Police Pension News

A Hollywood Police Officers' Retirement System Publication - Seventh Anniversary Edition

Issue 28

Date of Issue:

Fourth Quarter 2008

Inside this issue…….

Best Wishes from your Board of Trustees.

We wish you a safe & glorious holiday season.

QUARTERLY PENSION FUND SUMMARY

With the state of the financial markets, the following information should come at no surprise. With that being said, the investment policy that has been adopted by the Board of Trustees has preserved capital in this down market.

As of September 30, 2008, our fund had a total market value of $186,800,000.

For the quarter the total fund return was valued at –5.75% (net), while its benchmark return was –5.13%. In the previous quarter, the fund return was –0.85%.

For the fiscal year, our fund return was –11.16% (net), while its benchmark return was –10.76%.

For the fiscal year the Inverness Counsel large cap stock return was -19.80%, the Davis, Hamilton, & Jackson growth stock return was -17.06%, the Buckhead value stock return was -20.81% and the Eagle small cap stock return was -13.78%. The S&P 500 index return was -21.89%.

For the quarter the average allocation of our fund was 58.6% invested in stocks, 37.8% in bonds and 3.6% in cash equivalents (i.e., short term liquid interest bearing investments similar to money market funds and Israeli bonds). Our ongoing target for investment in stocks is 54% of the total fund.

For the third quarter of 2008 the best performing sector among S&P 500 stocks is consumer staples which is up 4.14% and the worst sector is energy, which is down 24.95%.

Among the major economic indicators, the Consumer Price Index (CPI-Urban) rose 4.9% for the twelve months ended in September. In the third quarter, consumer prices rose at a seasonally adjusted annual rate of 2.6%. The Producer Price Index (PPI) for finished goods rose 8.7% for twelve-month period ended in September.

The seasonally adjusted unemployment rate is 6.1% in September compared to 5.5% in June. Real Gross Domestic Product (GDP) rose at an annual rate of 2.8% for the second quarter of 2008, compared with an increase of 0.9% in the first quarter of 2008.

During the third quarter of 2008 the Federal Reserve Open Market Committee cut its target for the federal funds rate by 0.50% to 1.50%. The federal funds rate is the interest rate that banks charge each other for overnight loans.

Down, but certainly not out!

In recent months, Linda South, Secretary of Department of Management Services, wrote a letter to all members of the Florida Retirement System (FRS). We would like to share that content with you and compare its similarity to our local system.

Ms. South emphasized that the vast majority of state employees are in the Florida Retirement System Pension Plan, which is a defined benefit plan (DB). Members of a DB plan know well in advance what their retirement benefits will be upon retirement. Our local system is also a defined benefit plan, similar to the FRS. However, there is no option in our system to elect a defined contribution plan, which is similar to a private sector 401k.

The State Board of Administration (SBA) manages the investments in the DB plan. According to SBA, the overwhelming majority of assets are conservatively invested for the long term in highly diversified portfolios. SBA reports 1.76% of plan assets were invested in high profile companies like Lehman Brothers, AIG, Washington Mutual, Merrill Lynch and Bank of America. Our local system also had exposure in this arena, but due to our diversification it was negligible to the overall value of the system.

SBA's professional investment staff and external investment managers work for members in a relationship of trust and confidence to manage money properly during historical periods of financial stress. SBA recognizes that such periods continue to occur due to the normal ebb and flow of global economic and financial forces. As an example, despite deep declines in global stock markets in 2001 and 2002, the conservative, diversified approach continues to keep the Florida Retirement System Pension Plan healthy. A similar long term progression has also been experienced by our system.

During these financial times, Ms. South wanted members to understand that under Florida law, accrued FRS pension plan benefits are guaranteed, regardless of investment performance. That foregoing statement is true for virtually every municipal plan in Florida, including all fire and police plans that participate in Chapters 175 and 185, just like our system.

DROP — Rate of Return

While the article entitled "Down, but certainly not out" is true with regard to your retirement benefit itself, the topic of DROP accounts was not discussed. In our system, DROP members have the ability to either take the fixed rate of return (FRR), which is based on the assumption rate (8% annually), or the variable rate of return (VRR). The VRR is based on the net investment return of the system. If you are enrolled in the VRR, you will certainly feel the peaks and the valleys of the market. Members who are in the VRR may change to the FRR to avoid the ups and downs of the market.

The following information is very important, and is being provided to you on behalf of the Board of Trustees for the City of Hollywood Police Officers' Retirement System. Please take the time to carefully review this information, as it could affect your DROP rate of return.

