



# PENSION PRESS

The Newsletter of the Houston Municipal Employees Pension System



## Update From the Chairman

Sherry Mose  
Chairman

Greetings Dear Members and Retirees,

The first quarter of the year is already behind us, and spring is now in full swing. I hope 2019 is proving to be a positive and productive year so far.

The 86th biennial session of the Texas Legislature is well underway in Austin. As you may recall, the previous session was very eventful, with substantial changes to Houston public employee pension systems, including HMEPS. With less than a month remaining in the current session and the bill filing deadline now past, it appears that much of the legislation affecting public pension plans relates to specific funds other than HMEPS, or to measures that HMEPS already is performing. Be assured that we will continue to monitor any developments in regards to our pension system.

In January 2019, at our monthly Board meeting, I was honored to be elected by my colleagues to a new term as Chairman. I am grateful for their confidence and for the opportunity to serve you in this capacity. I also want to congratulate my colleagues, Roy W. Sanchez and Lonnie Vara, on their respective elections to new terms as Vice Chairman and Secretary of the Board of Trustees. I look forward to continuing to work with them and the entire Board to move our system forward.

I am pleased to announce that our Spring Financial Retirement Educational Event (F.R.E.E.), which was held on May 2, 2019 in the Legacy Room at City Hall, was a great success. We discussed important topics to help City employees start thinking about or preparing for retirement and how to improve financial wellness. See page 2 for more highlights from the event.

June 1st is fast approaching, marking the beginning of hurricane season for the Houston area. In light of the devastation to this community from Harvey and other weather events in recent years, it is critically important for residents to

*(Cont. on Page 2)*

### Inside This Issue

<i>Investment Update</i>	Page 2
<i>F.R.E.E. Event Highlights</i>	Page 2
<i>Election of Board Officers</i>	Page 3
<i>Check Pickup Notice</i>	Page 4
<i>Spring Cleaning Your Finances</i>	Page 5
<i>Paycheck Checkup</i>	Page 6



HMEPS NEEDS YOUR E-MAIL ADDRESS TO KEEP YOU UPDATED ON PENSION MATTERS

VISIT [WWW.HMEPS.ORG](http://WWW.HMEPS.ORG)  
TO SIGN UP

# Update From the **Chairman** cont.

(Cont. from Page 1)

be ready in advance of any potential storm. The City of Houston's Office of Emergency Management has created a disaster preparedness guide to assist residents in planning ahead. I urge you to visit [www.houstonoem.org](http://www.houstonoem.org) to access this important information. Now is also a good time to ensure your pension payment will reach you even if the postal service can't, by going to the Retiree Resources section of our website to fill out a direct deposit form: <http://www.hmeps.org/retirees.html>.

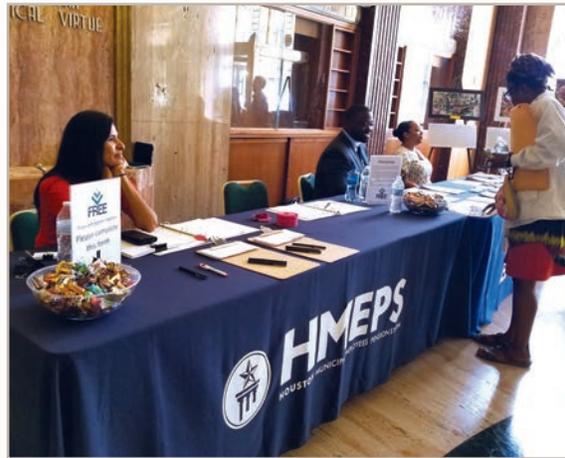
As always, I am grateful to our staff and Board of Trustees for the great work they do on behalf of the system and its participants. I am confident that working together, we will continue to strengthen HMEPS for years to come.

