact information. To ensure that important notices, 1099-R documents, newsletters, and other DCRB mailings reach you, it is important that you provide updated address information to us. Additionally, please consider sharing your email address with DCRB so we may send you E-News update emails and email versions of our Newsletter. To report updates to your address and other contact information, please complete and return the Change of Address Form, located on the DCRB website, to the DCRB Member Services Center. If you do not have access to the Internet, you may call the DCRB Member Services Center, and one of our Customer Service Representatives will be happy to mail a copy of the form to you.

**Tax Alert for Maryland Residents:** Recently enacted Maryland legislation increased income tax rates and reduced personal exemptions for the 2012 tax year. To determine if these changes will affect you, please contact the Office of the Comptroller of Maryland at 1-800-638-2937. You may also view the Tax Alert notice regarding these changes at [http://business.marylandtaxes.com/pdf/income_tax_law%202012.pdf](http://business.marylandtaxes.com/pdf/income_tax_law%202012.pdf).

**Member Services Center Can Assist You!**
DCRB’s Member Services Center is a great resource for Plan members. Whether you need a copy of a form or would like to schedule an appointment to discuss your benefits with a Customer Service Representative, the Center is ready to assist you. If you need to come in to see us in person, please schedule an appointment by phone or email. By indicating your issue and providing us with your contact information, our specialists can tailor our services to your needs.

**Member Services Center**
DC Retirement Board
900 7th Street, NW, 2nd Floor
Washington, DC 20001
(202) 343-3272
(toll free) (866) 456-3272
TTY (800) 877-8339
Fax: (202) 566-5001

**Trustee Elections Now Taking Place**
DCRB is currently holding elections for three Trustee positions, including the Elected Active Teacher Trustee, the Elected Active Firefighter Trustee, and the Elected Retired Police Officer Trustee. Ballots were mailed to eligible voters on October 30 and the deadline for ballots to be returned and the last day to vote by telephone (option available for Active Police Officer and Active Firefighter members only) is November 30. We look forward to announcing the winners of the elections. Elected member terms officially begin on January 28, 2013.
2012 Communications Survey Results

DCRB launched a communications survey in late August 2012, to gather feedback from members of the Plans. Since DCRB regularly communicates with members through newsletters, its website, emails, various mailings, and printed Plan materials, member feedback on these forms of communication is very important. DCRB plans to re-evaluate its communications strategy over the next few months with the assistance of results of the survey, which closed on Friday, November 16, 2012. Below are some general themes mentioned by members:

Simplify and Diversify Content: The majority of the respondents (80%) rated the overall content of the DCRB newsletter as “Excellent” or “Good,” but members also commented that they would like the content to be more user-friendly and to be printed in larger fonts. Respondents would like DCRB to use additional graphics and charts in future publications. Many respondents also asked DCRB to provide trending retirement news items like travel tips, health tips, investment trends, and Medicare and Social Security updates.

Email vs. Paper Communication: While the majority of members stated that they want to receive both email and paper communications, 43% of respondents wanted to receive electronic communications to their designated email addresses only.

Social Media: While many respondents currently prefer to find items of interest on DCRB’s website or receive information through emails to their designated email addresses, 30% said they would also like DCRB to use Facebook as an additional media outlet for sharing information in the future.

Target The Message: DCRB currently creates the majority of its communications with its entire membership in mind, but 64% of Active and Retired Members are interested in receiving more targeted information in separate newsletters and emails.

Personalized Statements: Many respondents requested that DCRB issue electronic earning statements, send regular updates related to historical personal data and payments, and provide access to member data online. Through its current Retirement Modernization Program, DCRB is working with various District Agency partners to implement technology improvements to meet these needs in future years.

<table>
<thead>
<tr>
<th>Who Answered the Survey?</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retired Police Officer</td>
<td>12.3%</td>
<td>50</td>
</tr>
<tr>
<td>Active Police Officer</td>
<td>29.3%</td>
<td>119</td>
</tr>
<tr>
<td>Retired Firefighter</td>
<td>3.8%</td>
<td>15</td>
</tr>
<tr>
<td>Active Firefighter</td>
<td>9.0%</td>
<td>36</td>
</tr>
<tr>
<td>Retired Teacher</td>
<td>13.3%</td>
<td>53</td>
</tr>
<tr>
<td>Active Teacher</td>
<td>26.4%</td>
<td>107</td>
</tr>
<tr>
<td>Survivor</td>
<td>2.0%</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td>4.3%</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>406</td>
</tr>
</tbody>
</table>

Health Care Open Enrollment

The District of Columbia Human Resources Office (DCHR) and the Federal Government’s Office of Personnel Management (OPM) have announced their respective health care open enrollment periods, which began on Monday, November 14, 2012. The Federal Open Enrollment period will end on Monday, December 10, 2012, and the District’s Open Enrollment period closes a few days later on Friday, December 14, 2012. During these periods, members who are eligible to participate in the health plans available to District and Federal employees and retirees will have an opportunity to change their health plans.

Packets containing information about the plans were mailed to eligible members in November. For a schedule of health fairs sponsored by DCHR taking place during the enrollment period, see the news release related to open enrollment season on DCRB’s website. More information on District of Columbia health care plans, including 2013 premiums, can be found on DCHR’s website at www.dchr.dc.gov. The OPM website, www.opm.gov/insure, also lists premiums for 2013. The OPM website has a tool that allows participants to compare the provisions, costs, and premiums of different health plans.

Active District employees should submit their changes online through their PeopleSoft Employee Self-Service account. Please contact your Human Resources office if assistance is needed. Retired and survivor members of DCRB’s Plans should forward their completed change forms to the DCRB Member Services Center (see address box on page 2).
A Pension Check Can Cost You

Although receiving a pension check by mail can offer a sense of pride in receiving a well-deserved reward for your work, the time it takes for the check to reach your mailbox may actually cost you money.

When a pension check is mailed, it can sometimes take between 7 to 10 mailing days to reach you, and there is always the possibility that it could be lost in the mail. If you add up the amount of days it could take for you to receive your check each month, over the course of the year, you could be missing out on interest you could be earning on those funds.

If you do not already have direct deposit and would like to enroll, please visit our website, located at [www.dcrb.dc.gov](http://www.dcrb.dc.gov). Completed Electronic Funds Transfer Authorization forms should be returned to the DCRB Member Services Center.

Please note that payment posting procedures vary by financial institution. Therefore, it is important that you become familiar with your bank's process for posting payments that have been directly deposited to your bank account. For details concerning your bank’s posting process, please consult your financial institution.