

San Mateo County Employees' Retirement Association

# The SamCERA Times


[www.samcera.org](http://www.samcera.org)

ACTIVE MEMBER EDITION

March 2010

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## **SamCERA nominated for investments award**

*SamCERA* was honored recently to be among three public pension plans nationwide nominated for Mid-Sized Plan of the Year, an award presented by *The Money Management Letter*.

*SamCERA* was nominated because of changes the Retirement Board made in 2009 to further diversify the investments of the plan.

According to *The Letter*, "The \$1.8 billion *San Mateo County Employees Retirement System* began investing in global equity and bond mandates in 2009 to give managers more latitude to seek out the best securities and achieve stronger returns. *SamCERA* also made a 15% allocation to Treasury inflation-protected securities and a 7.5% allocation to the Public Private Investment Program to further diversify its bond portfolio and protect against inflation."

The fund has also, "...cut its equity exposure, raised bonds and real estate ... made a 0.5% allocation to cash... brought in fundamental managers AXA Rosenberg, BlackRock and others, reducing its reliance on quantitative strategies that had been impacted by the market crisis."

In the 2009 calendar year *SamCERA* took part in the rebound in the financial markets earning 19% on its fund. These earnings come at the right time, although the fund still has a long way to go before it reaches the asset value it attained before the start of the recession.

The Arizona Public Safety Personnel Retirement System and the Dallas Police and Fire Pension Fund were also nominated for the award, which the Dallas system eventually won. We are pleased that the *SamCERA* board was recognized for its proactive approach and hard work.

## ***New trustees appointed to board***



Eric Tashman

Lauryn Agnew

Two new trustees were appointed to the Board of Retirement in November.

Lauryn Agnew is a Principal at Seal Cove Financial and serves as Chair of the investment committees at United Way of the Bay Area and the Girls Scouts of Northern California, and also serves on the Finance Committee for the Immaculate Conception Academy in San Francisco. Her term on the retirement board will expire June 30, 2012. Ms. Agnew had prior service on the Board of Retirement from 1989 to 1998. During that time she served as Board Chair and as Chair of the Investment Committee.

Eric Tashman is a public finance partner in the San Francisco office of law firm Sidley Austin where he is head of the firm's West Coast public finance practice group. His term expires June 30, 2012.

The two new trustees replace James Hooley and Emily Tashman.

Ms. Agnew and Mr. Tashman were appointed by the Board of Supervisors.

The supervisors appoint four of the nine positions on the retirement board. Four other positions are elected from the membership including two from the general membership, one from the safety membership and one from the retired membership.

In addition, the members elect a safety alternate and a retired alternate. One member of the board is the County Treasurer. The Treasurer's constitutional alternate may attend board meetings in his/her place.

## ***Internet trustee elections planned***

*SamCERA* and the Elections Division are planning to allow you to vote on the Internet for the next trustee elections to be held in June 2010. All previous elections have been by paper ballot. The hope is that an Internet election will increase turnout, which has been about 20% of eligible voters for recent elections.

After substantial research, *SamCERA* has concluded that an Internet election will be not only secure, but probably more secure than paper ballot elections. It will also be green (less paper and less gas burning delivery involved), and more convenient for voters (no more envelope sealing, walking to the mailbox, etc.) There will still be some thinking involved, but you will still be able to view statements from each candidate to help out with that.

The official Notice of Election is below

**IMPORTANT NOTICE – PLEASE POST**

SAN MATEO COUNTY  
EMPLOYEES' RETIREMENT ASSOCIATION  
**NOTICE OF ELECTION**

TO ELECT THREE MEMBERS TO THE BOARD OF RETIREMENT

At an election to be held on  
**MONDAY, JUNE 14, 2010**

Notice is hereby given that one **GENERAL MEMBER** is to be elected to fill the Third position, one **RETIRED MEMBER** is to be elected to fill the Eighth position, and one **RETIRED MEMBER** is to be elected to fill the Eighth position alternate on *SamCERA's* Board of Retirement.

Each candidate for the General position shall be nominated by a petition signed by not less than ten (10) active General Members of the San Mateo County Employees' Retirement Association.

A candidate for the Retired Member position must file a Declaration of Candidacy.

