



## Fire & Police Disability & Retirement

### Understanding Your FPDR Two Pension Estimate

You're an FPDR Two Member if you were first sworn at the City of Portland between 1990 and 2006 or you were sworn before 1990 and elected to be an FPDR Two member.

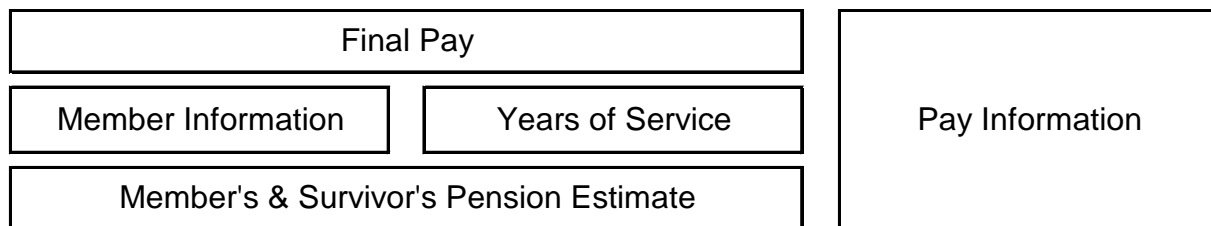
#### Calculating Your FPDR Two Pension

Your initial monthly FPDR Two retirement benefit is the product of three numbers:

- Your monthly Final Pay as of your last day of employment
- Your Years of Service as of your last day of employment
- The accrual rate you select when you sign your pension application

$$\text{Final Pay} * \text{Years of Service} * \text{Accrual Rate} = \text{Initial Pension Benefit}$$

Your pension estimate – and it *is* just an estimate, not a guarantee – has five sections:



#### Pay Information – PPA

The section on the right is the pay information section for Portland Police Association members for the contract period beginning July 1, 2013.

The bolded lines are used in the Final Pay section of the estimate.

The top part shows the job class and the base pay rates for your job class and top-step officer pay in different years. Cost of living adjustments (COLAs) are shown for each year. Past the current fiscal year, the COLA is an assumption.

The middle section shows the bachelor's degree premium pay that is calculated as a percentage of top-step officer pay.

The bottom part shows your longevity pay and any premium pay you may have that's a percentage of your base pay, such as the Supervising Sergeant or SERT premiums. Let us know if you would like us to use different assumptions for job class or premium pays.

<b>The following table shows pay assumptions used in this estimate. Please notify us if you would like to use different assumptions.</b>			
Date	Police Sergeant	Police Officer Top-Step	COLA
<b>Biweekly Base Pay:</b>			
1-Jul-14	\$3,501.60	\$3,044.80	2.70%
<b>1-Jul-15</b>	<b>\$3,575.20</b>	<b>\$3,108.80</b>	<b>2.10%</b>
<b>1-Jul-16</b>	<b>\$3,636.00</b>	<b>\$3,161.60</b>	<b>1.70%</b>
1-Jul-17	\$3,723.20	\$3,237.60	2.40%
Degree Premium Pay, Top-Step Officer:			2.00%
1-Jul-14		\$60.90	2.00%
<b>1-Jul-15</b>		<b>\$62.18</b>	<b>2.00%</b>
<b>1-Jul-16</b>		<b>\$63.23</b>	<b>2.00%</b>
1-Jul-17		\$64.75	2.00%
Longevity/Premium Pay at Base Rate:			10.00%
Longevity Dt: 5-Dec-90 Rate:			7.00%
Premium: Supervising Sergeant			3.00%
1-Jul-14	\$280.25		8.00%
<b>1-Jul-15</b>	<b>\$285.66</b>		<b>8.00%</b>
<b>5-Dec-15</b>	<b>\$357.66</b>		<b>10.00%</b>
<b>1-Jul-16</b>	<b>\$363.48</b>		<b>10.00%</b>
1-Jul-17	\$372.50		10.00%

*Pay Information – PFFA*

The section on the right is the pay information section for Portland Fire Fighters Association members, based on the contract effective July 1, 2012. The bolded lines are used in the Final Pay section of the estimate.

The top part shows the job class and the base pay rates for your job class and top-step fire fighter pay in different years. Cost of living adjustments are shown for each year. Past the current fiscal year, the COLA is an assumption.

The middle section shows any premium pay that is calculated as a percentage of your base rate, like marine operations.

