



March 2023

# ADVISOR

*“Dedicated to Providing Retirement Security for Firefighters and Police Officers – Past, Present, and Future.”*

## From the Executive Director, *Warren J. Schott, CFA*



Lots of happenings at your Pension Fund since the last time we reported.

In this newsletter, we will update you on our effort to bring legislative amendments for increased death benefits for our widows

and children. Also, our Board members have changed due to recent retirements and a resignation, so we will update on our new Trustees. And as always, we will give you an update you on our investment performance.

**Legislative Package.** The Pension Fund Board approved bringing a Legislative Package to the 2023 Texas Legislature. The Package received unanimous support from all three of our constituent groups (Local 624, SAPOA, Pensioners Association) as well as the City Council. We appreciate all their help in developing the current Legislative Package. Most of the package contains technical revisions clarifying specific sections of the law, and numerous others will make the Pension Fund compliant with IRS, USERRA and the HEART Act.

Having said that, we are taking the occasion to also increase the death benefit payable to beneficiaries of active members that die. This benefit will increase from 50% to 75% of the members average total salary. Senator **Jose Menendez** and Representative **Steve Allison**

have agreed to file our bill in their respective chambers. If it successfully passes both chambers and the Governor signs it, the changes will become effective September 1. See our Legal Counsel’s overview on page 4.

**Board Retirements, Resignation, and Replacements.** Two of our Board members decided to retire from active duty and enjoy the benefits they helped create. In 2022, Assistant Fire Chief **Vance Meade** retired. Vance Meade was a terrific Trustee representing Active Firefighters and will be sorely missed. He has been replaced by Battalion Chief **Shawn Griffin**. We welcome Trustee Griffin to the Board and look forward to working with him.

Detective **Jimmy Foster**, representing Active Police, also retired at the end of 2022. Jimmy served on the Board for six years and was a valued member. He too will be missed. SAPD Patrolwoman **Amanda Viera** ran unopposed in the election to replace Jimmy and will serve the remaining two years of his term. Amanda has jumped right in and been a quick contributor to the Pension Fund Board.

Sergeant **Jim Smith**, who also represented Active Police, resigned from the Board effective December 2022. Jim had served as a Trustee for over 12 years and was Chairman of the Board at the time of his resignation. We wish him well in his future endeavors. Jim always worked in the best interest of the members, constantly looking for ways to improve benefits for all members. He will be greatly missed at the Fund.

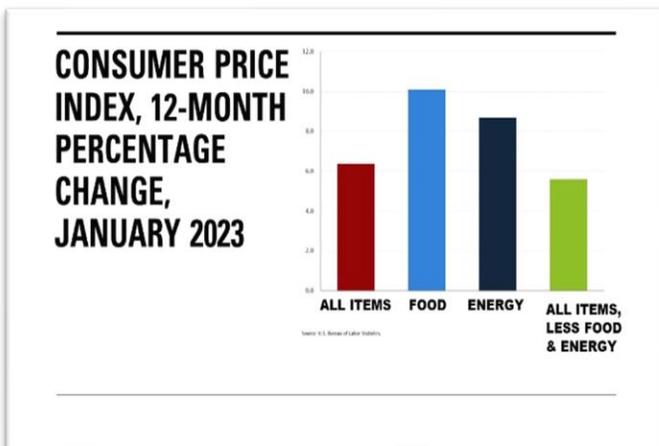
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## Executive Director, Continued

Councilman **Clayton Perry**, who served on the Board as the City Representative for five years, was replaced. Councilman Perry was always a big supporter of the Fund and we could count on him carrying our messages to his colleagues on City Council. We wish Councilman Perry the very best of luck in the future.

The mayor has appointed Councilwoman **Melissa Cabello Havrda** as Councilman Perry's replacement. We welcome her and look forward to working with her in the future.

**Inflation Adjustments.** Retirees may have noticed a nice increase in their monthly annuity in January. The inflation rate was 6.5% last year, so if you retired prior to October 1999, your annuity increased by 6.5%. If you retired after October 1, 1999, you received 75% of this amount, or 4.90%. This is the second year in a row that retirees received a substantial Cost of Living increase. Last year's increase was 7.0% and 5.3%, depending on retirement date. The Pension Fund's annual, automatic compounding Cost of Living Adjustment (COLA) is meant to provide retirees with a monthly annuity that maintains the same buying power as when they retired. Hopefully the retirees will agree that it has accomplished this, whether they retired in 2022 or 1992.



**Supplemental Checks.** Last year the Pension Fund was able to issue 13<sup>th</sup> and 14<sup>th</sup> Checks to our retirees. Unfortunately, due to difficult markets in 2022, the Board did not have the discretion to issue a 13<sup>th</sup> Check this year. Remember that the 13<sup>th</sup> Check was added into our Pension law in 1997 and the 14<sup>th</sup> Check was added in 2001. We have issued 13<sup>th</sup> Checks for fiscal years of 1997, 1998, 1999, 2000, 2001, 2007, 2014, 2017, 2020, and 2021. We were able to issue a 14<sup>th</sup> Check for the fiscal years 2007 and 2021.

**Difficult Markets.** Indeed, 2022 was a tough year for the Pension Fund's investment portfolio. We do not yet have the final valuations for all our investments, but our preliminary estimates are that the Fund will have generated a negative 11% investment return for 2022. Our Chief Investment Officer **Cary Hally** provides a detailed review on page 8.