As of October 1, 2002, the System allows DROP members the option to select a fixed rate of return (*hereafter referred to as: FRR*) or a variable rate of return (*hereafter referred to as: VRR*). The FRR is based on the actuarial assumed rate of return for the System, which is currently set at 8%. The VRR is based on the actual earnings of the System, and can go up or down, based on investment market conditions.

As of August 17, 2007, you may change your DROP Investment Option (example: FRR to VRR or VRR to FRR) monthly, by executing a DROP Investment form. This form must be updated by you and received by the Office of Retirement by the 15th of the month for the change to take place the next month. If the form is received after the 15th of the month, it will be held till the next cycle. For example: If a completed DROP Investment form is received on or before August 15th the change requested will take place on September 1st. If a completed DROP Investment form is received on or after August 16th the change requested will take place on October 1st.

The Board of Trustees recommends that you consider all your options before making a selection, and consult your financial advisor for direction.

Note: The foregoing is based on current ordinance and Board policy

EXTENSION OF EFFECTIVE DATE OF NORMAL RETIREMENT AGE REGULATIONS FOR GOVERNMENTAL PLANS

Notice 2008-98 indicates that Internal Revenue Service and Treasury intend to extend the date by which a governmental plan must comply with final regulations on distributions from a public plan upon attainment of normal retirement age, which were published in the Federal Register on May 22, 2007. Under the extension, the 2007 final regulations will be effective for a governmental plan for plan years beginning on or after January 1, 2011. The Notice does not change the effective date of the 2007 final regulations for a plan that is not a governmental plan.

By way of background, IRC Section 411(a)(8) provides that the term "normal retirement age" means the earlier of (A) the time a plan participant attains normal retirement age under the plan or (B) the later of age 65 or the fifth anniversary of the time a plan participant commenced participation in the plan. A plan's normal retirement age is relevant for a number of purposes, including for purposes of determining the date at which a participant is eligible to receive his or her normal retirement benefit and calculating the amount of the benefit received.

Prior to being amended by the 2007 final regulations, Income Tax Regulations required a pension plan to be maintained primarily to provide systematically for payment of definitely determinable benefits after retirement. The 2007 final regulations amended the Income Tax Regulations to provide an exception to the rule that pension benefits be paid only after retirement, by permitting a pension plan to commence payment of retirement benefits to a participant after the participant has attained normal retirement age, even if the participant has not yet had a severance from employment with the employer maintaining the plan.

The 2007 final regulations require a pension plan's normal retirement age to be an age that is not earlier than the earliest age that is reasonably representative of the typical retirement age for the industry in which the covered workforce is employed. The 2007 final regulations provide that a normal retirement age of 62 or later (or age 50 or later, in case of a plan in which substantially all participants are qualified public safety employees) is deemed to satisfy this requirement, and a normal retirement age lower than 55 is presumed not to satisfy the requirement unless the Commissioner of Internal Revenue determines otherwise on the basis of facts and circumstances. Whether a normal retirement age that is at least 55 but below 62 satisfies the requirement is based on facts and circumstances.

The 2007 final regulations are generally effective May 22, 2007, with a later effective date for governmental plans and certain collectively bargained plans. For governmental plans, the 2007 final regulations are effective for plan years beginning on or after January 1, 2009.

Notice 2007-69 pointed out that the 2007 final regulations do not contain a safe harbor or other guidance with respect to a normal retirement age conditioned on completion of a stated number of years of service, stating that a plan under which a participant's normal retirement age changes to an earlier date upon completion of a stated number of years of service typically will not satisfy the vesting or accrual rules of IRC § 411. The notice asked for comments from sponsors of plans that are not subject to requirements of IRC § 411, such as governmental plans, on whether such a plan may define normal retirement age based on years of service. Specifically, comments were requested on whether and how a pension plan with a normal retirement age conditioned on completion of a stated number of years of service satisfies the requirement in the Income Tax Regulations that a pension plan be maintained primarily to provide for payment of definitely determinable benefits after retirement or attainment of normal retirement age and how such a plan satisfies pre-ERISA vesting rules.

Internal Revenue Service and Treasury intend to amend the 2007 final regulations to change the effective date for governmental plans to plan years beginning on or after January 1, 2011. Governmental plan sponsors may rely on the notice with respect to the extension until such time as the 2007 final regulations are so amended. Notice 2008-98 will be in IRB 2008-44 (November 3, 2008).

Well, now, another two years to figure out a way to resolve this thorny problem. The Board of Trustees will monitor this situation.

The Board of Trustees would like to thank Mr. Steve Cypen, Attorney for this information.

