



DCRB Report

FALL 2019

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The mission of the District of Columbia Retirement Board is to serve the interests of the District's Police Officers, Firefighters, Teachers and their Survivors and Beneficiaries by prudently investing Fund assets and delivering accurate and timely benefit payments with excellent member service.

From the Chair of the Board

Investment Returns

During the twelve months ending September 30, 2019, the District of Columbia Police Officers and Fire Fighters' Retirement Fund and the District of Columbia Teachers' Retirement Fund (collectively referred to as the Fund) grew by \$319 million to a total market value of \$8.5 billion (see chart below). The growth is net of all benefit payments and administrative expenses. The Fund's 3.9% gross rate of return for the fiscal year was positively impacted by its material fixed income holdings, which appreciated in the high single digit range as interest rates declined. Other positive performance drivers were private equity, real assets and absolute return investments. U.S. public equity returns were slightly positive, with the notable exception of value stocks, which experienced a substantial decline. Developed international and emerging markets equities also declined. Since its inception in October 1982, the Fund has achieved an annualized gross rate of return of 8.6%, substantially exceeding the Board's annual actuarial return target of 6.5% (see chart on page 2).



Joseph W. Clark

Strategic Planning Project

Since our last Strategic Plan ended in 2017, in August of last year, DCRB began a Strategic Planning Project (Project) to cover years 2018 through 2022. The Project involved all Trustees and staff members, and consisted of two phases: Phase 1, which involved data gathering and strategic discussions, and Phase 2, which involves defining the Strategic Plan and implementing it.

Phase 1

Phase 1 of the Project consisted of one-on-one and group meetings focused on gathering information about the current status of DCRB and its operations, discussions about where we would be in the next five years, and identifying any changes to our mission in the more distant future. Those activities resulted in a strategy map, the identification of priority one initiatives, and a scorecard for measuring our progress. They also resulted in an update of DCRB's mission statement, and the articulation of our vision statement and core values (see page 3), all of which were approved by the Board at its July meeting.

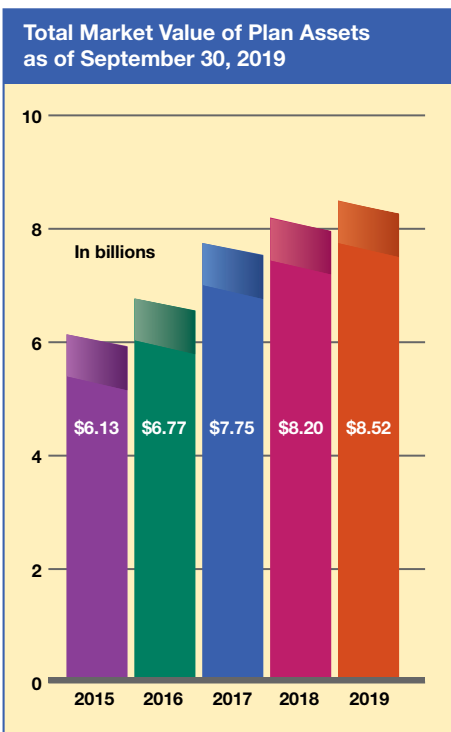
Phase 2

Phase 2 of the Project, which is just getting underway, involves creating and executing the Plan. This includes the implementation of initiatives intended to streamline our procedures and processes in order to move us closer toward our goals of prudent investing, better serving our members, and getting the first pension payment to new annuitants within 60 days of their retirement.

As we initiate and proceed with Phase 2 of the Project, we will keep you informed of our progress and, hopefully, you will see it for yourself through your experience of the services that we provide.

Benefit Statements

In the spring of this year, DCRB's contract with its then actuary ended and a different actuarial firm was selected going forward. Because the change will require more time



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Year End Information Especially for Retirees

Tax Information for Calendar Year 2019

At the end of January 2020, the U.S. Department of the Treasury's Bureau of the Fiscal Service will issue 1099-R forms for the payments that retirees and survivors received from the District of Columbia Police Officers and Firefighters' Retirement Plan and the District of Columbia Teachers' Retirement Plan during tax year 2019. Although most recipients receive only one 1099-R form, those of you who are both a retiree and a survivor of a retiree will receive two forms. Whether you receive one form or two, all should be filed with your 2019 tax returns.

Tax Withholding Amounts

To assure that the amount of taxes being withheld from your benefit payments will be adequate to cover your tax obligations for next year, this might be a good time to review your earnings statement. Under Federal law, you may have taxes withheld, or you may choose to have no taxes withheld. The amount of taxes withheld does not, of course, affect the amount of taxes that you owe. You may change the amount of your tax withholding at any time. To change your Federal tax withholding amount, you should submit a Form W-4P to DCRB's Member Services Center (MSC).