**Elections.** Please be checking your mailbox in early April for your election ballot. Depending on the number of candidates that file in March, we could have elections in the Active Fire, Active Police and Retired Police positions. Please vote. These are important positions making impacting decisions on your behalf. The typical turnout is in the 20% range. We can do better.

**Overall Condition – Great.** Let me end by reassuring you that the Pension Fund is in great shape. 2022 was a difficult year for our investments – and indeed every pension fund across the United States – but remember that the previous several years were outstanding. Rest assured: our retirees' monthly checks will keep coming. And if you are an active firefighter or police officer, the Pension Fund will be here for you when you decide to retire.

Thanks for all your support throughout the years and please let us know if you ever need anything.

# From the Chairman: Teamwork in 2023 Can Bring Much Needed Legislative Changes

## *Dean Pearson, Active Firefighters Representative*



It is a great honor and privilege to now serve as Chairman of the Board of Trustees for the San Antonio Fire and Police Pension Fund. Little could I imagine in 2012, when I first ran to be on the Board, that I would someday be its Chairman. Life offers many surprises, and this is certainly one of the best ones bestowed upon me.

In many ways my approach to leading this organization falls into line with my original campaign: Keep what we have and make it better. Truly, as one of the best performing pension funds in Texas, our SAFPPF mission must always be one of maintaining excellence while constantly looking for ways to do just a little bit better. Slow, incremental adds that build on the decades of excellence created by previous Boards and our long-serving Executive Director Warren Schott will be my job description as Chairman. I hope to execute that duty, for all our police and fire fighter members, our retirees, and their beneficiaries.

Which brings me to a major incremental add that has now been years in the making – a Legislative package that improves benefits and clears up a lot of legal tangles that have built up over time. As Warren said in his opening article, our Legislative package has the support of all our constituent parties – the City, the retirees, the associations. That signifies strength and unity of purpose to the Legislature and bodes well for passage this session.

But we can't assume that passage will just happen of its own accord. We will have to work at it throughout the session. We are entering a critical time, from March to April, when our non-controversial bill should easily make its way through committee hearings and onto the floor of both Chambers. But nothing is easy in the Legislature where even a bill with full consensus among its supporters can get lumped into some hornet's nest. We don't anticipate that happening, but it is something we will be watching for and which will be prepared for, if it occurs.

Since April 1989 I have worked proudly for the San Antonio Fire Department and now serve as a fire engineer. I know, like my fellow firefighters, that successful missions depend on attention to details, with well-honed equipment that stands ready to serve. It's a 24/7/365 mission. I see my work here on the Board in the same way. I make it a point to attend, as best I can, all the Committee meetings, for investments, disabilities, real estate, legislative, personnel, etc. Staying aware of all the moving parts is part of the job, as Chairman and as a fire engineer. It's one I now have the great honor of fulfilling.

# Legislative Package – Overview of Changes

Gail Jensen, SAFPPF General Counsel



Your Pension is created and governed by the Pension Law, a Texas state law that sets out how your pension works and how the Fund operates, including the make-up of the Board of Trustees,

how pension benefits are calculated, and who is entitled to survivor benefits when you die.

From time to time, it's important to make changes to the Pension Law so that the Fund complies with federal laws, so that your benefits remain up-to-date, and so that there is less confusion or ambiguity about how benefits are administered in various situations. The Pension Law was last updated in 2009, and we are excited to be filing a Bill this Legislative Session to make some much-needed changes.

**Unanimous Support.** Over the last twelve months, the Pension Fund Board worked closely with the San Antonio Police Officers' Association, the San Antonio Professional Fire Fighters Local 624, the San Antonio Fire and Police Pensioners' Association, and the City of San Antonio to develop our Legislative Package. While the Session has just started and it's impossible to predict exactly what will happen over the next few months, we are hopeful that our Bill will be passed into law. If that happens, here are some of the important changes that will be coming your way:

## **Changes to Death Benefits:**

- *Increased regular death benefit upon death of active members.* When an active

member dies, his or her beneficiaries are currently entitled to receive an annuity that is 50% of the member's average total salary. Under the new Bill, that annuity will increase from 50% to 75%.

- *Clarification of the Killed in the Line of Duty death benefit.* When an active member is "killed in the line of duty," his or her beneficiaries receive an annuity that is 100% of the member's total salary at the time of death. But the Pension Law does not define the term, "killed in the line of duty." Our Bill adds a definition, defining such deaths as those that result from "life-threatening" physical injuries of "sudden onset" that are sustained while engaging in law enforcement or firefighting activities.

## **The addition of a "Slayer" Provision:**

A "slayer" provision prohibits someone who causes the death of another from benefitting financially from that action. Many states have laws that prohibit someone who kills another from inheriting from their victim, and a lot of pensions have similar provisions. The SAFPPF pension does not. That means that if one of your beneficiaries knowingly causes your death, they could receive survivor benefits under your pension. The new Bill adds a "Slayer" provision so that a beneficiary who knowingly causes your death will not receive survivor benefits.

## **Clarification of the requirements to be a "dependent child":**

When you die, your surviving spouse and "dependent children" get survivor benefits. These are important benefits, so it is vital that the definition of "dependent child" includes those who need to be included. The new Bill

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makes clear that a “dependent child” includes both biological and adopted children. It also removes the requirement that an adult child who is not mentally or physically able to be self-supporting have been claimed as a dependent by you on your previous year’s federal income tax return. This requirement could inadvertently exclude an adult dependent child, especially in divorce situations where former spouses alternate who claims the adult child for tax purposes from year to year.