Your Chairman,

Sherry Mose

## Over 500 People Attended The 2019 Spring F.R.E.E. Event

Thank you to everyone who attended the Spring F.R.E.E. Event on Thursday, May 2nd in the Legacy Room in City Hall. Chairman Mose and HMEPS are proud to help you take the next step toward building a better retirement. Keep an eye out for information regarding the Fall F.R.E.E. Event to be held in October. We hope to see you there!

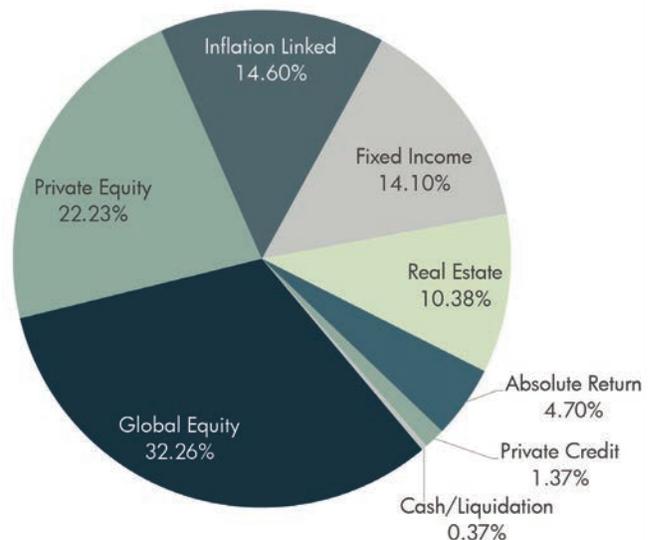


## HMEPS Investment Update

### Market Value by Asset Class

	March 31, 2019	December 31, 2018
Global Equity	\$ 974,648,662	\$ 887,064,454
Fixed Income	425,821,007	409,259,450
Private Credit	41,331,899	34,555,424
Real Estate	313,438,713	294,439,983
Inflation Linked	441,069,060	404,848,950
Private Equity	671,583,004	672,922,920
Absolute Return	141,897,153	147,596,233
Cash	11,034,639	29,901,233
<b>Total</b>	<b>\$ 3,020,824,138</b>	<b>\$ 2,880,588,647</b>

### Asset Allocation as of March 31, 2019





## Election of **Board Officers**

At the January 24, 2019 Board of Trustees meeting, the HMEPS Board re-elected Sherry Mose as Chairman, Roy W. Sanchez as Vice-Chairman and Lonnie Vara as Secretary. The following are highlights of their background and experience:

### **Sherry Mose**

Ms. Mose is the Plan Administrator for the City of Houston Deferred Compensation Plan. In addition to Sherry's extensive Board and City service, she is the Secretary for the Texas Association of Public Employee Retirement Systems (TEXPERS), is on the Board of Directors for the National Conference on Public Employee Retirement Systems (NCPERS), and is a member of the Houston Organization of Public Employees (HOPE).



### **Roy W. Sanchez**

Mr. Sanchez has served as the Board Vice-Chairman since 2013. He has served on the Board for 9 years, and has worked for the City of Houston for over 24 years as a Senior Electrical Inspector in the Code Enforcement Division of the Public Works & Engineering Department. Roy currently is the Treasurer of the American Federation of State County and Municipal Employees (AFSCME), Houston Organization of Public Employees (HOPE) Local 123. He is currently a Member of the Executive Board of the Texas Gulf Coast Area Labor Federation, AFL-CIO.



### **Lonnie Vara**

Mr. Vara brings a wealth of experience to his role as Board Trustee and Secretary. Lonnie began working in the City's Civil Services Department in 1974 and retired as the Human Resources Director in 2006 after 32 years of dedicated service. Lonnie was a long-time Board member prior to his retirement, and was elected to the Board in the 2008 Trustee election as a retiree Trustee. He was a founding member of the Association of Retired Houston Municipal Employees (ARHME) and currently serves on its Board of Directors. He also serves on the Board of the Houston Employee Relief Organization (HERO).