Long Term & YTD Fund Summary

Since September 30, 1992 the fund has an average rate of return of 7.48% (net) per year. For the last five years the total fund has an average rate of return of 5.31% (net) per year, which out-performed the overall combined stock and bond benchmark return of 4.57%. During that time stocks averaged 7.42% and bonds averaged 3.31%, while their benchmarks averaged 5.36% and 3.30%. For the last three years stocks had an average return of 3.59%, while bonds averaged 3.68%.

For the calendar year to date (ending September 30, 2008), the total fund return is -10.39% (net), while its benchmark return is -10.42%. The stock return is -16.60%, while the benchmark return is -18.75%. The bond return is -0.31%, while the benchmark return is -0.22%.

TOP 10 STOCKS

INVERNESS COUNSEL ***Large Cap Core***	**DAVIS, HAMILTON & JACKSON** ***Large Cap Growth***	**EAGLE ASSET MANAGEMENT** ***Small Cap Core***	**BUCKHEAD CAPITAL MANAGEMENT** ***Large Cap Value***
Procter & Gamble	**Microsoft**	**Bio Rad Labs**	**Exxon Mobil**
PepsiCo	**Danaher**	**Waste Connections**	**Johnson & Johnson**
Abbott Labs	**Cisco**	**Teledyne Tech.**	**Chevron-Texaco**
Barr Labs	**Bard (C.R)**	**Ansys Inc.**	**AT&T**
Alliant Techsystems	**Apache**	**Silgan Holdings**	**Quest Diagnostics**
Kellogg	**Walt Disney**	**NTELOS Holdings**	**Procter & Gamble**
SPRD KBW Bank ETF	**IBM**	**Lufkin Industries**	**NY Comm. Bank**
Roper Industries	**Hewlett-Packard**	**Lincare Holdings**	**Kimberly-Clark**
Citigroup	**Monsanto**	**Hanover Insurance**	**Sealed Air**
Johnson & Johnson	**PepsiCo**	**Ruddick Corp.**	**GE**

Retiree Corner

Congratulations to our Retirees

Louis Lijoi *09-05-2008*

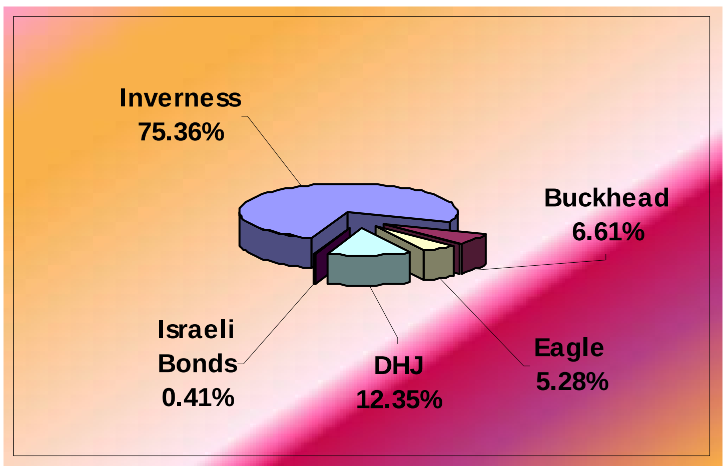
Keith Ash *10-01-2008*

Congratulations to our

DROP Member

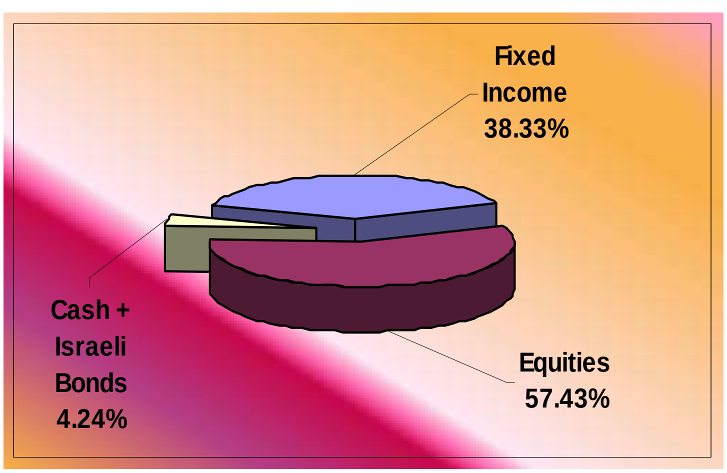
Alexander Jackson *09-30-2008*

Plan Asset Allocation as of September 30, 2008



Division of Assets by Manager

as of September 30, 2008



Buckhead Capital

Market Review

For the first two months of the third quarter, the market was essentially flat. But in September the financial crisis that began in the sub-prime mortgage market a little over a year ago intensified dramatically. In quick succession, Fannie Mae, Freddie Mac, Lehman Brothers, Merrill Lynch, AIG, Washington Mutual, and Wachovia were either taken over by regulators, went out of business, or were forced into a merger with a stronger company. And while the Federal government wrestled with a "bailout" plan, credit markets continued to contract, energy prices dropped sharply, hedge funds struggled with redemptions, and investors in general fled the equity markets. Against this backdrop it is surprising perhaps that the broad market was down only 8.9%. Within the broad market, small and mid-cap stocks outperformed the larger capitalization stocks, and value stocks did better than growth stocks.