**Payment of 13<sup>th</sup>/14<sup>th</sup> checks when Retiree/Beneficiary qualifies but dies prior to receipt:**

In certain circumstances, the Board can authorize a 13<sup>th</sup> and even a 14<sup>th</sup> pension check. To be eligible for a 13<sup>th</sup> or 14<sup>th</sup> check, a retiree or beneficiary must have received an annuity payment in the previous December. Sometimes, a retiree or beneficiary who received an annuity payment in the prior December – thus meeting the requirement to receive a 13<sup>th</sup> or 14<sup>th</sup> check – dies before the 13<sup>th</sup> or 14<sup>th</sup> check is actually paid. The Pension Law does not specify what happens in that circumstance. The new Bill provides that if that happens, the 13<sup>th</sup> or 14<sup>th</sup> check will be paid to the individual’s Estate.

**Miscellaneous**

The new Bill also makes a variety of changes to ensure the Pension Law remains compliant with federal laws, keeping the Pension Fund eligible for its tax-exempt status. It makes important updates to how and when members who are on active military duty can pay their contributions to receive service credit. And it adds flexibility in certain situations to enable the Board to



better serve the members and retirees – for example, allowing the Board to waive the requirement that a retiree receiving a catastrophic disability annuity be medically re-evaluated every five years.

Finally, the Bill makes a number of clarifying changes including defining how a member’s “total salary” is calculated and specifying how the effective date of an informal marriage is determined. Some of these changes may seem minor or trivial, but all of the changes are important to making sure everyone understands how the SAFPF Pension works.

We are excited about the new Bill and hopeful that it will make its way through the legislative process successfully and with minimal changes. The 88<sup>th</sup> Legislative Session is still in its early stages and the legislative process is unpredictable. We will be monitoring the Bill closely and will keep you posted of its progress.



**PRE-RETIREMENT SEMINAR, 2022**  
Check [www.SAFPPF.org](http://www.SAFPPF.org) for 2023 events.

# BENEFITS SPOTLIGHT: Death Benefits

*Rick Matye, SAFPPF Payroll & Benefits Supervisor*



We still get questions concerning benefits available when a retiree passes away. The benefits paid when a retiree dies depend on whether the retiree has beneficiaries. A

beneficiary is a surviving spouse, child under 18 years of age, or a disabled and wholly dependent child 18 years of age or older. Pension fund beneficiaries are determined by our Pension Law, not by the member or retiree.

## Documentation Needed

Proper documentation is required for beneficiaries. A surviving spouse must have a marriage certificate or a declaration of informal marriage to be eligible for benefits. A common law marriage does not qualify without the declaration of informal marriage. A birth certificate or adoption papers showing the member as a parent must be provided to qualify a child as a beneficiary.

## Monthly Annuity for Beneficiaries

If a retiree dies and has one or more beneficiaries, a monthly annuity may be due the survivors. The monthly annuity cannot exceed the vesting percentage for a 27-year pension, currently

80%. In other words, if the retiree's monthly annuity at retirement was 80% or less; the beneficiary pension will be the same amount the retiree was receiving at death. If the retiree's monthly annuity at retirement was more than 80%; the beneficiary pension will be recalculated to be 80% of the average total salary used to determine the retiree's annuity plus cost-of-living adjustments based on the recalculated annuity. If the retiree received a pension in excess of 80%, the shortcut method to determine the beneficiary annuity is to take the retiree's annuity at death multiplied by 80% divided by the percentage used to calculate the retiree's annuity. If a retiree received an 82% pension, the beneficiaries would receive approximately 97.56% (80% divided by 82%) of the retiree's annuity at death.

If the retiree leaves a surviving spouse and children, the beneficiary annuity is split 75% to the surviving spouse and 25% to the child or children. Benefits paid to a minor child cease at age 18 unless the child is disabled and wholly dependent. When all children are no longer eligible for benefits, the surviving spouse then receives 100% of the benefit. The surviving spouse receives this benefit until death.

## Spouse Situations

You probably noticed that I said a monthly annuity may be due the survivors. A surviving spouse who was married to the retiree at the date of retirement and remained married to the retiree until the date of the retiree's death is eligible for a monthly annuity.

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### Best Ways to Change your Address with SAFPPF



#### Active Members:

- Contact the City of San Antonio with your change.

#### Retired members and beneficiaries:

- Call the pension fund and ask for a Benefits Specialist at 210.534.3262

## Benefits Spotlight, continued

For marriages after retirement, the length of marriage and age of the surviving spouse at the date of the retiree's death will determine whether, as well as when, monthly annuity payments are due. For marriages after retirement, the surviving spouse must have been married to the retiree for at least five consecutive years at the date of the retiree's death to qualify for a monthly annuity. Otherwise, the surviving spouse gets a lump sum payment of \$15,000.

If there are children entitled to a death benefit, the surviving spouse in a marriage after retirement who does not meet the five-year rule receives nothing. If the surviving spouse in a marriage after retirement does meet the five-year rule and is less than 55 years of age at the date of the retiree's death, payments to the surviving spouse will not begin until the surviving spouse reaches age 55.