Each Officer brings their own unique experience and leadership to the table, and the Trustees look forward to working with them to continue to strengthen HMEPS and provide excellent service to our participants.

# IMPORTANT CHANGES TO ONE-TIME CHECK DISTRIBUTIONS

If you prefer to pick up your one-time payments directly from the HMEPS office, there are a few changes you need to know about. All non-rollover one-time distributions (DROP partial or lump sum payments, Early Lump Sum Benefit payments, Refunds, Cash Balance Account distributions) will be mailed from HMEPS' retiree payroll provider, State Street Retiree Services, to participants' address of record. There are no changes to the process regarding rollover checks.

If a participant instead wants to pick up his or her check in the HMEPS office, the participant must notify HMEPS in writing ("Check Pickup Request" Form) by the 15th day of the month so that HMEPS can have State Street send the check to HMEPS. The check will be available at the HMEPS office on the 3rd of the following month (or the next business day after the 3rd if the 3rd is a Saturday, Sunday or Holiday). For 2019, a participant who has timely notified HMEPS can pick up his or her check at the HMEPS office as follows:

<u>Check Date</u>	<u>Available for Pickup</u>
May 2019	June 3, 2019
June 2019	July 3, 2019
July 2019	August 5, 2019 (Aug. 3 is a Saturday)
August 2019	September 3, 2019
September 2019	October 3, 2019
October 2019	November 4, 2019 (Nov. 3 is a Sunday)
November 2019	December 3, 2019
December 2019	January 3, 2020

## Senior Benefits Counselor Angie Calenda Retires

Senior Benefits Counselor Angie Calenda retired at the end of February. Throughout her 19-year career at HMEPS, Angie worked tirelessly to help people through the more demanding times in their lives. In addition to assisting participants in the service retirement process, Angie also worked with members applying for disability benefits and assisted with pension-related processes involving divorce. Her skill, professionalism and calm demeanor helped to ease stressful situations for participants for almost two decades. Join us in congratulating Angie on her retirement as we wish her happiness in the next chapter of her life.



## Nicole Riney Promoted to HMEPS Financial Counselor upon Earning CFP® Designation

Nicole Riney has been a Benefits Counselor at HMEPS since 2009. She was recently promoted to Financial Counselor after completing the education, experience, and ethics requirements of the CFP Board to earn the Certified Financial Planner™ designation. In addition to this rigorous process, Nicole has been trained to deal with the financial planning issues commonly faced by City employees and retirees. She is excited to continue her work with HMEPS participants in this new role. Call Nicole at the HMEPS office to set up your free confidential counseling session, 713-595-0128.



# Spring cleaning

## YOUR FINANCES



It's springtime, when many of us are inspired to roll up our sleeves and accomplish some spring cleaning. This year, get motivated to take on a different kind of cleaning – by organizing your financial life. Here are a few tips for your financial spring cleaning:

**Review and update beneficiary information.** Look at your life insurance, 457(b) deferred compensation account, IRA, DROP, bank accounts, brokerage accounts, etc. We usually complete paperwork when we open a policy or account, or when we start our jobs, but then we often don't take the time to make sure our beneficiary information is accurate or up to date. In most cases, the beneficiaries you designate on documents will prevail over your will. Also, be careful about naming minor children as beneficiaries.

**Become a better money manager.** Build a budget and stick to it. Set up a plan for paying down credit card balances and other debt. Prioritize making an attainable spending/saving plan to get the most value for your hard-earned money. Double check your emergency fund. If you don't have one, NOW is a great time to begin. Start with a goal amount, such as \$500, which can cover a lot of common emergencies like car repairs, minor home or appliance repairs, or smaller medical costs.

**Check your credit report.** According to the Federal Trade Commission website, you're entitled to one free copy of your credit report every 12 months from each of the three nationwide credit reporting companies. Order online from [annualcreditreport.com](http://annualcreditreport.com), the only authorized website for free credit reports, or call 1-877-322-8228. You will need to provide your name, address, social security number, and date of birth to verify your identity. Once you get your report, review it! Is it accurate? How can you improve it?

