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From the Desk of the Executive Director

This edition of the GFPF NEWS is being issued to alert members and retirees to legislation being introduced that will affect the Pension Fund this session. There are two bills that are important to the GFPF in the hopper as of this writing.

The first is one that we have introduced to make changes to Title 47-7. It is HB 546. So far, it looks like it will be a single "omnibus bill" that will encompass changes of several sorts. Many of these changes will be of a "housekeeping" nature, that is, cleaning up the Code to bring it up to date with current practice and terminology. Other changes are being made to provide improved access to the fund for firefighters in an evolving world of first responders and community involvement. Inside, I will discuss these changes at length and ask for your comments. Inasmuch as some of these changes, while minor in impact, are fiscal in nature, this bill will require a two-year cycle to get through the legislative process. So, while I expect it to pass out of Committee this session; it will be reviewed over the summer for fiscal impact and be re-voted on next session for passage into law.

The second and important bill in the legislative process is the Retirement Investment Bill, HB 249. This is a bill introduced by Representative Martin of Ringgold. This bill, if approved, would allow us to invest in more long-range assets that are common to corporate pension funds and endowments such as real estate, private equity and high-yield debt. As you know, at this time in the capital market cycle, there is no attractive investment alternative, but in the not so distant future, these economic anomalies will reverse and it will be appropriate to put money to work in

these areas. We should be allowed; we should be prepared. The Board and I supported this bill because using the tools provided in the bill is discretionary, not mandatory. Unfortunately, it did not get through the session.

Also in this issue, we discuss a new ruling by the Board, which did not require legislation, relating to members returning to work after retiring and rejoining the fund in order to earn additional credit. We have studied the Code carefully and reversed a long-held interpretation of the governing clause, § 47-7-101. See inside for a full explanation of the background and ruling and how this came about.

Concurrent with the legislative process, we are making substantial revisions to the Rules and Regulations to bring them up to date with the existing Code and with current practice. The revisions address everything from our not-so-new address in Conyers to dues processing and creditable service to handling insurance records. Many sections are expanded to provide clarity and better guidance. Some areas are revised to reflect a higher level of service. In this issue, we provide a full explanation of the changes to the Rules and Regulations in case you missed the posting of the proposed Rules for comment on our Web Site. If our bill passes next session, and we expect that it will, there will be a Rules and Regulation revision issued shortly thereafter to reflect the Code changes.

This has been an unusual legislative session. Both houses have been cordial and cooperative. They seem to have gotten a lot done in the way of getting to legislation. Whether it actually gets signed into law or not, is another question. But, the folks have been basically agreeable and working together to move stuff along. It was an interesting, and busy session. The aftermath will be equally interesting.



Jim Meynard

Revised Rules and Regulations Coming Soon!

Highlights Of Rules Changes

A chief can now designate two other delegates to sign documentation.

Allowed chiefs an extra fifteen days to submit the affidavit for volunteer and part-time creditable service.

Clarified and simplified the rules regarding the conversion of joint and survivor options.

We continue to be receptive to the needs of our members.

We have just about finished our update of the Rules and Regulations. As you read this, we will have dispatched them to the Secretary of State for official publication. The changes are anywhere from minor in some areas, to very significant in others. (They will now contain our new address, current address since 2006, and website.)

A significant change impacting fire departments is that a chief can now designate two other delegates to sign documentation related to the Pension Fund. Whether it is affidavits, applications, or transfer forms, this can now be done in the absence of the chief. This should help the flow and timeliness of Pension Fund documentation.

We have added details for hearings before the board. Members will have a better idea what is allowed and what is expected when requesting and preparing for a hearing.

Qualifications for membership have been updated and clarified for full-time, part-time and volunteer firefighters. We have further explained the duty to report a change in employment (transfer). It is important that this be done within thirty days of the transfer. Employment records may be difficult to trace, especially if a department does not maintain supporting documentation. Therefore, **please take note, thirty days after the move, creditable service is no longer earned until the transfer form is submitted**, even if it is years later. And, speaking of creditable service, we have allowed chiefs an extra fifteen days to submit the affidavit for volunteer and part-time creditable service.

This will give the chiefs a little more time to compile the numbers and will spread the workload for our office personnel. The due date is now February 15th.

Clarity has been added to military leave of absence. For a member to gain creditable service while serving, he/she must rejoin the fire service within one year of returning from active military service. Dues can be paid currently, or within one year of their return.