A candidate for the Retired Member Alternate position must file a Declaration of Candidacy.

The General Member, the Retired Member and the Retired Member Alternate shall serve from July 2010 – June 2013.


Nomination Petitions & Declarations of Candidacy will be available beginning  
Monday, April 19, 2010 through Monday, May 3, 2010.  
Qualified Candidates may obtain petitions in person at:

**COUNTY ELECTIONS OFFICE  
40 TOWER ROAD IN SAN MATEO**

**Petitions may be circulated between April 19<sup>th</sup> and May 3<sup>rd</sup> and must be filed in person with  
the County Elections Office no later than 5:00 p.m. on May 3<sup>rd</sup>, 2010.**

Please call the Elections Office at 312-5222, if you have any questions or wish to make  
an appointment to take out Candidacy Papers.

This election will be held in accordance with Article 3 of the *Regulations of the Board of Retirement*.



DAVID TOM  
Elections Officer

## What should I do if I am getting divorced?

Divorce is always a difficult experience. *SamCERA* wants to help you with decisions about your retirement if you must go through a divorce. Here is some important information:

The service credit you earned during the period of your marriage is community property and may be divided into two separate accounts at the time of your divorce.

If you are separated, but not divorced, your spouse is still entitled to survivor benefits until you name a new beneficiary. You may not designate a new beneficiary without your spouse's written consent.

If you become involved in dissolution of marriage proceedings, your attorneys need to know the following:

- The San Mateo County Employees' Retirement Association must be **joined** by Order of the Court.
- *SamCERA* requires a copy of any court order which addresses the disposition of *SamCERA* retirement credits or accounts.
- A typical court order will split the member's service credit and contributions into two separate accounts at the time of the divorce. This allows each party to make independent decision about their *SamCERA* retirement. **Please contact *SamCERA* for a copy of the Dissolution of Marriage Guidelines** which describes this program and includes Model Domestic Relations Orders.
- **A sample model order is available on *SamCERA*'s web site.**  
<http://www.samcera.org/forms/OrderA.doc>
- Service credit, contributions and interest reflecting a former spouse's community property interest, as defined in a Domestic Relations Order, may be withdrawn from the member's account and deposited into a new account in the name of the former spouse. If the former spouse chooses to retire, the benefit will be based on the member's highest average compensation at the time of retirement, the service credit in the former spouse's account and the former spouse's age at retirement.  
If the former spouse withdraws the funds, the member may repurchase the service credit.
- *SamCERA* is not governed by ERISA.
- *SamCERA* will not provide a preliminary estimate of benefits to a former spouse without a petition for dissolution of marriage showing both marriage and separation dates.
- **Your Domestic Relations Order must be in a form that is acceptable to *SamCERA*; therefore, it is very important that you contact us very early in the process.**
- You will not be permitted to retire or withdraw your contributions until *SamCERA* has received an acceptable copy of all court documents that address your *SamCERA* retirement.

If you have any questions, please contact *SamCERA* at (650) 599-1234.

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## Want to purchase or upgrade service?

Would you like to purchase your extra help time, redeposit withdrawn contributions or upgrade your Plan 3 service?

*SamCERA's* open enrollment for these actions is now underway. Open enrollments for purchases and upgrades occur twice each year. So if you don't make a purchase now you can make it later. But the earlier you pay for a purchase or upgrade the less it is likely to cost, since interest is part of the cost calculation.

Please also note that California law and IRS rules place restrictions on the timing and the payment methods for purchases and upgrades of service. Please pay close attention to the deadlines as noted below.

### ***Here are the process deadlines for the first half of 2010***

To start the purchase process, complete either the Plan 3 upgrade, Extra Help or Redeposit form located on *SamCERA's* website: [www.samcera.org](http://www.samcera.org) or call 650-599-1234 to have a form sent to you. Once you have completed the request, please return it to:

*SamCERA*  
100 Marine Parkway, Suite 125  
Redwood Shores, CA 94065  
Or Pony: RET141, Or Email: [sthompson@samcera.org](mailto:sthompson@samcera.org)

*SamCERA* must receive your request by 5 p.m., **May 6, 2010**. [Any requests for purchase agreements received after that date will be put on the list for the next purchase cycle beginning in August 2010.]