Third Quarter Performance Update

The Buckhead Capital Management Value Equity composite portfolio (-4.9%) outperformed the Russell 1000 Value benchmark (-6.1%) by approximately 120 basis points in the third quarter. The Value Equity portfolio also performed well compared with the Lipper large cap value average return of –8.0%. For the year to date, the Value Equity portfolio (-13.6%) continues to outperform the Russell 1000 Value Index (-18.8) by over 500 basis points.

During the quarter, the Value Equity portfolio benefited from its stock selection in the Materials, Health Care, Utilities and Technology sectors as well as its relative overweight positions in Consumer Staples and Health Care and its relative underweight positions in Materials and Utilities. Poor stock selection and a relative underweight in Financials detracted from performance during the quarter.

Basis Point - BPS

The relationship between percentage changes and basis points can be summarized as follows: 1% change = 100 basis points, and 0.01% = 1 basis point.

Note to the Reader: In the article above, the investment manager beat the benchmark by 5.2% for the year.

Market Outlook - Eagle Asset

We experienced one of the most difficult financial episodes in our history this quarter with several of our nation's largest institutions going bankrupt or into receivership and credit spreads gapping out to all-time highs. Financial institutions are in defense mode and hoarding cash. They do not want to lend to anyone, not even other depository institutions.

We were surprised that during these very difficult times, small-cap stocks held up much better than their large-cap brethren that historically have been considered relatively safe havens. The Russell 2000 Index has outperformed the S&P 500 Index by 10 percentage points in the past 4½ months, easily offsetting the 2 percentage point underperformance January through April. Size effects are evident even within the small-cap index: The smallest size quintile was up 8.68 percent for the third quarter vs. the largest quintile performance of -5.51 percent. Most small-cap managers have portfolios with an average capitalization larger than the index so the index was tough to beat in the quarter.

The small-cap outperformance occurred across the index. One might say, Perhaps the outperformance came mostly in the financial sector because small-cap finance stocks don't have the headline, credit or liquidity risks that are present in large-cap stocks. But only 40 percent of small caps' outperformance is explained by finance stocks! The size effect , our weighted average market cap is $1.8 billion vs. the Russell 2000 index weighted average market cap of $1.04 billion, and the rush into early cycle stocks this quarter help explain our underperformance vs. the index. The size effect was substantial as we solidly outperformed accounts that mark us versus the Russell 2500.

Inverness Counsel

With the S&P 500 at fresh yearly lows, Wall Street institutions disappearing at a dizzying pace and home prices in the midst of a downward spiral it is no surprise that investors are looking for the safest of safe havens and spurning anything that hints of risk. Today, ten year Treasury bond yields are below 4.0% (down from 4.5% just one year ago), three month Treasury bill yields are below 1% (down from 3.75% one year ago) and the TED spread, a traditional measure of risk aversion, has reached (and surpassed) levels not seen since the crash of 1987. Emerging markets like Russia, Brazil and China have stumbled even further than the United States this year, debunking what some strategists had theorized to be a "decoupling", leaving investors who had invested in this "growth engine" fearful of what could come next. The Treasury Department, under the leadership of Henry Paulson, has crafted a plan to take "toxic" assets off the balance sheet of Wall Street's institutions, but the question remains - what will Congress ask for in return? With this as the backdrop, it is no surprise that we expect further volatility to occur in global capital markets. And yet, with fear and volatility comes opportunity. We continue to find new ideas worth investing in, and in remaining disciplined within our valuation metrics, are paying less for the businesses than we believe they are worth.

In Industrials & Capital Goods we see growth in the areas that will support the development of a modern electrical grid and a reliable infrastructure in tuned with current population growth and commuter patterns. Forty percent of our nation's electrical grid is greater than 35 years old while ten percent is greater than 50 years old. The installed base has seen considerable underinvestment since 1975 and will need upgrades to meet today's electricity demand. In addition, we view much of the nation's infrastructure (bridges, toll roads, etc.) as defunct and in need of modernization. For that reason we have added exposure to businesses that have longstanding relationships with state and local governments as it relates to infrastructure upgrades. While budget concerns may have slowed the process to get the upgrades started, it has also allowed us to pay a discounted price for the companies exposed to the work.