The bottom part shows your longevity pay plus your premium pay that's based on top-step fire fighter pay, such as paramedic pay. These amounts may vary slightly for members with different standard hours. Future years' amounts are calculated as a percentage of top-step fire fighter pay.

If you would like us to use different assumptions for job class or premium pays, please let us know.

**The following table shows the pay assumptions used in this estimate. Please notify us if you would like to use different assumptions.**

Date	Lieutenant	Top-Step Fire Fighter	COLA
<b>Biweekly Base Pay:</b>			
1-Jul-14	<b>\$3,478.51</b>	<b>\$3,025.39</b>	<b>2.70%</b>
1-Jul-15	<b>\$3,551.56</b>	<b>\$3,088.92</b>	<b>2.10%</b>
1-Jul-16	\$3,611.94	\$3,141.43	1.70%
1-Jul-17	\$3,698.63	\$3,216.82	2.40%
<b>Base Rate Premium Pay:</b>		PFFA 6%	6.00%
1-Jul-14	<b>\$208.71</b>		<b>6.00%</b>
1-Jul-15	<b>\$213.09</b>		<b>6.00%</b>
1-Jul-16	\$216.72		6.00%
1-Jul-17	\$221.92		6.00%
<b>Longevity/Top-Step Fire Fighter Premium Pay:</b>			
Longevity Date:		5-Dec-90	6.00%
Apparatus Operator:			3.00%
1-Jul-14		<b>\$211.92</b>	<b>7.00%</b>
1-Jul-15		<b>\$217.10</b>	<b>7.00%</b>
5-Dec-15		<b>\$278.09</b>	<b>9.00%</b>
1-Jul-16		\$282.73	9.00%
1-Jul-17		\$289.51	9.00%

*Pay Information – Others*

The pay information section is much simpler for non-represented members. Pay information for members of the Portland Police Command Officers Association looks like PPA information, although few PPCOA members will have pay in the longevity/premium pay at base rate section

*Final Pay*

The upper left section calculates your Final Pay for your selected first day of retirement benefits, February 5, 2017 in this example. If your first day of retirement benefits is February 5, your last day of employment is February 4, and your lookback period is February 1, 2016 through January 31, 2017, plus part of the last pay period in January 2016 to include pay received for 366 days. If the lookback period does not include February 29, there would be pay for 365 days.

<b>Estimated Final Pay:</b>						
From	To	Hours	Biweekly Pay	Pay Dates	Days	Amount
1-Jul-16	31-Jan-17	80	\$4,098.63	13.93	195	\$57,088.06
1-Feb-16	30-Jun-16	80	\$3,995.04	12.07	169	\$48,225.84
Last Pay Date of Jan 2016 Prorated			\$3,995.04	0.14	2	\$570.72
Total:				26.14	366	\$105,884.62
Monthly:						\$8,823.72

The first line shows your earnings at the most recent fiscal year's biweekly pay rate. The column titled Pay Dates shows the number of pay dates in which you received that biweekly pay. If this estimate includes a line with the current fiscal year's pay rate, please compare it to your regular and premium pay on a recent paystub. Let us know if there are any significant differences!

Notice that the pay dates are rarely whole numbers: at least part of one July paycheck includes time worked in June at the prior year's pay rate. We calculate the number of days in the pay period at the lower rate and divide that number by 14 days in a pay period and add the result to the number of pay dates at the prior year's pay rate. Depending on the days you worked at the end of the fiscal year, your actual pay received for that pay period may differ from our estimate.

Pensionable pay includes base and premium pay but excludes overtime and leave payouts. If you receive other types of pensionable pay – standby pay, coach's pay, shift differential on straight time, work-out-of-class pay or the pensionable portion of a retro payment – in this lookback period, they will be shown in the Final Pay section, too. Hours-based pay like standby pay is estimated using the average number of hours per pay period that you have received that pay in the last year. If you want us to use different assumptions about this pay for future periods, please let us know. Other types of pay, like retro payments, are shown as a lump-sum amount. Retro payments are included in a lookback period only to the extent the retro payment is for work done in the lookback period.