All members who meet the above deadline will receive their cost quotes from *SamCERA* by **June 1, 2010**.

Signed purchase agreements and payments must be received in *SamCERA's* office by 5 p.m. on **June 10, 2010**.

***Avoid the rush! Send your forms in early!***

***Note: The deadlines above do not apply to purchases of Additional Retirement Credit (ARC). Deadlines for ARC are set separately for each member who applies.***

## ***Upcoming SamCERA-sponsored classes and workshops***

Listed below are all the *SamCERA*-sponsored training opportunities through the end of April.

**Please note that the April 8<sup>th</sup> classes will be held at the San Mateo Medical Center.**

To attend the *Ready to Retire* workshop, please email [samcera@samcera.org](mailto:samcera@samcera.org).

For all other classes, sign up through the "Private Site" on the County's Learning Management System (LMS) at <https://sanmateocounty.cyberu.com/client/sanmateocounty/default.aspx>. (Your user name is an x followed by your nine-digit employee ID number (example: x000012345)).

### **March 25, 2010, Courses**

## **HOW TO RESEARCH AND SELECT STOCKS**

**(RECOMMENDED FOR THOSE WHO DESIRE DETAILED KNOWLEDGE ON HOW TO MAKE MORE INFORMED STOCK SELECTIONS)**

Instructor: **PATTI O'HEALY**

Date: **3/25, 2010 • Time: 8:30 AM-10:30 AM**

Session Length: **2 HOURS**

Location: **SAMCERA BOARD ROOM, 100 MARINE PARKWAY, REDWOOD SHORES**

Registration: **SIGN UP THROUGH THE COUNTY'S LEARNING MANAGEMENT SYSTEM**

Through real life exercises and interactive discussion, participants who attend this course will gain a more in-depth understanding of how to research, study, and invest in stocks. Each participant receives a 50-plus page stock selection guide, which reviews each topic covered and provides resources and a glossary for future use.

**SELECTING MUTUAL FUNDS FOR YOUR PORTFOLIO**

**(RECOMMENDED FOR THOSE WHO DESIRE A GREATER UNDERSTANDING OF HOW TO SELECT MUTUAL FUNDS)**

Instructor: **PATTI O'HEALY**

Date: **3/25, 2010 • Time: 11:30 AM-1:30 PM (BROWN BAG LUNCH SESSION)**

Session Length: **2 HOURS**

Location: **SAMCERA BOARD ROOM, 100 MARINE PARKWAY, REDWOOD SHORES**

Registration: **SIGN UP THROUGH THE COUNTY'S LEARNING MANAGEMENT SYSTEM**

Participants attending this course will gain more in-depth knowledge of important factors when selecting mutual fund investments. By using real life examples and exercises, participants will attain important skills for future investment selections. Each participant will receive a 55-page workbook, which reviews each topic covered, and provides resources and a glossary for future use.

**MANAGING YOUR INVESTMENT PORTFOLIO**

**(RECOMMENDED FOR THOSE WHO DESIRE BROADER KNOWLEDGE ON HOW TO MANAGE THEIR INVESTMENT PORTFOLIO)**

Instructor: **PATTI O'HEALY**

Date: **3/25, 2010 • Time: 2:30 PM-4:30 PM**

Session Length: **2 HOURS**

Location: **SAMCERA BOARD ROOM, 100 MARINE PARKWAY, REDWOOD SHORES**

Registration: **SIGN UP THROUGH THE COUNTY'S LEARNING MANAGEMENT SYSTEM**

Participants who attend this course will learn how to structure, build, and monitor an investment portfolio to achieve their financial goals while minimizing risk. Each participant receives a 50-plus page workbook, which reviews each topic covered and provides resources and a glossary for future use.

**APRIL 1, 2010, Course**

**READY TO RETIRE - RETIREMENT WORKSHOP**

**(Please call or e-mail *SamCERA* directly to enroll for this workshop.)**

**(RECOMMENDED FOR THOSE EMPLOYEES WITHIN 1 YEAR OF RETIREMENT)**

Instructor: **ELIZABETH LENGUYEN**

Date: **4/1/2010 • Time: 10:00 AM-11:00 AM**

Session Length: **1 HOUR**

Location: **SAMCERA BOARD ROOM, 100 MARINE PARKWAY, REDWOOD SHORES**

Registration: **PLEASE EMAIL [SAMCERA@SAMCERA.ORG](mailto:SAMCERA@SAMCERA.ORG)**

If you are thinking of retiring within a year, then make plans to attend this workshop. We will discuss retirement pension estimates and the retirement application process. A representative from the Benefits Department will also be present to answer any questions regarding retiree health benefits.