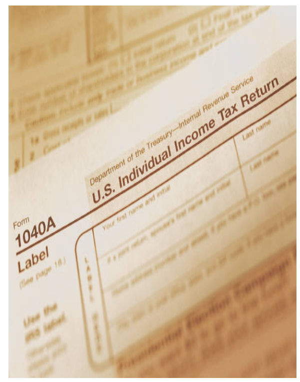
Please continue on page 11

SMALL CAP

Refers to stocks with a relatively small market capitalization. The definition of small cap can vary among brokerages, but generally it is a company with a market capitalization of between $300 million and $2 billion. One of the biggest advantages of investing in small-cap stocks is the opportunity to beat institutional investors. Because mutual funds have restrictions that limit them from buying large portions of any one issuer's outstanding shares, some mutual funds would not be able to give the small cap a meaningful position in the fund. To overcome these limitations, the fund would usually have to file with the SEC, which means tipping its hand and inflating the previously attractive price. Keep in mind that classifications such as "large cap" or "small cap" are only approximations, which may change over time.

Letter of Determination Being Sought

Earlier this year, the Internal Revenue Service hosted a roundtable discussion with representatives of the government plan community to start a dialogue to improve compliance with Internal Revenue Code requirements for qualified plans. IRS is encouraging government plans to take advantage of its determination letter program. (Cycle C, the first period during which government plans can file for a determination letter on their qualified status under IRS's staggered schedule for obtaining determination letters, opened February 1, 2008 and runs through January 31, 2009.) Further, IRS wants government plans to take advantage of mechanisms under Employee Plans Compliance Resolution System for correcting plan errors and to make plans aware of its increasing emphasis on enforcement.



Through this dialogue, IRS hopes to learn more about issues facing government plans, their level of compliance with IRC (Internal Revenue Code) provisions, barriers to compliance they face and ways IRS can work with these plans to lower or remove barriers and improve compliance. Once it educates itself about these plans and how they operate, IRS plans to increase its enforcement activity.

Your Board of Trustees recently engaged the professional services of Holland & Knight, to work in conjunction with our counsel, Mr. Steve Cypen to conduct a comprehensive review of our current ordinance and procedures to ensure compliance with all federal laws.

The ultimate goal of the Board is to seek the issuance of a letter of determination by the IRS and maintain our "qualified plan status".

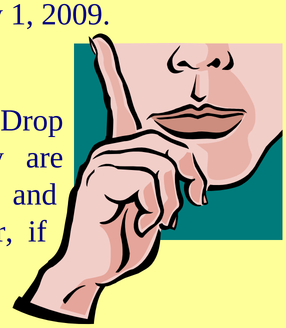
We will keep you posted.

2009 DROP Distributions

Retired DROP members, please note the following dates.

If you are a retired Drop member, and have requested an annual distribution from your Drop account, payments will be released to your bank (*or mailed to you, if requested*) on the first business day after January 1, 2009.

Furthermore, if you have requested quarterly Drop payments (*in addition to January 1, 2009*), they are scheduled for release on April 1, 2009, July 1, 2009 and October 1, 2009, or the first business day thereafter, if those dates fall on a weekend.



Welcome New Pension Members

Melvin Attkisson

Maria Coupe

Antonio Dabreau

Javier Duran

Michael O'Bier

Justin Schweigardt

Margaret Smires

Rachael Weiss

We all wish you continued success!

Share Account Update

Annual share account statements have been distributed to all members who have an account.

As a reminder, the funds normally distributed are now helping to offset the costs of the pension benefits negotiated in a prior collective bargaining agreement.

STOCK SPOTLIGHT

Bio Rad Laboratories (Ticker: BIO)

Sector: Technology

Industry: Scientific & Technical Instruments

Market Capitalization: 2.39 Billion

Comments: Bio-Rad Laboratories Inc. (BIO) reported astonishing quarterly result well above even our very optimistic expectations. The company posted a 33 percent growth (6.6% organic) despite challenging year over year comparisons. In addition to incredible growth the company posted 67 percent increase in free cash flow. We continue to hold Bio-Rad as an aging population, product innovation, and acquisitions are all contribution to this growth story.

Average cost in the portfolio: $72.40, currently trading at $88.40

Steris Corp (Ticker: STE)

Sector: Healthcare

Industry: Medical Appliances and Equipment

Market Capitalization: 1.84 Billion

Comments: Steris Corp.: (STE) had one of its best quarters in many years. Steris is the leading creator of sterilization and surgical equipment for the US healthcare industry. The company's revenues were up 12% over last year. The management was able to expand operating margin by moving production to Mexico and streamlining existing production in Europe. As a result EPS grew 63% year over year. We believe that the company will continue to grow due to increased demand for surgical procedures and new hospital constructions.

