

Portland Police Association Benefit Trust
c/o A. W. REHN & ASSOCIATES, INC.
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March 31, 2020

TO: All Participants in the Portland Police Association Benefit Trust

RE: **New Investment Option: Target 2050 Retirement Portfolio; Consolidation of Retiree Accounts to One Account and One Investment Selection**

The Board of Trustees recently voted to revise the investment options on the Active Access Plan and the Retiree Health Plan of the Portland Police Association Benefit Trust (“Trust”). This notice contains important information about your rights and benefits under the Plan. Please file it with your important documents.

- **New Target 2050 Retirement Portfolio.** The Trust will add the Target 2050 Retirement Portfolio (“2050 Portfolio”) on April 1, 2020. The 2050 Portfolio will start with an asset allocation of 80% equity and 20% fixed income. The Trust Investment Manager will gradually adjust the asset allocation with a goal of reaching 0% equity within one year of the target date year 2050. The 2050 Portfolio is generally intended for young new hires and participants who intend to retire in or around the year 2050, and begin using the funds in their Employee Account at that time. If you will retire earlier than 2050 but do not expect to use the funds in your Employee Account upon retirement (e.g., because of medical coverage from a spouse, etc.), you might want to choose this Portfolio based upon the date that you expect to start using the funds rather than your retirement date. This is the most aggressive investment Portfolio offered at this time. If you want to change your investment to the 2050 Portfolio, you can do that at any time by going online to the new Trust web portal at <http://www.PPA.rehnonline.com> and changing your investment selection there. Alternatively, you can request a paper Investment Selection Form from the Trust Office (contact information in the letterhead above).
- **Consolidation of Retiree Accounts.** In the past, retired plan participants had two accounts in the Trust: a “retiree contribution account” (into which your sick leave was transferred); and an “active contribution account” (into which your payroll deductions were transferred). Until now, these two accounts could be invested in two different Portfolio selections. In order to promote administrative efficiency, effective June 1, 2020, these two accounts will be consolidated into one account for all retired plan participants.

Note: If you are a re-hired retiree (i.e., rehired by the City of Portland), you will maintain two accounts, but rehired retirees should still select one investment option for both accounts.¹

¹ Rehired retirees will have an account in the Active Access Plan consisting of their active contributions, and a separate account in the Retiree Health Plan consisting of their sick leave transfer. Due to federal regulations, a rehired retiree is considered an active employee and can only access benefits from the Active

- Select your Portfolio. **Retirees must select a single investment Portfolio for the consolidated account.** You can do this by going online to the new Trust web portal at <http://www.PPA.rehnonline.com> and changing both of your accounts to the same investment option. Alternatively, you can request a paper Investment Selection Form from the Trust Office (contact information in the letterhead on page one). **If you properly notify the Trust Office of your selection by May 29, 2020, the Trust Office will transmit the transfer order to move the monies in your accounts to your selected Portfolio on June 1, 2020.**²
- Failure to Select a Portfolio. During the last two weeks of May, the Trust Office will contact retired participants who have not yet notified the Trust Office of their selection of Portfolio for their consolidated account to discuss selection of a single investment. If you still do not select one investment option for both accounts by May 29, 2020, then the Trust Office will change your investment selection to the default Portfolio selection.
- Default Portfolio. If a retired participant does not select a single Portfolio option by May 29, 2020, then the Trust Office will consolidate the accounts into **the more conservative investment selection of the retiree's two current selections.** You can change this investment selection at any time and your new selection will be effective on the first of the month following the date that the selection is received by the Trust Office.
- If your two accounts are currently in the same Portfolio, you do not have to contact the Trust office.

The Trust offers you the following choices for investment of your Employee Account:

1. Money Market Portfolio (least risky/most conservative – low returns)
2. Bond Portfolio (more aggressive than the money market)
3. Target 2030 Retirement Portfolio³ (more aggressive than the Bond Portfolio)
4. Target 2040 Retirement Portfolio⁴ (more aggressive than the 2030)
5. Target 2050 Retirement Portfolio (most aggressive)

Access Plan during employment. After full retirement from City employment, the retired participants can access all benefits from the Retiree Health Plan.

² Monies will be moved shortly after the transfer orders are given on June 1st; we cannot guarantee that the monies will actually be transferred on a particular date. However, your account will receive a monthly allocation of investment earnings based upon the investment selection in effect on the first of each month.

³ The Target 2020 Retirement Portfolio is closing on September 1, 2020, and rolling into the Bond Portfolio on that date due to attainment of the target date year. Therefore, the 2020 Portfolio is no longer accepting new investments.

⁴ Target Retirement Portfolios automatically adjust from aggressive to conservative as your selected target date approaches and you expect to start withdrawing from the Account.

- **Enclosed Informational Material.** The Board of Trustees wants you to fully understand your options; enclosed please find an Informational Bulletin explaining your investment options. Please read the enclosed materials carefully to make an informed decision. This informational material will also be posted on the PPA website at <http://www.ppavigil.org> and on the Trust web portal at <http://www.PPA.rehnonline.com> . However, these materials are designed to be purely informational in nature. The Trust does not intend to give investment advice to participants. Therefore, you may also want to seek assistance from your personal accountant or investment manager to make an informed decision, in light of your personal circumstances.

Trust participants with questions on completing and returning the Selection Form can call the Trust Office at (800) 872-8979.

NOTE: This Notice serves as the Summary of Material Modifications, as required by Employee Retirement Income Security Act of 1974 (ERISA), and as such, is designed to explain recent changes made to the Active Access Plan and Retiree Health Plan. However, this Notice does not provide all the details and limitations of the Plan. Exact specifications are provided in the “Active Access Plan of the Portland Police Association Benefit Trust, restated effective March 1, 2019” (Dr. 2/17/18), and as amended thereafter, and the “Retiree Health Plan of the Portland Police Association Benefit Trust, restated effective March 1, 2019” (Dr. 2/17/18), and as amended thereafter, which will prevail in case of a conflict with this Notice.