We have expanded on the process for a retirement application. We are providing more detail regarding how beneficiaries are paid, so you can make a more informed decision as you approach retirement. We have also clarified and simplified the rules regarding the conversion of joint and survivor options. We have added a little more detail to make it easier to understand and allow for better planning. Also relating to our benefits, our disability rules are being updated to reflect the requirement for a copy of the affected member's tax return to accompany an income affidavit, also required.

The "Rules and Regulations" is intended to be a living document; we will keep it better updated in the future so that this much information is not thrown at you all at once.

Please let us know if you have any questions or comments regarding these changes. While the comment period is over, we continue to be receptive to the needs of our members.



David Luther

Field Coordinator

Proposed Changes In New Legislation

This year we are proposing some changes to the Code section governing the Firefighters' Pension Fund to enhance participation in the program and correct some long standing, minor deficiencies in the Code. Some of these changes impact the membership, and as such, make this a fiscal bill. In that regard, the bill is being introduced this session. It will be studied over the summer and analyzed for its fiscal impact, then voted on for final passage next session. As you will see from the changes noted below and the attendant explanations, the cost to the fund of these changes will be minor in nature and are not expected to have an adverse impact on our fund. These changes, from a standpoint of promoting the Fire Service, will have an ultimate positive impact.

House Bill 546, has been introduced by Representative Tom Weldon of the 3rd House District and has several co-signers, including Representative Howard Maxwell of the 17th House District, who chairs the House Retirement Committee. This bill has numerous parts. In the following paragraphs, I will do my best to describe and explain each of the changes and its impact on our fund.

In Section 1, we have expanded the definition of a "Fire Department" to include combination full-time and volunteer fire departments. This was nothing more than bringing the Code up to current practice. We also changed the certification of fire departments from the Fire Academy to the Firefighter Standards and Training Council and corrected the Code reference where that authority resided. Again, this was to bring our Code in line with current practice and standards.

In Section 2, we proposed several changes. We provide for the inclusion of part-time employees in the definition of firefighter, provided they meet the attendant criteria, and we propose to eliminate the clause that excludes those firefighters whose "primary duties are emergency medical services." Our rationale relative to part-time firefighters is simple. These folks were prescribed in 2004 as a part of SB 169 and are provided for in our new rules and regulations. We are simply bringing the Code up to date with field practice of those "volunteers" who were paid by the hour and are now classified as part time and certified. For the elimination of the EMS clause, our rationale is that earlier in the paragraph, we require a firefighter to be certified, to be engaged in fire suppression or prevention and employed by a fire department. If all criteria are met, and an individual is assigned to a rescue truck, he should not be kept out of the Fund. But, first and foremost, qualifying individuals must be fully certified firefighters and employed by fire departments.

In this section, and throughout the Title, we have eliminated the class eight/class nine terminology that distinguished the two funds, which are now merged, in years past. Also throughout the Title, the title of the head of the pension fund is changed to "executive director" from "secretary/treasurer", a change made several years ago, recognizing the growing complexity of our operations. Sections 3, 4, 5, 9 and 10 are just such semantic changes.

Continued on Page 5...

HB 546 - Firefighters' Pension Fund

Key Provisions:

Fully define for the Pension Fund, part-time firefighters and requirements for creditable service.

Eliminate EMS restriction for certified firefighters.

Allows Peace Officers to earn creditable service as volunteers.

Eliminates the one-year waiting period for a re-conversion to Joint & Survivor Benefits for a new spouse.

Raises the Penalty for fraud or attempts to defraud the Fund to a felony.

Ruling From the Board of Trustees:

Returning to Work and Earning Credit – A Reinterpretation of the Code.

In another article, we discuss legislation we are initiating to improve the fund around the margins with little or no cost. In this article, we will announce and discuss another improvement that emerged from a proposed change that actually does not require legislation.

As we were preparing the list of items to submit for legislation this year, we were considering how to word changes to O.C.G.A. § 47-7-101 (b) to eliminate or reduce the 7 year waiting period we require when a firefighter rejoins the fund after once retiring. On closer examination, we determined we have been misinterpreting this clause and its intent, and began the process of resolving the guidance provided by the previous interpretation.

The clause states that, “within six months of the commencement of reemployment...in the event the application is granted, such member, ...shall be entitled to all benefits provided for in Code section 47-7-100.” So, that would suggest this would mean that upon rejoining a member may begin to earn creditable service under that Code section. We have been correct on this point.

However, the clause goes on to state, that the “benefits payable shall not exceed the amount of the monthly benefit *which would be payable to such member had such subsequent retirement become effective at the time of the member’s prior retirement*, unless after such reemployment the member shall have acquired not less than seven years’ creditable service...” Here, we interpreted the clause to mean that the member had to serve seven years to receive the credit.