<b>Estimated Final Pay:</b>						
From	To	Hours	Biweekly Pay	Pay Dates	Days	Amount
1-Jul-16	31-Jan-17	80	\$4,098.63	\$13.93	195.00	\$57,088.06
1-Feb-16	30-Jun-16	80	\$3,995.04	\$12.07	169.00	\$48,225.84
Last Pay Date of Jan 2016 Prorated			\$3,995.04	0.14	2.00	\$570.72
Work out of Class Pay						\$700.00
Total:				26.14	366.00	\$106,584.62
Monthly:						\$8,882.05

When you have chosen your retirement date, we receive a report from SAP, the City's enterprise business system, so we can verify your actual pensionable pay received in the lookback period. This verified Final Pay is used to calculate your actual pension benefit. The actual and estimated Final Pay amounts should be very close. When you get close to your retirement date, we can request a preliminary verification report that captures all but the last month or two of your lookback period, as a check that the estimate accurately captured your pensionable pay.

<b>Estimated Final Pay:</b>						
From	To	Hours	Biweekly Pay	Pay Dates	Days	Amount
1-Jul-16	31-Jan-17	80	\$4,098.63	\$13.93	195.00	\$57,088.06
1-Feb-16	30-Jun-16	80	\$3,995.04	\$12.07	169.00	\$48,225.84
Last Pay Date of January 2016 Prorated			\$3,995.04	0.14	2.00	\$570.72
Work out of Class Pay						\$700.00
Total:				26.14	366.00	\$106,584.62
Final Pay Report:		\$106,594.29				
Difference from Estimate:		\$9.67	Monthly:		\$8,882.86	

*Member Information and Years of Creditable Service*

The middle portion of the estimate has two sections that determine your Years of Service at your estimated retirement date: Member Information and Years of Creditable Service.

<b>Member Information:</b>	
Date of Appointment:	5-Dec-90
Date of Birth:	9-Nov-64
Age at Retirement:	52.2
Time Adj. Pre91(Days):	0
Time Adj. Post91(Days):	0
Adj. Appointment Date:	5-Dec-90
Earliest Retirement Date:	5-Dec-15

<b>Years of Creditable Service:</b>		
	Total	Prior to 1-Oct-91
Years	26	
Months	2	
	=	<u>26.16667</u> <u>0.821355</u>
		3.14%

Member Information shows your appointment date and birth date, which are used to calculate your earliest retirement date and your age at your estimated retirement date. It also includes any time adjustment you have, separated by dates before October 1991 and dates in or after October 1991 (so that it can be used for the additional tax offset benefit calculation).

Time adjustment is time you weren't being paid as a full-time member by your bureau, except for military leave and FPDR-paid disability time. It makes your adjusted appointment date later than your appointment date. If you worked part-time, took an unpaid leave or had a suspension or a break in your service, you'll have a time adjustment. If you were on FPDR disability and received less than 75% of base pay as your disability benefit, you'll have a time adjustment. If you were a PERS member and bought into FPDR by transferring your PERS accrued benefit to FPDR, you'll have a negative time adjustment, and your adjusted appointment date will be earlier than your appointment date.

Your appointment date plus your time loss is your adjusted appointment date that is compared to your estimated retirement date to calculate your completed years and months of service in the Years of Creditable Service section. Years of Service are your years plus the number of completed months divided by 12, up to a maximum of 30 years of service. Also in this box is the number of years, if any, that you served prior to October 1991, and below that is the percentage of your service that was prior to October 1991. This percentage is used in the tax offset calculation.

*Member's and Survivor's Pension Estimate*

The final section shows your estimated base pension benefit at the different accrual rate choices, your base pension plus additional tax offset benefits, your survivor's percentage for that accrual rate and the survivor's base pension and base pension plus tax offset benefits.

When you retire, you make an *irrevocable* election of an accrual rate that determines what percentage of your benefit your surviving spouse or minor child or children will receive on your death.

Accrual Rate	Survivor's Benefit
2.2%	100%
2.4%	75%
2.6%	50%
2.8%	25%

The Percent of Final Pay column is the product of the accrual rate and your Years of Service. It shows your pension benefit as a percentage of your pre-retirement pay. Remember, this is a percentage of your Final Pay, which does not include your overtime. If overtime pay is a routine part of your wages now, your pension will replace a smaller percentage of your total pay than shown here.

