

Dear Pension Member:

Enclosed is your 1994 pension statement. It shows your account's activity and the beneficiary(s) you have chosen. If no beneficiary(s) is listed, at your death, your spouse (if any) is automatically your primary beneficiary.

Twenty-four members left the City's Police and Fire services in 1994. Fourteen started receiving monthly benefits immediately and four will start receiving monthly benefits when they reach age

50. The other six members were not vested and therefore were refunded their contributions and interest. As of the end of 1994 the pension had 526 active members and 238 retired members.

During 1994 the pension paid regular benefits totalling \$2,318,890 (\$2,131,405 in 1993) and 13th

Check "COLA" benefits of \$138,564 (\$127,444 in 1993).

Last year I mentioned some pension changes. The changes have been approved by the City

Council and now await IRS approval. The IRS expects to issue an answer on, or before, May 27,

1995. The changes will become effective 30 days following IRS approval. We have already

provided information to help you chose the right pension plan for your needs, but if you require

more information, or clarification, please contact us.

I hope you have heard of the "Payroll Deduction Investment Plan." The pension has invested over

\$1 million with the American Funds Group. Therefore, any City employee can invest in any of their

27 mutual funds, at no sales charge, through payroll deduction. Also, the City is looking into a new

Deferred Compensation Plan provider that will offer investment choices to City employees.

Through the Deferred Compensation Plan you can annually invest the lesser of 1/4 of your wages

or \$7500, earn interest, and defer paying taxes on both until you take your money out of the plan.

Consider taking advantage of the City's Deferred Compensation Plan and the Payroll Deduction

Investment Plan.

Call my assistant, Paul Lutomski (441-8749), for more information on any of the topics mentioned

in this letter.

Respectfully,

John E. Cripe
Compensation Manager