**Create a home inventory.** If you have homeowners or renters insurance, make a home inventory of your possessions so that it is easier to replace your items in the event of a disaster. Take pictures or a video of most of the items in your home – especially high cost items such as electronics and furniture. Then, write down the approximate amount that you paid for the item, and start saving receipts for new items you purchase for your home.

**Create a secure filing system for all of your important documents.** There are several options, including:

- Placing the documents offsite in a safety deposit box
- Placing the documents in a fireproof and waterproof home safe (you can put your valuable documents in a backpack inside the safe, so if you have time in an emergency you can open the safe and grab the backpack)
- Scanning the documents and saving them to a portable storage device that you update annually and put in a safety deposit box

**Review your retirement planning and saving strategy.** Stay updated and informed about your current or future retirement finances.



# Retirees With Pension Income Should Do A

## **Paycheck Checkup ASAP!** [adapted by HMEPS to reflect 2019 dates]

*IRS Tax Reform Tax Tip 2018-143, September 13, 2018<sup>1</sup>*

Retirees should do a Paycheck Checkup to make sure they are paying enough tax during the year by using the Withholding Calculator, available on IRS.gov. The Tax Cuts and Jobs Act, enacted in December 2017, changed the way tax is calculated for most taxpayers, including retirees.

Because of this law change, retirees who receive a monthly pension or annuity check may need to raise or lower the amount of tax they pay in during the year. The easiest way to do that is to use the Withholding Calculator or read Publication 505, Tax Withholding and Estimated Tax. Though primarily designed for employees who receive wages, this online tool can also help those who receive pension or annuity payments on a regular schedule, usually monthly or quarterly.

Taxpayers who do not choose to have taxes withheld from their income should make estimated tax payments. This income includes pension and annuity income, and the taxable part of social security benefits. Estimated tax payments are due quarterly. Taxpayers can pay their taxes anytime throughout the year as long as they indicate the tax year and where to apply the payment. They can visit IRS.gov/payments to explore all IRS payment options.

### **Here are some things retirees should know about their withholding and using the calculator:**

- Like employees, retirees can use the calculator to estimate their total income, deductions and tax credits for 2019.
- When using the Withholding Calculator, retirees should treat their pension like income from a job by entering:
  - The gross amount of each payment
  - How often they receive a payment, such as monthly or quarterly
  - The amount of tax withheld so far this year
- Before using the calculator, users should have a copy of last year's tax return. In addition, knowing or having a record of the total federal income tax withheld so far this year will also make the tool's results more accurate.
- Based on the taxpayer's responses, the Withholding Calculator will recommend the number of allowances a pension recipient should claim. If the number is different from the number they are claiming now, they should fill out a new withholding form. If claiming zero allowances still doesn't cover their expected tax bill, the tool will recommend asking their payor to withhold an additional flat-dollar amount from each pension payment.
- Pension recipients can make a withholding change by filling out Form W-4P, and giving it to their payor. The IRS urges retirees to submit Forms W-4P to their payors as soon as they can. This gives payors time to apply withholding changes to as many payments as possible this year.
- Because of the limited time left in 2019, some retirees may be unable to adequately cover their expected tax liability through withholding. In that case, a taxpayer could instead make an estimated or additional tax payment directly to the IRS.

<sup>1</sup> This article was taken from IRS.gov and, as of the writing of this article, was most recently updated Nov. 5, 2018. Please refer to IRS.gov for updates and questions regarding this article.