For children to qualify for benefits when a retiree dies, the children must have been born or adopted before retirement. The only exception is that a retiree's child born after retirement will qualify as a beneficiary if the retiree's spouse at the date of retirement is the child's other biological parent.

## No Surviving Beneficiaries

If a retiree dies leaving no surviving beneficiaries, the estate of the retiree **may** be entitled to a death benefit payment. If ten times the amount of the annual annuity awarded by the Board effective on the retiree's date of retirement exceeds the sum of all retirement or disability payments and any lump-sum BackDROP payment made to the retiree, the estate is due a payment for the difference. If a BackDROP was elected, the reduced annuity is used to calculate the ten times amount from which all annuity and lump-sum payments are



## 2023 Financial Planning & Pre-Retirement Seminars

	Date & Type of Event	Times
<b>Financial Planning:</b> <ul style="list-style-type: none"> <li>Understanding your pension benefits</li> <li>Retiree Health Care Benefits</li> <li>Medical insurance</li> <li>Need for financial planning</li> </ul>	April 7 Financial Planning	9:30 a.m. – 12 p.m.
	May 1 Pre-Retirement*	8:30 a.m. – 3:30 p.m.
<b>Pre-Retirement Topics</b> <ul style="list-style-type: none"> <li>Need for financial planning</li> <li>Review of benefits</li> <li>Need for legal planning</li> <li>Tax implications at retirement</li> <li>Deferred compensation</li> <li>Medical insurance</li> <li>More</li> </ul>	June 2 Financial Planning	1 p.m. – 3:30 p.m.
	July 7 Financial Planning	9:30 a.m. – 12 p.m.
	August 7 Financial Planning	1 p.m. – 3:30 p.m.
	<small>Look for more listings in future posts</small>	

**Spouses are encouraged to attend.**  
**Space is limited – Free – (210) 534-3262 ext. 200**

Financial Planning events are @SAFPPF HQ, 11603 W Coker Loop, Suite 201. San Antonio, TX  
 \* Pre-Retirement Seminar is at the Alzar Shrine Auditorium, 901 N. Loop 1604 W, San Antonio, TX

subtracted. If a retiree has no beneficiaries and the potential for this death benefit payment exists, it is important to have a current will so the estate will distribute the death benefit payment as well as other estate assets as you wish.

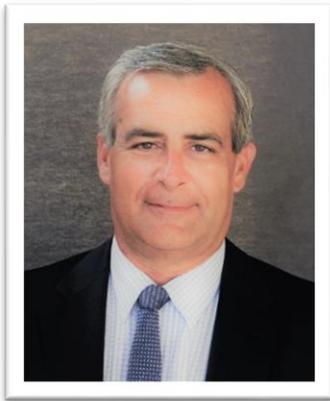
## Know the Law

To sum up, retiree death benefits can be a little complicated. Retiree pensions in excess of 80% will be reduced to determine the beneficiary pension amount. Family situations at the date of retirement as well as at the date of death are important in determining benefits. Marriages after retirement must meet certain requirements for the surviving spouse to be eligible for annuity benefits. With the one exception explained above, children born after retirement are not eligible for benefits. If a retiree dies leaving no beneficiaries, the ten times annuity calculation is performed to determine if a payment is due the estate.

As always, if you have any questions, please contact a Benefits Specialist at the Pension office. Our number is 210.534.3262.

# 2022 Investment Year Review

*Cary Hally, SAFPPF Chief Investment Officer*



After three years of strong double-digit positive performance, the San Antonio Fire & Police Pension Fund (the Fund) experienced negative performance in 2022.

The total return of the Fund for the 2022 calendar year was a negative -11.6%, compared to +13.9% in 2021, +12.3% in 2020 and +15.2% in 2019. The market value of assets for the Fund at the end of 2022 was \$3.54 billion, down from \$4.15 billion at the end of 2021. (While a large portion of the decline is attributable to investment returns, a portion of the decline in assets is related to paying monthly pension benefits including 13<sup>th</sup> and 14<sup>th</sup> checks which were paid during 2022.)

## Public Equities

All of the Fund's publicly traded asset classes experienced negative performance. Our portfolio of equities (44% of Fund assets at year-end) was down -20.6%. The domestic stock portion of our equity portfolio was down -19.7%, the non-US developed market stock portion of the equity portfolio returned -18.4% and the emerging market stock portion was down -27.7%.

Clearly stock markets around the globe were negatively impacted by high inflation, rapidly increasing interest rates and recession fears.

## Fixed Income Investments

The next largest allocation of assets of the Fund is fixed income (representing 24% of the

total Fund at year-end). The fixed income allocation also experienced negative returns for the year, although the bond allocation performed much better than the equity allocation.

The total fixed income allocation was down -8.9% for 2022. The domestic bond portion of the fixed income allocation returned -6.3%, which was relatively strong performance when compared to the Bloomberg US Aggregate Index (a broad market benchmark for the US bond market) return of -13.0% for the year. The emerging market debt portion of the total fixed income portfolio was down -18.8% for 2022.

The negative returns experienced in fixed income investments are largely the result of the rapid increase of interest rates. Bond values and interest rate movements have an inverse relationship so when interest rates increase, like in 2022, bond prices decline resulting in negative returns.