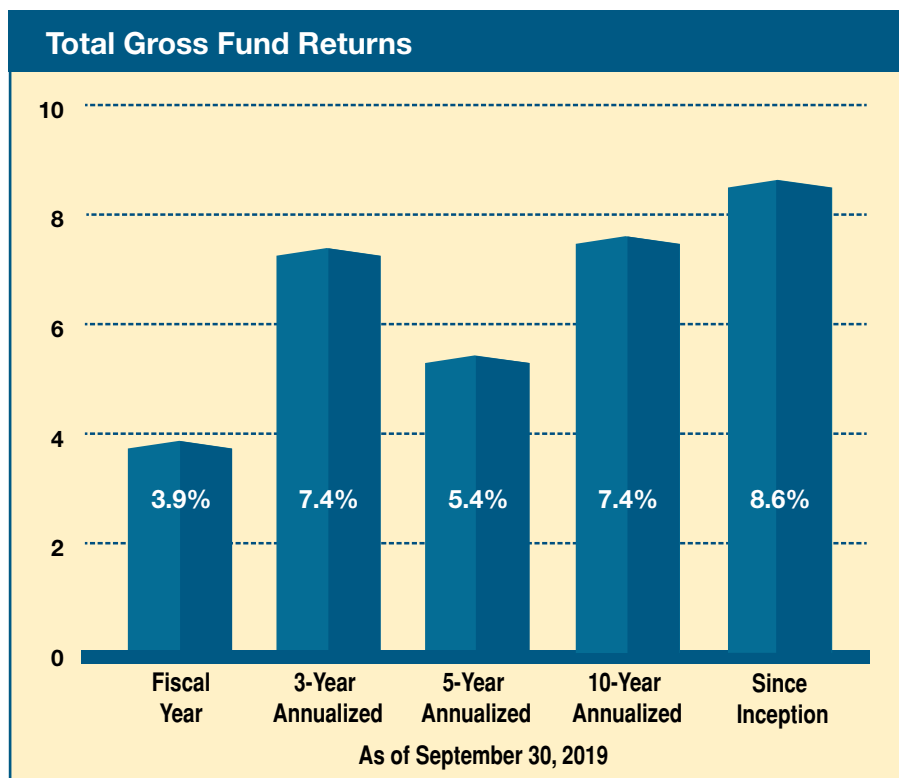
You may send the form via U.S. mail to: District of Columbia Retirement Board, Member Services Center, 900 7th Street, NW, Second Floor, Washington, DC 20001; by fax at (202) 566-5001; or by email at dcrb.benefits@dc.gov. W-4P forms, and separate state tax forms (for MD, VA and DC only) can be requested from the MSC by calling (202) 343-3272 or toll free at 1-866-456-3272, or you can print forms

from the DCRB website at www.dcrb.dc.gov (under Member Forms) or the IRS website at www.IRS.gov. Active members who wish to make withholding changes should file a Form W-4 and/or state form with their payroll office.

Changes of Address or Direct Deposit Information

If you have moved or plan to do so, you should contact the DCRB MSC (see number above) with your new

address and bank change information, if necessary, as soon as possible to assure that you continue to receive your benefit payments and tax information promptly. As an alternative, you can print out forms for making address or direct deposit changes from DCRB's website (see address in prior paragraph). The completed form(s) should be sent to the MSC at the mailing address, email address or fax number noted above.



Retired Firefighter Election

On August 1, 2019, DCRB began the election process for a Retired Firefighter Trustee, and DCRB's election official, Election America, Inc. (E-A) sent election notification packets to eligible voters on August 30. As with last year's election process, eligible voters may choose to submit their ballots in paper form, or via telephone or on-line.

At the end of September, E-A notified qualified voters of their eligibility to stand for election, ballots were sent to qualified voters on November 8, and the election ends at 11:59 p.m. on December 9. The Board will certify the winner at its meeting on December 19, 2019. The term for the winning candidate will begin on January 28, 2020 and will continue through January 27, 2024.

Health Care Open Season

Each year, you have an opportunity to review your District and Federal health care coverage and determine whether you wish to make a change. This year, the District of Columbia Human Resources Office (DCHR) and the Federal Government's Office of Personnel Management (OPM) have indicated that their respective health care open enrollments will take place from Monday, November 11, 2019 through Monday, December 9, 2019.

Open Enrollment packets containing general information about the plans being offered, premium amounts, and the dates and locations of scheduled health fairs, were mailed to current health plan members during the week of November 4, 2019. DCRB will hold two joint Open Enrollment information seminars in its offices at 900 7th Street, NW. The seminars, scheduled between the hours of 10:00 a.m. and 3:00 p.m. on Wednesday, November 20, 2019 and Friday, December 6, 2019, will provide attendees with information and the opportunity to ask questions. No reservations are necessary.

Members seeking more information on the Plans, the Open Enrollment process, or how to enroll in either the District or Federal plans, may do so by visiting DCRB's website at www.dcrb.dc.gov via the homepage banner announcement labelled "Health Benefits Open Season." That informational link will direct you to both the District and the Federal Open Enrollment programs. The announcement also contains information for Medicare eligible retirees.