**Places to find the  
IRS Form W-4P:**

[www.IRS.gov](http://www.IRS.gov)

[www.HMEPS.org](http://www.HMEPS.org)

Call HMEPS office: 713-595-0100

# Retirements: Third & Fourth Quarter 2018

## Admin & Regulatory Affairs

Olga Valdez

## Aviation

Carolina Diaz  
James McDonald  
Tommy Taylor  
Dan Lemay  
Ana Flores  
Eleazar Flores  
Teresa Gonzalez  
Richard McCurley  
Bobby Butler

## Controller

Carl Medley

## Convention and Entertainment

Mary Grant

## Dept. of Neighborhoods

Ferness Simmons  
Marjorie Leboeuf

## Fire

Supanee Gautam

## Fleet

none

## General Services

Jim Johnson  
Ray Harris  
Donald Prejean  
Willie Busby

## Health & Human Services

Rosa Francois  
Doris Brooks  
Debra Ayala  
Regina Mannings  
Adela Chavez  
Yvonne Alvarez  
Brigitte Woodard

## Housing & Community

### Development

none

## Houston Emergency Center

Arnette Tennessee

## Human Resources

Bonnie Sandberg

## Legal

John Sandberg

## Library

Donna Joy Press

## Mayor

Dwight Williams

## Municipal Courts

Maria Torres

## Parks & Recreation

David Alvarado  
Francisco Carrera  
Juan Deleon

## Police

Betty Harrell  
Leandrus Ardoin  
Cynthia Ewing  
Annette Emmons  
Ernestine Bey  
Gregory Huntsman  
Barbara Bonds-Cage  
Dale Steed

## Public Works

David R. Garcia  
Annette Grigsby  
George Davenport

David Newton  
Scheherazade Williams  
Ronald Adams  
Frediswinda Busby  
Alvin Morris  
Michael Armelin  
Ray Reyes  
Joycelyn Kelly  
Domingo Fuentes  
Gordon Johnson  
Hulisher Hornsby  
Zoilo Ortiz  
Ester Jordan  
Anthony Sims  
Ann Sheridan  
Naomi Smith  
Hemendra Patel  
Marcellus West  
Cheryl Bell  
Emmanuel Onwunali  
Lee Garcia  
Salim Ayub  
Jack Allen

## Solid Waste

Albert Mitchell

The Retirements section lists names and departments of those retiring participants who have indicated on their retirement applications that they wished to have an announcement of their retirement included.

## 2019 Pension Payment Schedule: May-August

Direct Deposits (ACH) will be deposited on the last business day of each month. If you receive a pension check by mail, it is typically mailed 3-4 days before the last business day of the month. However, postal delays may lengthen the period of time before check delivery. Call HMEPS for information on signing up for direct deposit of your benefit. The complete 2019 calendar may be downloaded by visiting our website: [www.hmeps.org/retirees](http://www.hmeps.org/retirees).

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

Presorted Standard  
U.S. Postage  
PAID  
Houston, TX  
Permit No. 7057

## PENSION PRESS

Houston Municipal Employees Pension System



1201 Louisiana, Suite 900  
Houston, Texas 77002-5608  
713-595-0100  
1-800-858-1450

[www.hmeps.org](http://www.hmeps.org)

### BOARD OF TRUSTEES

#### ELECTED AND APPOINTED TRUSTEES

Sherry Mose, *Chairman*  
Roy W. Sanchez, *Vice Chairman*  
Lonnie Vara, *Secretary*  
Roderick J. Newman  
Asha Patnaik  
Lenard Polk  
Barbara Chelette, *Appointed*

#### CITY APPOINTED TRUSTEES

Denise Castillo-Rhodes  
David Donnelly  
Edward J. Hamb II  
Adrian Patterson

### PENSION PRESS

David L. Long,  
*Executive Director*  
Nicole Riney,  
*Editor*

Thanks to the HMEPS staff for their  
contributions to the ongoing success  
of the *Pension Press*.



# HMEPS

HOUSTON MUNICIPAL EMPLOYEES PENSION SYSTEM

### NEWSLETTER CONTENT

The material contained in this newsletter is intended to provide you with important information about your pension participation. The content cannot be taken as the basis of any contractual rights between HMEPS and its participants. If there is a question of interpretation, retirement laws are the final authority.