Average cost in the portfolio: $27.08, currently trading at $31.17

HCC Insurance Holdings (Ticker: HCC)

Sector: Financial Services

Industry: Insurance - Multi-line

Market Capitalization: $2.8 Billion

Comments: HCC is a property and casualty insurer focusing on niche end markets, such as directors and officers, medical stop-loss, aviation, and surety insurance. Its conservative underwriting approach and expertise in these more stable, specialized categories have consistently produced profit margins 10% to 15% greater than the industry. We believe that HCC is adequately reserved and maintains a low-risk investment portfolio. Using conservative estimates as to future earnings growth and valuation multiples on book value, HCC's stock price sells for approximately 50% of fair value. Additionally, downside should be limited by an attractive 2% dividend yield and an ongoing share repurchase program.

Average cost in the portfolio: $22.76, currently trading at $24.34.

Thank You…... Julie

For a job well done!

The Board of Trustees formally recognized Julie Papagno, from the City of Hollywood Police Department, Public Affairs Unit.

Julie solely maintains and updates the Wall of Honor located at the Hollywood Police Headquarters. The Wall has the names inscribed of each officer who died in the line of duty, and those who retired from service. The Wall of Honor was established by the Board of Trustees.

City of Hollywood Police Officers' Retirement System

Presents an

Award of Excellence

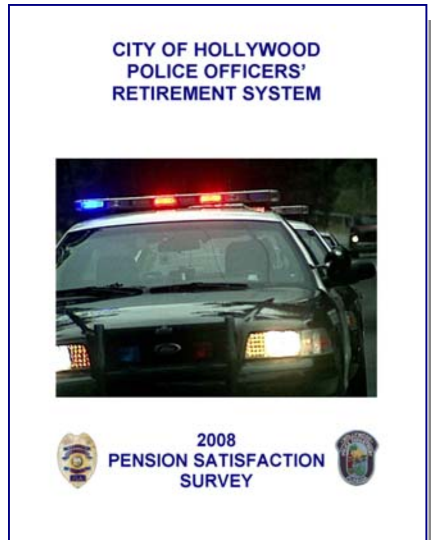
To

Julie Papagno

City of Hollywood Police Department
Public Affairs Unit

Issued this 26th *Day of September, Two Thousand and Eight on behalf of the Board of Trustees*

David Strauss, Chairman



The Board of Trustees recently compiled the results of the 6th annual pension satisfaction survey. The survey is sent to all of the retired members of the plan.

The survey asks 14 specific questions about the services provided or rendered.

The survey also solicits members to provide comments. Some of those comments were addressed in the last newsletter.

The Board is pleased to announce that positive responses exceeded 2007 numbers in 11 of the 14 areas of the survey.

Furthermore, when looking back over the last 6 years, all the responses were merged by year to determine the overall satisfaction with the level of services provided. Proudly, 2008 was the highest level of satisfaction ever received with an overall approval rating of 96.94%.

The Board invites you to view the entire survey report on-line.

A big "thank you for those who took the time to complete and return the survey.

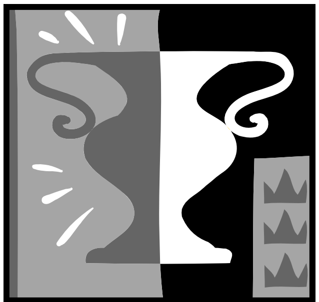
E-Mail Notices

Active or Retired Members: If you wish to have your e-mail address added to our distribution list for future use, please let us know. Kindly e-mail us at info@hollywooodpolicepensionfund.com. Please include your full name and e-mail address.

Breaking Investment News!

In an effort to further diversify the portfolio, the Board recently committed a 10 million dollar mandate to the Mid Cap investment arena. 5 million will be actively managed and invested with Eagle Asset (who is our current Small Cap manager). The other 5 million will be invested in a Mid Cap Index Fund, which basically tracks the S&P 400.