## Private Market Investing

The allocation to private market investments were not as impaired during 2022 as publicly traded securities. It is important to note the return for private market assets are lagged one quarter due to timing constraints involved in aggregating and auditing private

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<https://tinyurl.com/SAFPPF-YouTube>

## 2022 Review, continued

market data. Once final year numbers are tabulated, the expectation is returns will be lower due to the lag in reporting.

### Real Assets

The allocation to real assets (5% of the Fund at year-end) returned +11.7% for 2022, while the allocation to private real estate (9% of the total Fund) returned +2.9%. In theory, assets in these two categories may benefit from inflation and help protect the overall Fund during a rising inflation environment which was experienced in 2022.

### Private Debt

The allocation to private debt (8% of the Fund at year-end) was up 5.5% for 2022. This allocation benefitted from a rising interest rate environment since many of the private loans are floating rate in nature so when interest rates rise, the income payments also rise resulting in stronger performance. The allocation to private equity (8% of the Fund) was down -10.4% for the year.

### The Opportunities Ahead

On a go forward basis, we will continue to implement the investment policies adopted by the Board which are long-term focused and designed to navigate up markets (like experienced in 2019-2021) as well as down markets experienced last year.

To end on a high note, as of writing this performance update, the Fund is up approximately 3% in the first 7 weeks of 2023 and total assets are up over \$100 million.

Market Value Investments  
As of December 31, 2022



# \$3.54 billion

## Welcome the New Council Appointment: Melissa Cabello Havrda

San Antonio Mayor **Ron Nirenberg** appointed **Councilwoman Melissa Cabello Havrda** to the Board of Trustees of the San Antonio Fire and Police Pension Fund, effective January 31, 2023.

Councilwoman Cabello Havrda was elected to the position of District 6 Councilwoman on June 8, 2019. She Chairs the City Council Public Safety Committee and the Transportation and Mobility Committee. She is a member of the Governance Committee as well as the Intergovernmental Relations Committee and Municipal Utilities Committee. She is also Chair-Elect of the Alamo Area Mobility Planning Organization (AAMPO).

Councilwoman Cabello Havrda is on the boards of the San Antonio Economic Development Corporation, and the San Antonio Mobility Coalition.



Cabello Havrda is a proud native of District 6 in San Antonio, Texas. She attended Taft High School in the district and earned her B.A. majoring in political science from St. Mary's University, a Juris Doctorate from St. Mary's University School of Law, and an MBA from UTSA. While working on obtaining her degrees, Councilwoman Cabello Havrda held the position of special assistant to former Mayor Ed Garza.

Councilwoman Cabello Havrda has been married to **Jason Havrda** for over 20 years and they are the proud parents of three children.

# Your Pension Fund, Our Story

Harry Griffin, SAFPPF Trustee, Retired Police



The San Antonio Fire & Police Pension Fund was established in Texas State Law in the **1940's**.

Membership was made mandatory for all police officers and firefighters in **1951**.

The Pension Fund struggled financially for many years and in **1979** it was basically insolvent. Both San Antonio newspapers, *The Light* and *Express-News*, predicted its bankruptcy. The Fund had a value of **\$57 million Dollars** in **1979** when the Board of Trustees and the City of San Antonio agreed to make major structural changes to the Fund, including increased contributions and a complete revision of investment policies and practices.

By **1989** the financial health of the Fund began to improve, and the Fund had grown to **\$225 million**; the maximum allowable pension was a **60%** at **30 years**, and later that year benefit improvements were made to include:

- Members' pensions were based on the actual salary of each individual member, and members were eligible for a retirement pension after **20 years** with no minimum age requirement.
- Benefit Formula: **40%** @ 20 Years; **75%** @ 30 Years.

In 1995 the Pension Fund's assets had grown to **\$630 million**. Benefits were again improved:

- **Back Drop** benefit was included in State Law.

- Spouses of firefighters or police officers who passed away could continue their pension if they remarried.
- Cost-of-living adjustment (COLA) Increases.
- Benefit Formula increases **77.5%** @ 30 years.

In **1997-1999** the Fund continued its financial success, assets had grown to **\$1 billion** and again benefits were improved:

- The **13th Check** Provision was included in State Law.
- A one-time benefit increase was provided for all pre-1989 retirees.
- **Back Drop** increased from a maximum of 2 years to a 3-year Back Drop.
- Surviving Spouse Death Benefit Annuity increased.

Again in **2001** benefits were increased because of continued excellent investment performance, assets had grown to **\$ 1.25 billion**:

- **20 Year Pension** was increased from 40% to **45%**; a 4.5% multiplier for the next 7 years and a maximum pension @ **87.5** @ 34 years.
- Spousal Benefit increased from 26 years to 27 years.
- A **14th Check** Provision was added to the Benefit Schedule.
- COLA increase for pre-1991 retirees.

Over the next two legislative sessions, **2003** and **2005**, small benefit improvements were made:

- Members eligible for disability pension if disability occurred during military service.
- Increase in **COLA** for pre-1993 retirees.
- Guarantee of **5 years** of pension payments to retirees' estates if death occurs without beneficiaries.

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## Your Pension Fund, continued

In **2007**, the Fund improved financially to **\$2.7 billion**, and several major benefit improvements were made:

- Benefit Formula: **5%** multiplier years 21-27 with **80%** Pension at 27 years; maximum.
- 87.5% Pension @ **33** years.
- **COLA** increase for pre-1997 retirees.
- DROP increased from **3 to 4** years.
- Catastrophic Disability benefit increased to **87.5%** Pension.
- Estate guarantee of at least **10** years' worth of Pension Payments.
- Minimum Pension amount for older retirees.