With respect to Medicare, under the District health care plans, retirees are assumed to have enrolled in Medicare (Parts A and B) as soon as they are able to do so

— age 65. At age 65, District health care coverage for retirees becomes secondary, covering only 20% of eligible costs. Also, if you do not enroll in Medicare as soon as you are eligible to do so, you will incur a penalty of 10% of the premium cost for each year that you are not enrolled. You should visit the Social Security Administration website at www.ssa.gov for more information on Medicare enrollment.

As in prior years, the OPM website (www.opm.gov) has a feature that allows participants to enter their zip code to locate health plans that have medical facilities near their homes. That feature lets participants select plans they are interested in and displays the provisions, costs and premiums of those plans on a comparison chart.

Once you have received and reviewed the information you need for your health care decision, you

can submit applicable forms for any changes you wish to make for either the District or Federal plans via any of the following methods:

- Email: DCRB.benefits@dc.gov
- Fax: (202) 566-5001
- U.S. Mail: DCRB Member Services Center, 900 7th Street, NW, Washington, DC 20001

Forms and applications submitted via fax or email requesting changes in coverage must be dated, no later than 5:00 p.m. (ET) on December 9, 2019. Documents sent by U.S. Mail must be postmarked by that date.

Active members, who are eligible for District health care coverage, should submit any changes online using the District's PeopleSoft employee self-service portal, and should direct any questions they may have to the District's Human Resources office at (202) 442-7627.

DCRB's Mission Statement

To serve the interests of the District's Police Officers, Firefighters, Teachers and their Survivors and Beneficiaries by prudently investing Fund assets and delivering accurate and timely benefit payments with excellent member service.

DCRB's Vision Statement

Striving to be the leading pension system in the U.S., by prudent investing and excelling in the member service experience.

DCRB's Core Values

- **Accountable:** we will be accountable for our decisions and take responsibility for the associated results.
- **Collaborative:** we seek out colleague and stakeholder input when striving to reach goals and expectations.
- **Respectful:** when interacting with all members, customers, stakeholders, and colleagues, we exhibit courtesy, empathy, and consideration.
- **Responsive:** we strive to provide information and services in a timely manner.
- **Trustworthy:** we will provide our members with the best source of benefits information and prudent investment decisions, and always act with integrity.
- **Service Excellence:** we are attentive to the needs of our members and consistently meet or exceed their expectations.

DC Retirement Board

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Inside this DCRB Report

District and Federal Health Care Open Seasons, Year End Information, Trustee Election, and more

From the Chair of the Board

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than usual to complete this year's valuation of the District of Columbia Police Officers and Firefighters' Retirement Plan and the District of Columbia Teachers' Retirement Plan (the Plans), the benefit statements that we had planned to provide to members this fall will be delayed until next spring/summer. Once this actuarial transition is completed, we will work with the actuaries to provide members with annual benefit statements, based on service and salary information for the end of the prior year.

Improvements Benefiting Our Members

During fiscal year 2019, DCRB's Benefits Department continued its dialogue with the U.S. Department of the Treasury's Office of DC Pen-

sions about a self-service function that will allow annuitants to view their pension documents (e.g., benefit statements, monthly earnings statements, 1099-Rs, etc.) and, eventually, to make certain changes (e.g., address, bank information, tax withholdings) online. At this time, work has begun on the planning and design phase of this important project. Updates will be provided to you in future newsletters.

Awards

We are pleased to advise you that DCRB has received the Public Pension Coordinating Council's (PPCC) Recognition Awards for both Funding and Plan Administration for 2019. These awards are for meeting professional standards for plan funding and administration as set

forth in the Public Pension Standards. PPCC is a confederation of the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems, and the National Council on Teacher Retirement. DCRB has received the funding award for the past decade.

DCRB has also received the Government Finance Officers Association's Certificate of Achievement Award for Excellence in Financial Reporting for fiscal year 2018, an award we have received for the past eleven consecutive years.

These awards reflect both DCRB's commitment to its members, and its adherence to the required professional standards and maintenance to best practices expected of public retirement systems.

TRUSTEES				DC Retirement Board
Janice M. Adams <i>Mayoral Appointee</i>	Mary A. Collins <i>Elected Retired Teacher</i>	Tracy S. Harris <i>Mayoral Appointee</i>	Michael J. Warren <i>Council Appointee</i>	900 7th Street, NW, 2nd Floor Washington, DC 20001 Voice (202) 343-3200 Fax (202) 566-5000 www.dcrb.dc.gov Sheila Morgan-Johnson <i>Executive Director</i> Joan M. Passerino <i>Editor</i>
Lyle M. Blanchard <i>Treasurer Council Appointee</i>	Denise D. Daniels <i>Elected Active Teacher</i>	Greggory J. Pemberton <i>Elected Active Police Officer</i>	Bruno Fernandes <i>Ex-Officio, Non-Voting</i>	
Joseph M. Bress <i>Council Appointee</i>	Gary W. Hankins <i>Vice Chair/Secretary</i>	Edward C. Smith <i>Elected Active Firefighter</i>		
Joseph W. Clark <i>Chair Mayoral Appointee</i>	<i>Elected Retired Police Officer</i>	Thomas N. Tippet <i>Elected Retired Firefighter</i>		