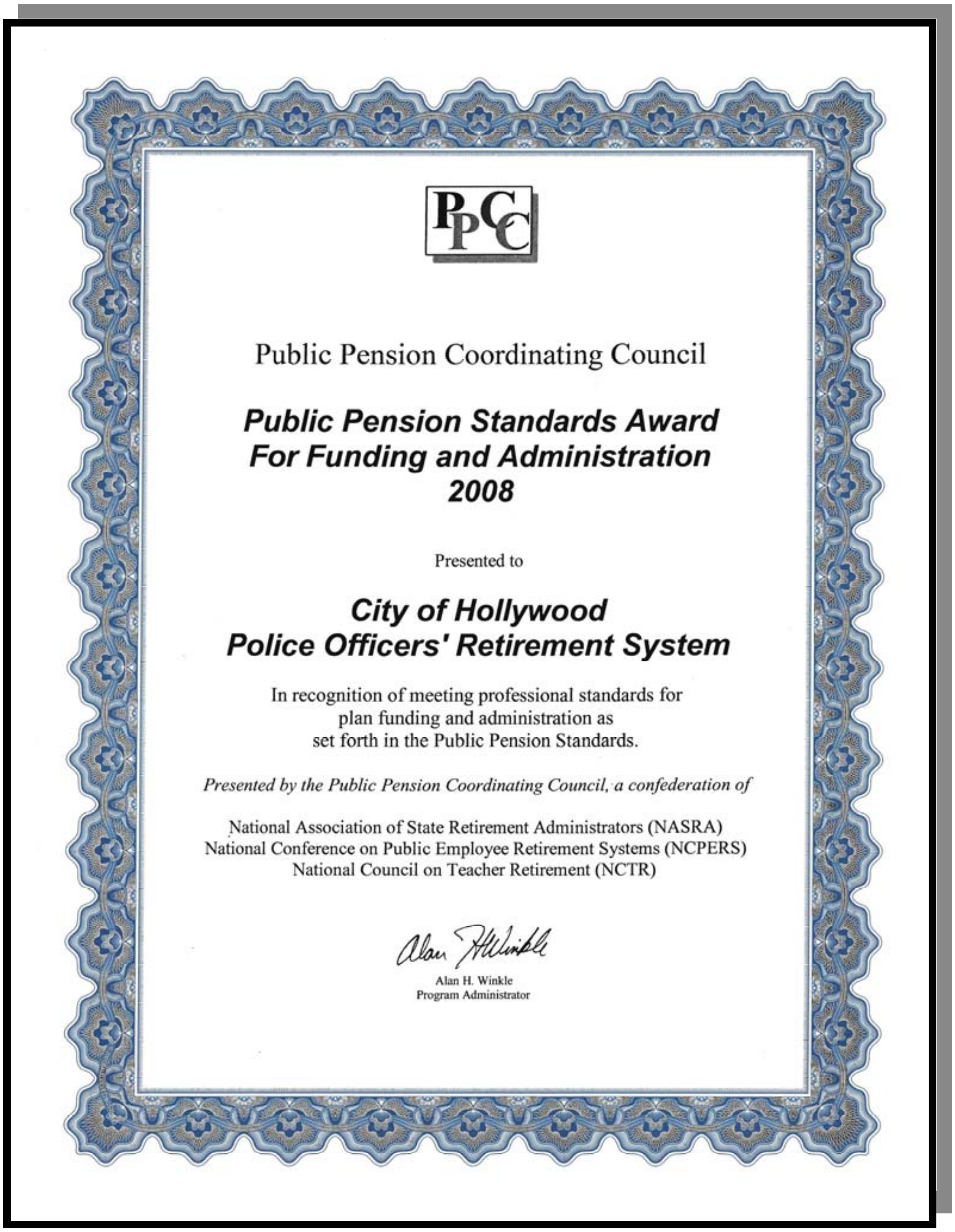
System Attains National Recognition



The Board of Trustees proudly announces that our pension system has received national recognition.

This is the 2nd consecutive year in our history that the system has received such a coveted award!

The Board thanks the PPCC for this honor.



PPCC

Public Pension Coordinating Council

Public Pension Standards Award
For Funding and Administration
2008

Presented to

City of Hollywood
Police Officers' Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle
Program Administrator

Inverness Counsel, Con't: We remain underweight financials (~10% of total versus the S&P 500 which is ~15%) as we have been for all of this year. While valuations have now reached more reasonable levels, we think the "changing face of Wall Street" and a plan from the Treasury will result in more conservatism (a good thing) but greater regulation, lower profitability and returns on equity (a bad thing). The financial predicament our nation now finds itself in will take years to clean up, and we are in no rush to gain greater exposure to the sector.

In Energy, we have shifted our focus from oil based exploration & production (E&P) companies to those more levered to natural gas (both E&P and services) and oil services. Our thesis is based on several factors including 1) a widening of the price ratio between oil and gas to levels we believe implies natural gas is significantly undervalued and 2) the fact that oil and gas reserves are becoming increasingly more difficult (and thus more costly) to replace.

We think there is an interesting movement unfolding in the consumer staples sector (specifically packaged food companies) that has not been seen since the 1970's. Packaged food companies have done an excellent job over the last few years raising consumer prices to keep up with inflation in their costs of goods (corn, wheat, etc.). If the declines we have seen in the raw materials from peak levels sustain themselves (corn down 46% and wheat down 65%) we believe food companies can and will be reluctant to roll back those price increases. The result, of course, is greater profitability and more money to advertise with in order to drive sales growth. This theme played out after the inflation of the 1970's and we believe it will occur again.