<b>Estimated Initial Pension Amount:</b>						
Accrual Rate	Percent of Final Pay	Member's		Survivor's		
		Base Monthly Pension	Base Plus Tax Offset	Survivor's Percentage	Base Monthly Pension	Base Plus Tax Offset
2.20%	58.85%	\$5,076.27	\$5,279.32	100%	\$5,076.27	\$5,279.32
2.40%	64.20%	\$5,537.75	\$5,759.26	75%	\$4,153.31	\$4,319.44
2.60%	69.55%	\$5,999.23	\$6,239.20	50%	\$2,999.62	\$3,119.60
2.80%	74.90%	\$6,460.71	\$6,719.14	25%	\$1,615.18	\$1,679.79

The Base Monthly Pension is the product of the accrual rate, your Years of Service and your Final Pay. The Base Plus Tax Offset column includes your base pension and your additional tax offset benefit, if you are eligible for it. Your eligibility is determined by your FPDR entry date (generally your sworn date), your Years of Service and whether or not your pension benefit is subject to Oregon personal income taxes. Your eligibility for the tax offset benefit may change after your retirement if you move out of, or into, Oregon.

The tax offset benefit for most active Members planning to pay Oregon income taxes in retirement is a simple percentage of your base pension.

If you:	Your tax offset benefit probably is:
Were sworn July 14, 1995 or later	0%
Retire with fewer than 10 Years of Service	0%
Retire with 10 up to 20 Years of Service	1.0%
Retire with 20 up to 25 Years of Service	2.5%
Retire with 25 or more Years of Service	4.0%

Below the Initial Pension Amount section, you may see a box with the same fields but increased by a benefit adjustment effective the July 1 following your last day of employment. When shown, this box can help you compare, for example, retirement dates in June and August by calculating your pension benefit in August for both retirement dates.

The FPDR Board of Trustees determines the FPDR Two benefit adjustment percentage, although it cannot exceed the percentage rate applied to police and fire pensions by the Oregon Public Employees Retirement System (PERS). The PERS cost of living adjustment percentage is now a blend of up to 2.00% for service prior to October 2013 and up to 1.25% for service in or after October 2013.

## Estimate Summary Sheet

If you have asked for more than two estimates, you'll also receive a summary sheet to help you compare your estimated benefit for different retirement dates. The summary sheet shows:

- The month and year of the estimate
- Your Years of Service at the estimate date
- The percent of your benefit that will go to your survivor on your death under the two most popular options – please note there are also 75% and 100% survivor benefit options
- The estimated amount of your initial pension
- The estimated amount of your pension at the last date being compared
- The percent of your Final Pay (excludes overtime) your pension benefit will replace
- Any comments specific to that estimate

<b>Estimated Monthly Pension Amounts for Selected Dates, 2017 - 2018</b>						
<i>Pension Start Date<sub>1</sub></i>	<i>Years and Months of Service</i>	<i>Percent of Your Benefit to Survivor<sub>3</sub></i>	<i>Estimated Initial Pension Amount</i>	<i>Estimated Pension Amount in July 2018</i>	<i>Percent of Final Pay Replaced by Your Benefit<sub>2</sub></i>	<i>Comments</i>
February 2017	26 years, 2 months	50%	\$6,243.19	\$6,482.69	68%	Full year with maximum longevity
		25%	\$6,723.44	\$6,981.36	73%	
June 2017	26 years, 6 months	50%	\$6,322.72	\$6,565.27	69%	Assumed pension COLA on July 1
		25%	\$6,809.09	\$7,070.29	74%	
December 2017	27 years, 0 months	50%	\$6,567.82	\$6,691.30	70%	
		25%	\$7,073.04	\$7,206.01	76%	
June 2018	27 years, 6 months	50%	\$6,778.96	\$6,905.72	72%	Assumed pension COLA on July 1
		25%	\$7,300.42	\$7,436.94	77%	

The estimate also notes key assumptions used in calculating your pension estimates.

### Where FPDR Two Retirement Benefits Are Defined

FPDR Two retirement benefits are defined in Chapter 5 of the City Charter. See Sections 5-302 (Years of Service), 5-303 (Base Pay and Final Pay), 5-304 (Retirement Benefits), 5-310 (Benefits on Death After Retirement) and 5-312 (Benefit Adjustments). Also see FPDR's Administrative Rules. Links to both the Charter and the Administrative Rules are available at <http://www.portlandonline.com/fpdr>. See Oregon Revised Statutes 237.635, 237.637, 238.362, 238.364 and 238.366 for the definition of the additional tax offset benefit and the requirement that it be added to FPDR benefits.