But, the clause recognizes a prior retirement and a subsequent retirement. It is saying that if a member were to retire and return, such member can earn creditable service but not advance time, i.e. age, for seven years, then the member can get credit for time as well. The initial translation of this Code section missed this point and it has been passed down through staff and counsel ever since. The point of it is to preclude “gaming” the early retirement penalty.

Let me offer an example:

Joe retires at 50 years old with 18 years of creditable service. His benefit is priced at 50 and 18. He returns to service at 54 years old and works for 4 years. He now retires again. His new benefit is priced at age 50 and 22 years of creditable service. He gets all of the COLAs and other increases offered across the board to members. However, his new *subsequent* benefit is payable as if it had become effective at the time of his *prior* retirement, i.e. age 50.

If Joe works until he is 61, *seven years*, he retires with 25 years of creditable service and the full age benefit of 55 years old or greater. It seems to me, this Code section was written correctly from the start. We have not been looking at it as precisely as the author intended. It is written very elegantly, (and a bit cleverly.)

We are in the process of identifying all those firefighters who may have been affected by this ruling and informing them of the new Code interpretation. They will be allowed to purchase any time served post-retirement at the normal dues rate. If you fall into this category and do not hear from us, please contact the office at your earliest convenience, and we will do our best to get the records corrected.

O.C.G.A.

§ 47-7-101

Eligibility For Retirement Benefits; Reemployment.

...the clause goes on to state, that the “benefits payable shall not exceed the amount of the monthly benefit *which would be payable to such member had such subsequent retirement become effective at the time of the member’s prior retirement...*

the clause recognizes a prior retirement and a subsequent retirement.

The Board of Trustees and the Staff are continuously looking for ways to improve the operation of the Fund and the benefits provided to its members both in the Code and in our Rules and Regulations.



Jim Meynard

Executive Director

Continued from Page 3...Proposed Changes in New Legislation...

In Section 6, we propose to allow members of the Peace Officers Annuity and Benefit Fund to be able to earn credit in this fund after July 1, 2010, provided such credit is not earned concurrent with credit earned in that fund. That is, off-duty peace officers may volunteer as firefighters and may earn credit in our fund the same as any other worker in any other industry. They should have no disadvantage by virtue of being a peace officer, but time on duty, earning credit in the POAB will not count as time volunteering or working as a fire service person earning credit in the GFPF. This provision will not have any retroactive benefit available.

In Section 7, we propose to eliminate the one-year waiting period for newly married firefighters to convert to a Joint and Survivor status following a prior conversion from a divorce or a death of a spouse. A member requested this change, and on review, the board agreed that, perhaps, the waiting period had no perceptible value. Our legislative representatives seem to agree.

In Section 8, we have added a clause to § 47-7-103 to insure that, upon the death of a retired member who has not received at least a minimum of \$5,000 in benefits, but has elected a survivor option, the survivor does indeed get the survivor benefit. This was actually a conflict in our Code identified by the staff. We have long operated under the premise that the survivor option prevailed, but we wanted the Code to be consistent with § 47-7-100.

In Section 11, we have asked to raise the penalty for making false statements, falsifying records, or permitting the falsification of records in an attempt to defraud the fund, if found guilty, to a felony from a misdemeanor. And of course, here our rationale is clear; the benefit payout of the fund is becoming quite significant. The full benefit amount is now \$882 per month or \$10,584 per year. Falsifying records, whether it is volunteer training records or fire attendance records, or whether it is full time certification records portends an opportunity to gain unearned creditable service. That is stealing from the fund and stealing from future retirees. And, these are getting to be big numbers.

The final impact of this bill is in Section 12. Herein, Chapter 7A, the Code which described the Class Nine Fire Department Pension Fund is repealed. The Class Nine Fund was merged with the Firefighters' Pension Fund effective July 1, 2006. This Chapter is no longer needed in the Title.

Your Board of Trustees, Board Counsel, and staff have carefully considered all of the tenets of this bill. Most of these changes have been in the hopper for several years. We are pleased to be able to get them in a good, well written bill with excellent legislative support.

If you have any questions regarding any aspect of this bill, please do not hesitate to call me. I will be most pleased to discuss your concerns and answer your questions.

