

# FPDR FUNDAMENTALS

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## DIRECTOR'S MESSAGE

The COVID-19 pandemic has had an impact on all of us. We have had to socially distance ourselves from each other, stay home because businesses and public activities have had to shut down and, for many, because they have lost their jobs. During the pandemic, most FPDR staff is now working from home. In addition, all have had to take non-paid furloughs. Despite this, FPDR continues to strive to meet the goal we have set for ourselves:

“Our goal during this pandemic is to provide reassuring and excellent service. We will provide accurate and timely benefits to our retirees and disabled members as well as process, investigate and adjudicate all new pension and disability claims in a timely manner.”

We have continued to promptly answer all calls to our main phone number during business hours. We also are responding to all questions and inquiries as soon as possible. Disability claims are being adjudicated within our normal timeframes. There have been some delays in processing some requests to our office, but we are working diligently to lessen and eliminate those delays.

Thank you all for your patience and support during this time. We at FPDR wish you the best of health.

If you want to talk with me, Sam Hutchison, Director, about any issue, share a problem, or compliment the FPDR staff, please give me a call at 503-823-5500 or send me an email at [sam.hutchison@portlandoregon.gov](mailto:sam.hutchison@portlandoregon.gov).

A handwritten signature in black ink, appearing to be 'SH'.

Sam Hutchison  
FPDR Fund Director  
[sam.hutchison@portlandoregon.gov](mailto:sam.hutchison@portlandoregon.gov)  
503-823-5500

## Is the FPDR Office Open?

Our building and physical office are closed to visitors for now, but all FPDR employees are working – either remotely or in our office – and remain available to help you via phone, email, Skype, Zoom, and fax! Please feel free to contact staff as usual, or by calling the main line at 503-823-6823 or emailing [fpdr@portlandoregon.gov](mailto:fpdr@portlandoregon.gov).

## Your FPDR Benefit Is Here for You

We know these are troubling and doubtful times, which makes FPDR all the prouder to be a source of security and certainty for our members in a changing world. Some of you have called with questions about the financial health of FPDR amid the economic downturn. Please be assured that FPDR finances are mostly unaffected by the pandemic and the resulting financial challenges faced by local governments. Your pension benefit is safe!

### **FPDR Benefits are Funded with a Dependable Resource**

Uniquely, FPDR pension benefits are funded on a pay-as-you-go basis with a separate, dedicated City of Portland property tax levy. This is an expensive but highly stable funding method. A majority of property taxpayers remit property taxes through escrow accounts, which were already at least partially funded before the current crisis began. This makes a very large default rate on property taxes this fall less likely. Nevertheless, the November 2020 property tax levy has been adjusted to account for this potential. There is plenty of room under the FPDR property tax levy cap (\$2.80 per \$1,000 of real market value) to make these adjustments in future years as well, if necessary.

### **FPDR Resources Cannot Be Redirected to Other City Programs**

Numerous laws and accounting standards protect FPDR's resources. FPDR property tax revenue can only be spent on FPDR plan benefits and FPDR administration; it cannot be redirected to other City of Portland needs.

If you still have concerns, please don't hesitate to contact FPDR Director Samuel Hutchison at 503-823-5500 or [Sam.Hutchison@portlandoregon.gov](mailto:Sam.Hutchison@portlandoregon.gov), or the FPDR Finance and Pension Manager, Stacy Jones, at 503-823-2609 or [Stacy.Jones@portlandoregon.gov](mailto:Stacy.Jones@portlandoregon.gov).

# Cost of Living Adjustments (COLAs) for Pension Benefits

All FPDR Two retirees and beneficiaries, as well as all FPDR One Fire retirees and beneficiaries, will receive COLAs in their July pension benefit, which will be paid on July 31. Unfortunately, FPDR One Police retirees and beneficiaries will not receive a COLA this year. Please see below for more information specific to your FPDR plan and bureau. Members who retired or became disabled after December 1989 are generally in FPDR Two, while members who retired or became disabled before then are generally in FPDR One.

## **FPDR Two (New Plan) Fire and Police COLA: 1.75% to 2.00%**

City Charter gives the FPDR Board of Trustees discretion in the amount and timing of FPDR Two pension COLAs, except that the percentage increase cannot exceed the maximum percentage increase received by sworn retirees of the Oregon Public Employees Retirement System. Unlike the FPDR One plan, there is no difference between Police and Fire pension increases for FPDR Two members and beneficiaries.

At its May meeting, the FPDR Board decided there will be an increase for FPDR Two members and beneficiaries with their July benefit, payable on July 31:

- For the percent of the member's service prior to October 8, 2013: 2.00%
- For the percent of the member's service after October 7, 2013: 1.75%

If you (or your deceased spouse) retired before October 8, 2013, you will receive a 2.00% increase in your pension. If you (or your deceased spouse) retired on or after October 8, 2013, your increase will be between 1.75% and 1.99%, depending on the length and timing of the member's service.

## **FPDR One (Old Plan) Police COLA: None**

- FPDR One Police pensions are a percent of current police officer pay as of July 1 each year, and therefore increase in step with active duty pay.
- The PPA contract that will go into effect on July 1, 2020 does not include a cost of living adjustment for July 1. Therefore, there will be no FPDR One Police COLA this year.
- The contract does include a 2.9% COLA on June 30, 2021, which will be applied to your pension next year, on July 1, 2021.

## **FPDR One (Old Plan) Fire COLA: 2.9%**

- FPDR One Fire pensions are a percent of current fire fighter pay as of July 1 each year, and therefore increase in step with active duty pay.
- A new Portland Fire Fighters Association (PFFA) contract was recently ratified. (The previous contract expired on June 30, 2019.) The new contract includes a 3.9% COLA retroactive to July 1, 2019. You should have received an increase in your monthly pension benefit for this COLA with your May benefit (paid on June 1), and a retroactive payment for your July 2019 – April 2020 benefits.
- The new contract also includes a 2.9% COLA effective July 1, 2020. You will see another increase in your monthly pension benefit for this second COLA beginning with your July benefit, payable on July 31.



### **Contact Us**

#### **FPDR**

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