In **2009**, more improvements were made:

- Back Drop increased from **4 to 5** years.

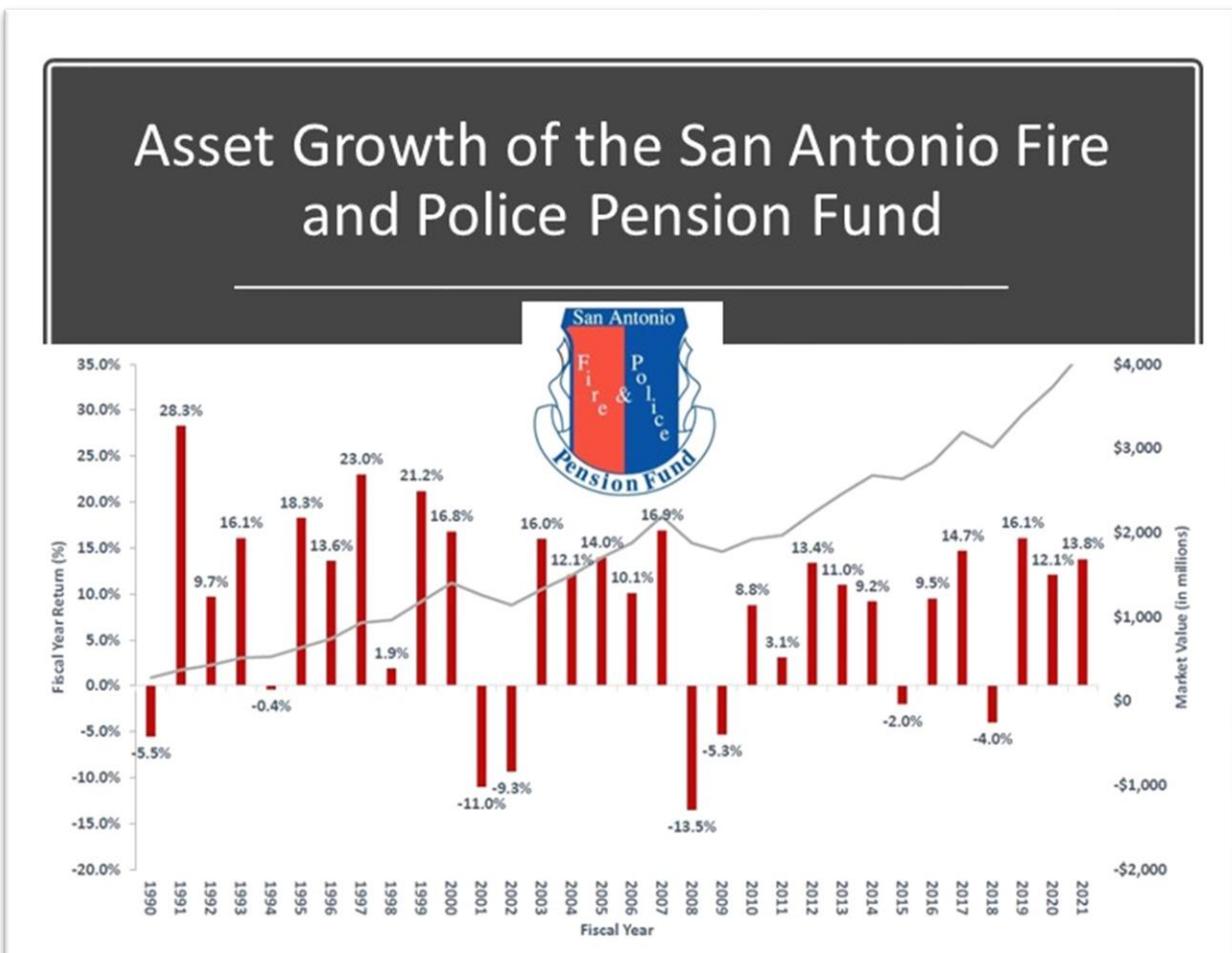
- COLA increase for pre-1999 retirees.
- Increased spousal benefit for marriage after retirement.

The **Back Drop** provision in our Pension plan allows plan participants to retire with a significant lump-sum; more than **90%** of retirees use this provision in our plan.

The **13th Check** Provision has been a great way for all of us to participate in the financial strength of our Pension Fund. Retirees have received **13th Checks** in 1997, 1998, 1999, 2000 and 2001.

Then in **2007**, each retiree received a **13th** and **14th** Check. Again, in 2014, 2017 and 2020

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## *Your Pension Fund, continued*

13th Checks were issued to each retiree of the San Antonio Fire & Police Pension Fund. Finally, each of us received a **13th** and **14th** Check in **2022** for the stellar financial performance of the previous five years ended December 31, 2021, when our Fund's assets exceeded **\$4 billion** Dollars.

Over the last **30** years each retiree has received an automatic COLA increase with the 2021 increase being at least **5.3%** and the most current 2022 COLA increase being at least **4.9%**.

Our Pension Fund has done very well over the past **30** years and all members and beneficiaries have benefited with increasing monthly pension payments and the peace of mind that our **Pension** is financially strong and solvent.

We can rest assured that the **promise** made, to pay a monthly pension for life, will be **honored**. I am honored to have been a part of this great success story, as one of your **Pension Board Members** over the past **30** years, and look forward to serving you in the future.

