



FIREFIGHTERS RETIREMENT SYSTEM

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IMPORTANT MEMO

TO: FRS Retirees
FROM: Charlie Fredieu, Chairman
FRS Board of Trustees
Steven Stockstill
FRS Executive Director
DATE: June 26, 2015
RE: Retirement Benefits

Many of you recently began receiving a cost-of-living increase to your FRS benefits. You may have heard that the Governor vetoed a cost-of-living increase in the last legislative session. That veto did not effect your increase. It applied to state employees, school teachers, and other employees, but not firefighter retirees. Your benefit increase is locked in and will continue to be paid.

Our office recently received a request for information from a reporter regarding "write-offs" in the FRS investment portfolio. A news story will likely follow, so we'd like to provide you with helpful information. We have written off 4 sizable investments since 2010. Fortunately, we spread our investments around so write-offs won't impact us like it would if all our investment eggs were in one basket. Despite the write-offs, last year we still earned \$143 million and \$118 million the year before. These earnings decreased our liabilities by about \$40 million. They reduced employer contributions by 2%, resulting in about \$4.2 million in savings to the fire departments. They increased our funded status to 76%. And they allowed a cost-of-living increase for the first time in awhile. Our retirement system is healthy and sound. Your benefits will continue being paid to you and your beneficiary, if you have one, for the rest of your lives.

We are members of this retirement system. We know everyone's benefits are secure. We want you to know it too. If you hear or read a news story that doesn't mention these good things, and you want to learn more about your secure benefits, then please call us anytime at (225) 925-4060.