**Jim Meynard**

Executive Director

Unless you are the lead dog...**...The scenery never changes.****Greg Kot****(The New Yorker)****Notice
To
Active
Members**

Now that you have received your membership cards, **active** members please take a look at your Retirement Option in the lower right corner of the card. If you have the Joint and Survivor Option with a percentage other than 100%, we highly recommend that you change this percentage immediately. In the event of your death, if you are a vested member (15 or more years in the Pension Fund) and have an election of 50, 66-2/3, or 75%, your spouse would only receive that percentage of the benefits. By changing the election to 100%, your spouse would collect 100% of the benefits to which you would have been entitled based upon the creditable service that you had obtained at the time of your death. This does not lock you into your retirement option, as you will have the opportunity to update this information upon retirement. In order to make this change, please visit our website, www.gfpf.org, go to *Forms*, and choose the *Retiree Beneficiary Information Form*, or contact our office to request the form.

**Cindy Cannon****Retirement Specialist**

**Notable and
Quotable:**

“It is more important that the fire truck get to the fire, than it is that the fire truck get to the fire fast!”

Zeke Boatwright
“Senior” Driver,
Bloomington
Volunteer
Fire
Department

Heard On CNBC:

President Obama’s Stimulus Package has convinced me of one thing:

There are no Kosher Congressmen, they all love Pork.

(Unknown Guest Host, CNBC)

We Need A Fire Truck!!

It is long past time for us to return Chief Wayne Hadden’s 1915 Ford LaFrance back to Cairo. The pension office has had it on loan for display in our lobby for over two years now, and he only agreed to let us have it for one year. He has been very gracious in letting us display it for so long now, but, alas, we must honor our commitment and return this little jewel of an antique to its rightful place in Chief Hadden’s collection.

When we do, it will leave us with an open bay to display another Georgia based fire apparatus, preferably an antique, the older the better, and 16 foot long or less. We know there are several out and around the state that have been fully restored and are quite beautiful pieces of equipment. We would love for someone to volunteer to share their restoration with us and our visitors for a while, perhaps a year or so. The more offers we get, of course, the easier it is to cycle these pieces each year.

If you have a restored fire truck or knowledge of one that might be available and would look good in the atrium of the pension fund office, please contact me at execdir@gfpf.org or David Luther, our Field Coordinator, at field.coordinator@gfpf.org. Together, we will work out the logistics of getting it here and setting it up.

... And, Items to Display

We now have some gorgeous display cases in the main lobby of our building. We got these to put various items of interest relative to the Pension Fund and to the Fire Service. If you have anything of historical significance to the Fund or the Service that you are willing to share with us for display, we would love to have it or to borrow it. Our cases have glass tops and glass shelves. They are 6 and 8 feet long and 18 inches deep, so we are considering items like old fire helmets, nozzles, blazer crests, badges and so forth. Of course, everyone, including us, would like to find a brass bell.

Well, what have you and what can you share? Give me a call and let us know. We will make arrangements to get it and display it.



Jim Meynard

Executive Director

REMINDERS...

Beneficiary Changes

Please, please, please make sure you update your beneficiary information due to a life change of events, i.e. marriage, divorce, death. You may check your current beneficiary by visiting the website, www.gfpf.org, using your member I.D. and password (last four digits of your social security number) and download the required change forms if necessary.



Sharon Drake

Operations Manager

Georgia Firefighters' Pension Fund

Vital Statistics as of March 31, 2009

(FINANCIALS ARE PRELIMINARY)

Assets	395,301,384
Active Members	12,656
Retirees	3,461

FUND PERFORMANCE

Current Month	2.1%
Calendar Year 2009 (January 1-March 31, 2009)	-4.9%
Fiscal Year to Date (July 1, 2008-March 31, 2009)	-33.3%

RETIREMENT BENEFITS

Full Retirement (25 years service/age 55)	\$882 per month
Early Retirement (15 years service/age 50)	\$370 per month
Average Benefit Payment	\$698 per month

EXPECTED AVERAGE BENEFIT
PAYOUT OVER 25 YEARS
\$209,400

Pension Fund History

The Georgia Firefighters' Pension Fund has a storied and colorful history that goes back beyond its beginnings to the present day. David Luther, our Field Coordinator, is working to assemble information and data associated with the formation of the Fund and its development over the years. We have some of the key information in our files and have spoken with several folks who were instrumental in the early legislation, in particular, State Senator Bentley (Ret.) of Marietta. We also have the complete schedule of benefit increases. David and I will be researching the legislative archives to gather information on the changes in the Fund's benefit structure over the years.

We would really like to hear from our members, in particular our retirees, if you have any knowledge or information regarding the early days of the fund. We would appreciate getting any photos or news clippings that you can share (we will scan them and return the originals). Or, if you have a story to tell, please share that with us, too.

This is and will continue to be a long term project, but well worth it when we get it done!



Jim Meynard

Executive Director

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