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## **New Trustees Sworn In**

The SAFPPF Board of Trustees has welcomed new Trustees in the wake of retirements and replacements in 2022.

New members were sworn-in to office at the January and February 2023 Board meetings. Please welcome and thank them for their service to our Pension Fund.



*Councilwoman Melissa Cabello Havrda was sworn in at the January 31 meeting as Bexar County Commissioner and SAFPPF Trustee Justin Rodriguez looked on.*



*SAPD Patrolman Amanda Viera (center) is welcomed to the Board by SAFPPF Chairman Dean Pearson at her February 28 swearing in. Viera made it a family affair, with many police supporters and family members attending. Viera's sister Bianca Villalobos is right of Pearson and Viera's daughter Gabrielle Salazar is on the left.*

# PENSIONOMICS: SAFPPF Retirement Benefits are a \$255 million Stimulus to San Antonio and Texas

When new businesses move to San Antonio, the Chamber of Commerce and local politicians celebrate the jobs that will be created, the taxes that will be added to the local governments, and the overall boon to the economy. But did you know your Pension Fund also creates \$255 million in yearly economic benefit to the City and State? Here's how:

First, retirees' jobs in the police and fire departments transfer to new recruits who earn their paychecks from the City of San Antonio.

Once a retiree leaves the forces, they begin receiving the monthly deferred benefits that they had contributed to the Pension Fund over their decades of service. Those contributions had been matched by the City of San Antonio. And the Pension Fund had invested those contributions in economic opportunities around the world, growing them for eventual monthly distribution to the retirees. Trustee Harry Griffin's article on page 10 demonstrates the historic growth of the Pension Fund and benefits.

## Pensionomics Ensur

Once the retirees begin receiving their benefits, they use them for their daily livelihood. Mortgages are paid. Food is bought. Restaurants are enjoyed. Cars are fixed.

Grandchildren are spoiled. Every pension dollar spent re-enters the economy and begins its journey supporting local businesses, paying for the salaries of workers, and thus generating taxes.

In recent years the National Institute on Retirement Security has studied the impact of pension benefits on national and state economies. Nationally, pensions provided \$612.6 billion in benefits to 24.6 million retirees and beneficiaries in 2020. NIRS calls their study "Pensionomics" as it quantifies the economic stimulus effect of pension benefits.

In Texas, all the retirement benefits paid to retirees through federal, state, local and private pension funds totaled \$19.1 billion, to 786,862 Texas residents.

In San Antonio, in 2021, our pension fund paid \$14,609,509 in monthly benefits to 2,626 retirees and 509 beneficiaries. On a yearly basis that was \$175 million paid to 3,135 people.

NIRS also calculated a multiplier for every dollar paid in Texas pension benefits. They found that every dollar paid supported \$1.46 in economic activity. **Thus the \$175 million in benefits paid to retirees (assuming all retired and lived in Texas) had the effect of adding \$255 million to the Texas economy.**

Retired participants and beneficiaries	
As of December 31,	2021
Retirees	2,626
Beneficiaries	509
Average age	68.5
Average amount	\$4,660
Total monthly amount	\$14,609,509



We honor the memory of those active and retired police officers who passed away in 2021 and 2022. We continue to be grateful for their past service and sacrifice.

<b>POLICE OFFICERS</b>	<b>DATE OF DEATH</b>	<b>POLICE OFFICERS</b>	<b>DATE OF DEATH</b>
Robert C. Jordan	1/8/2021	Joseph C. Graham III	1/9/2022
John Dyer, Jr.	1/11/2021	Javier Lozano	1/24/2022
Alfonso H. Cavalier, Jr.	1/18/2021	John F. Sherrill	2/6/2022
Robert D. Garnett	1/18/2021	Edward R. Gomez	2/17/2022
Onofre Serna, Jr.	1/21/2021	Kimberly S. Robinson	2/19/2022
Joseph A. Cisneros	2/1/2021	Robert G. Navarajo	2/21/2022
Matthew Thomas Barnes	2/7/2021	David G. Evans	2/25/2022
Mack Frank Grill	2/15/2021	Jesse Juarez	3/1/2022
Hector J. Flores	3/3/2021	Stanley J. Bronder, Jr.	4/4/2022
Pedro Leos	3/24/2021	Peter Joseph Holder	4/13/2022
Gary W. Mize	3/31/2021	Paul Carreon	4/20/2022
Freddie Brown, Sr.	4/5/2021	Bernard A. Juettemeyer	4/28/2022
James D. Hodges	4/19/2021	Paul E. Zavala	6/7/2022
Thomas Lynn Wettstein	4/21/2021	William Turner	6/8/2022
Charles G. Schumaker	4/23/2021	Thomas T. Fenley	6/12/2022
Kenneth E. Thuleen	5/14/2021	Arturo Salinas	6/14/2022
George M. Scott	6/8/2021	Humberto A. Benavides	7/23/2022
Christopher Jackson	6/26/2021	Homer E. Routh	8/1/2022
Joe C. McKinney, Jr	7/13/2021	Michael E. Scott	8/8/2022
Omar J. Omungo	7/19/2021	Gary D. Simpkins	8/10/2022
Eliseo G. Noriega	8/2/2021	Alfred S. Beasy III	8/19/2022
Francisco Villela	8/16/2021	Ernest Aguilera	8/20/2022
Robert Lewis	8/21/2021	Justin Garcia	8/22/2022
Jesus Longoria, Jr.	8/26/2021	Dennis Schulz	9/3/2022
Thomas Brown	9/4/2021	Michael Mandujano	9/10/2022
Joe M. Cloud	9/8/2021	Edward A. Adame	9/13/2022
Carl Wayne White	9/9/2021	Leonard Randow	9/20/2022
Marion E. Ranney	9/29/2021	Frank Rodriguez	9/23/2022
John Jose Leal	10/11/2021	Charlie Cortinas	9/29/2022
Robert J. Fleming	10/11/2021	Jordon Edward Hammond	10/7/2022
Henry F. Geyer III	11/19/2021	Harry Carpenter	10/9/2022
Fernando Rocha	12/19/2021	Reynaldo Nerio	11/12/2022
Donald Weilbacher	1/3/2022	Joseph Oosterveen	11/19/2022
Robert H. Katz	1/3/2022	Scott Edward Hays	12/16/2022
		William J. Harlow	12/29/2022



