



# FPDR FUNDamentals

*A mini-newsletter for  
Fire and Police retirees*

May 2012  
Volume 11, Issue 3

## DIRECTOR'S MESSAGE

**G**reetings! I hope you all are enjoying spring wherever you are.

Since I last wrote to you, the City Council confirmed Mayor Adams's appointment of a new citizen trustee for a term through 2013. Pursuant to Chapter 5 of the City Charter, the citizen trustee is required to be a citizen of the City of Portland and have relevant experience in pension or disability matters. David Dougherty has been working in the retirement plan field for 30 years as an enrolled actuary, actuarial consultant, administrator and recordkeeper. He has experience with large and small plans, both qualified plans like the Fire & Police Disability, Retirement & Death Benefit Plan and unqualified ones, and public, single and multi-employer plans. Please join me in welcoming Mr. Dougherty to the Board of Trustees!

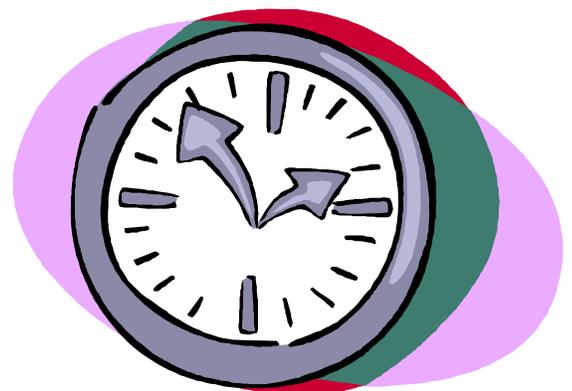
Also in the news is our Board Chair, Yvonne Deckard. She retired at the end of April but has agreed to continue as Chair through 2012.

And enclosed is our biennial member survey. We value your feedback, so please take a few minutes to tell us how we're doing.

Finally, I know that you are all eagerly awaiting the news about annual benefit adjustments, so keep reading!

### Survey Inside!

Please take five minutes to tell us how we're doing. We really want your feedback!



# PENSION UPDATE

## Benefit Adjustments

### FPDR Two

**A**t their March meeting, the Board of Trustees approved a 2.0% adjustment for FPDR Two members and beneficiaries to be effective July 1, 2012 and be included in August 1, 2012 benefit payments. The Consumer Price Index series for Urban Consumers in the Portland/Salem area increased by 2.86% over the previous year.

FPDR One (“Old Plan”) is the original FPDR plan  
FPDR Two (“New Plan”) is the plan that started in 1990

### FPDR One

#### Police Members and Beneficiaries

FPDR One Police members and beneficiaries will see a 3.3% increase effective July 1, 2012; it will be included in the August 1, 2012 benefit payments. The current salary of a First Class Police Officer will increase by 3.3%, the increase in the Consumer Price Index series for Urban Wage Earners and Clerical Workers between the second half of 2010 and the second half of 2011.

#### Fire Members and Beneficiaries

The Portland Fire Fighters Association collective bargaining agreement expires June 30, 2012. We will not know the adjustment for FPDR One Fire members and beneficiaries until the successor contract is finalized. Stay tuned!

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City of Portland, Oregon  
Fire & Police Disability & Retirement  
1800 SW First Avenue, Suite 450  
Portland, OR 97201

We're on the Web!  
[www.portlandoregon.gov/fpdr](http://www.portlandoregon.gov/fpdr)

Phone: 503.823.6823  
1.800.773.5744  
Fax: 503.823.5166  
[fpdr@portlandoregon.gov](mailto:fpdr@portlandoregon.gov)

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## Survivor Benefits for Retirees

### Beneficiaries

Under the Fire & Police Disability, Retirement & Death Benefit Plan, members do not have to name their beneficiaries. Instead, a member's survivors are the member's Surviving Spouse and/or Dependent Minor Child(ren) at the time the member dies.

- A Surviving Spouse is a widow(er) who was legally married to the member for at least a year prior to the member's death and not judicially separated or divorced from the member. A Surviving Spouse may also be a same-sex domestic partner.
- A Dependent Minor Child is the member's natural or adopted child, under 18, unmarried and substantially supported by the member, his/her estate or his/her Surviving Spouse. Any benefit paid to a child ceases when he/she no longer qualifies.

### FPDR One Benefits\*

Generally, the member's Surviving Spouse receives a monthly pension that is a percentage of the member's benefit. The maximum percentage is 56% of the member's pension, for a Surviving Spouse who is the same age as or older than the member. The percentage decreases for each year that the Surviving Spouse is younger than the member, from 55% for one year younger down to a minimum benefit of 36% for 20 or more years younger.

If there is no spouse, a Dependent Minor Child, if any, receives 56% of the member's benefit. If there is a spouse who does not qualify as a Surviving Spouse or if the Surviving Spouse dies after the member, the Dependent Minor Child, if any, receives a monthly pension based on the spouse's relative age to the member. If there is more than one Dependent Minor Child, the children share the survivor benefit.

### FPDR Two Benefits\*

Generally, the member's Surviving Spouse receives a monthly pension that is a percentage of the member's benefit. The percentage is 25%, 50%, 75% or 100% based on the accrual rate the member selected when he or she retired. If you are uncertain which accrual rate you selected, please contact FPDR. If the member had both a Surviving Spouse and one or more Dependent Minor Child(ren) of a former marriage, one half of the survivor benefit is paid to the Surviving Spouse, and the other half to those Dependent Minor Children. Once there is no longer a Dependent Minor Child of a former marriage, the Surviving Spouse receives the full survivor benefit.

If there is no Surviving Spouse, a Dependent Minor Child, if any, receives the same percentage of the member's benefit that a Surviving Spouse would receive. If there is more than one Dependent Minor Child, the children share the survivor benefit.

\*The exception to the above benefits relates to a member who had a nonservice-connected disability and then retires. In this case, the Surviving Spouse does not receive a benefit if the member had less than 10 years of service.

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