In summary, we believe our firm benefits most from the conditions our capital markets now find themselves in. As you well know, we are long term oriented bottom-up managers. We look for good businesses with competitive moats that are trading at discounts to fair value. In markets that we are in today, where all companies are painted with the same brush, we have the benefit of being able to mine for these businesses in a now larger population.

We thank the Board of Trustees for entrusting your assets to us and promise to remain good stewards of your capital.

DROP Statements

As a reminder to all DROP participants. The monthly statements are sent to you on a monthly basis. The date they are sent depends on when the rate of return is received from our bank for the prior month.

Even if you are enrolled in the fixed rate of return, we must wait to post the rate of return to all of the accounts at the same time. On general terms, this is between the 15th and the 20th of each month. The DROP statements are usually prepared for mailing the same day the rate of return is received. The mailing is then made via the city mailroom. Depending on their workload is how fast it gets to you.

Remember you account can also be checked on-line.

Retirees…. Remember PPA

The Pension Protection Act of 2006, was signed into law August 16, 2006. Section 845 provides for a tax-free distribution from a pension plan of up to $3,000 per year to help pay premiums on health insurance or long-term care insurance for a retired public safety officer, his spouse and dependents. The employee must have separated from service due to a disability or after attaining normal retirement age.

According to published reports, if you are an eligible retired public safety officer, you can elect to exclude from income distributions made from your eligible retirement plan that are used to pay the premiums for accident or health insurance or long-term care insurance. The premiums can be for coverage for you, your spouse or dependents. The distribution must be made directly from the plan to the City of Hollywood. You can exclude from income the lesser of the amount of the insurance premiums or $3,000. You can only make this election for amounts that would otherwise be included in your income. If you make this election, reduce the otherwise taxable income from your pension or annuity by the amount excluded. (The amount shown in Box 2a of Form 1099-R does not reflect the exclusion.) Report your total distributions on Line 16a and a taxable amount on Line 16b of Form 1040. Enter "PSO" next to Line 16b.

In closing, if you are an eligible retired public safety officer and paying for applicable insurance, you can shelter some or all of the costs. This information is not to be considered as legal or tax advise. Please share this information with your tax advisor.

Office & Mailing Address
4205 Hollywood Blvd., Suite 4
Hollywood, Florida 33021

Phone: 954.967.4395
Out of town? - Please Call Toll Free: 866.738.4776
Fax: 954.967.4387
Email: info@hollywoodpolicepensionfund.com

A message from *Dave Williams*, Plan Administrator

Dear Pension Members:

As we close out another year, I am amazed how time passes. While we are at the crossroads of another new year, I am reminded that I am about to embark on my seventh year as your Plan Administrator. With great pride and pleasure I come to work each day looking forward to helping you. I am extremely proud to be affiliated with such a professional organization like the Hollywood Police Department and its members.

From my family to yours, we wish you all a festive holiday season. May peace be with you all!

Disclaimer

The information contained herein is provided for informational purposes only. The foregoing information/summary/prices/quotes/statistics have been obtained from sources we believe to be reliable, but cannot guarantee its accuracy or completeness. Neither the information nor any opinion expressed constitutes investment, tax and/or legal advice from the Board of Trustees and/or any and all entities thereof. Please consult your professional investment, tax and/or legal advisor for such guidance.

In Closing....

In Memory -

The Board is saddened to report the following member who we recently lost.

Virginia Bianco, age 83 (Widow of HPD Member John Bianco 1962-1974). Our thoughts go out to the Bianco Family.

Social Security

When to begin collecting Social Security may be something that you are pondering or planning for. Visit the "Announcement Page" of our web site for the latest publication presented by the Social Security Administration that addresses that very topic!

2009… Just around the corner!

Contained within this mailing is the 2009 calendar from the Board of Trustees. This information is provided as a reference to all of your scheduled meetings for the year. *Please note our new start time of 9:00 AM.* Also, all of our contact information is at your fingertips.

13th Check

The Board would like to start by repeating what it stated in prior publications.

"Keep in mind that the 13th check is not guaranteed. Please do not base your annual finances on this payment. We cannot predict the economic future of the fund."

With that being said, we are certain that this will come as no surprise to you, but the notice must be given. There will be no 13th check issued for this plan year.

Needless to say, the Board is disappointed and saddened, as we know that many of you rely upon this distribution.

Announcement Page

Please remember that the Board of Trustees do post items of interests on the "Announcement Page" of the pension web site.