We honor the memory of those active and retired firefighters who passed away in 2021 and 2022. We continue to be grateful for their past service and sacrifice.

<b>FIREFIGHTERS</b>	<b>DATE OF DEATH</b>	<b>FIREFIGHTERS</b>	<b>DATE OF DEATH</b>
Jack Jung	1/1/2021	Shody Henshaw	2/11/2022
Franklin Wayne James	1/2/2021	Leroy Wyatt	2/12/2022
Roy Alvarado	1/13/2021	Lyle James Crawford	2/16/2022
David O. Pearson	1/29/2021	Frank Richard Acosta	2/17/2022
Manuel S. Vela	2/1/2021	Jason Luke Grohman	2/22/2022
Paul E. Poindexter, Jr.	2/23/2021	Michael G. O'Neill	3/13/2022
Leslie Wayne Vocke	3/24/2021	Gilbert Delgado	3/14/2022
Daniel Gonzalez, Jr.	4/4/2021	Joe Donnell	3/17/2022
Santiago T. Garcia	4/5/2021	Nathaniel Louis Batson	4/3/2022
Edward E. Guevara	5/3/2021	David C. Rojas	4/11/2022
Wesley Sawchak	5/27/2021	Robert Franks	4/20/2022
John B. Mahan	6/15/2021	Fidel Roel, Jr.	5/23/2022
Michael Trevino	6/29/2021	David Samano	5/30/2022
Kerry A. Yoast	8/23/2021	Mark Daniel Cano	6/22/2022
Larry W. Upton	9/5/2021	Robert Lee Burrow	6/28/2022
Roy Vela Lozano	9/6/2021	David Soto, Jr.	6/30/2022
Opal Trevino	9/7/2021	Gerald K. Walter	7/23/2022
Norris Henley	9/8/2021	Randel H. Fahnert	7/25/2022
George Christiansen	9/18/2021	Timothy Sanchez	9/5/2022
Joseph M. Faunce	9/26/2021	Del Ray O'Neill	10/3/2022
Darren Donald Cook	9/30/2021	Vicente L. Flores	10/13/2022
David Michael Klein	12/21/2021	Alfred Schwartz	11/14/2022
John Thomas Medlock	12/26/2021	Rafael Medina	11/14/2022
Joe Howard Saunders	12/29/2021	Edward Reyes Morales	11/17/2022
Jay A. Williams	1/24/2022	Richard A. Cortez	11/23/2022
		Arthur Cenicerros, Jr.	12/8/2022
		Roy V. Casanova, Jr.	12/29/2022

# SAFPPF Position Among the Large City Pension Systems in Texas

## Amortization Periods of Texas public employee pension systems with \$1 billion+

Pension System	Amortization Period (yrs)	Market Value of Assets
<b>San Antonio Fire and Police Pension Fund</b>	<b>13.6</b>	<b>\$ 4,150,928,708</b>
Texas Municipal Retirement System	15.3	\$ 38,593,014,384
El Paso Fire and Police Pension Fund	16.4	\$ 1,941,772,114
Texas County & District Retirement System	16.4	\$ 44,892,275,531
Teacher Retirement System of Texas	23.0	\$ 201,807,045,133
Dallas Co. Hospital District Retirement Income Plan	23.0	\$ 1,375,274,272
CPS Energy Pension Plan	26.0	\$ 1,919,633,747
Houston Police Officers Pension System	26.0	\$ 7,137,251,000
Houston Firefighters' Relief and Retirement Fund	27.0	\$ 4,102,932,000
Houston Municipal Employees Pension System	27.1	\$ 2,881,788,000
Austin Employees' Retirement Fund	33.0	\$ 3,565,139,844
Employees Retirement System of Texas	33.0	\$ 33,608,244,434
Fort Worth Employees Retirement Fund	42.0	\$ 2,576,119,427
Dallas Employees' Retirement Fund	50.0	\$ 4,093,215,000
Dallas Police and Fire Pension (Combined Plan)	63.0	\$ 1,943,700,593

The Pension Review Board recommends that Amortization Periods are maintained below 25 years, so the lower the better. Source: Texas Pension Review Board Actuarial Valuation Report October 6, 2022; with data from SAFPPF 2021 AVR



### Fire and Police Pension Fund, San Antonio

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## THE ADVISOR

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