**April 8, 2010, Courses**

**BUILDING YOUR WEALTH (RETIREMENT PLANNING FOR MID CAREER)**

**(RECOMMENDED FOR THOSE WHO WANT TO TAKE CHARGE OF THEIR FINANCIAL FUTURE DURING THE EARLY TO MIDDLE YEARS OF THEIR CAREER)**

Instructor: **KEITH DORNEY**

Date: **4/8, 2010 • Time: 8:30 AM-10:30 AM**

Session Length: **2 HOURS**

Location: ***SAN MATEO MEDICAL CENTER, EDUCATION CLASSROOM 1***

Registration: **SIGN UP THROUGH THE COUNTY'S LEARNING MANAGEMENT SYSTEM**

Participants who attend this course will be able to set up a plan and stay on track for retirement without short-changing other financial goals, evaluate tax implications of various investments, and consider the option of early retirement. Each participant receives a 50-plus page guide to be used in class and for future reference.

### **ESTATE PLANNING: UNDERSTANDING THE BASICS**

**(RECOMMENDED FOR THOSE WHO WANT TO BETTER PREPARE NOW FOR THEIR FUTURE)**

Instructor: **KEITH DORNEY**

Date: **4/8, 2010 • Time: 11:30 AM-1:30 PM (BROWN BAG LUNCH SESSION)**

Session Length: **2 HOURS**

Location: ***SAN MATEO MEDICAL CENTER, EDUCATION CLASSROOM 1***

Registration: **SIGN UP THROUGH THE COUNTY'S LEARNING MANAGEMENT SYSTEM**

Participants who attend this course will have a greater understanding of the estate planning process in general. Participants will learn about an easy 3-step process to set up an estate plan. In addition, this course will help simplify the terminology and jargon used by the financial planning and legal profession. Each participant will receive a 50-plus page workbook, which reviews each topic covered and provides resources and a glossary for future use.

### **CREATING AND MANAGING WILLS & TRUSTS**

**(RECOMMENDED FOR THOSE WHO WANT TO BETTER UNDERSTAND HOW TO CREATE AND MANAGE WILLS AND TRUSTS)**

Instructor: **KEITH DORNEY**

Date: **4/8, 2010 • Time: 2:30 PM-4:30 PM**

Session Length: **2 HOURS**

Location: ***SAN MATEO MEDICAL CENTER, EDUCATION CLASSROOM 1***

Registration: **SIGN UP THROUGH THE COUNTY'S LEARNING MANAGEMENT SYSTEM**

Participants who attend this course will gain important skills to better understand the importance of estate planning and understanding probate and estate taxation in order to set up and manage trusts more effectively. Each participant will receive a 50-page workbook, which reviews each topic covered and provides resources and a glossary for future use.

## **April 22, 2010, Courses**

### **ORGANIZING AND MANAGING YOUR FINANCES**

**(RECOMMENDED FOR THOSE WHO WANT TO ORGANIZE AND TAKE BETTER CONTROL OF THEIR FINANCES)**

Instructor: **KEITH DORNEY**

Date: **4/22, 2010 • Time: 8:30 AM-10:30 AM**

Session Length: **2 HOURS**

Location: ***SAMCERA BOARD ROOM, 100 MARINE PARKWAY, REDWOOD SHORES***

Registration: **SIGN UP THROUGH THE COUNTY'S LEARNING MANAGEMENT SYSTEM**

Participants who attend this course will be better able to assume responsibility for their financial future. By participating in informative and interactive exercises, participants will develop an action plan for achieving all their financial goals. Each participant will receive a 65-plus page workbook, which reviews each top covered and provides resources and a glossary for future use.

### **GETTING OUT OF DEBT AND DEVELOPING SMART CREDIT HABITS**

**(RECOMMENDED FOR THOSE WHO WANT TO TAKE BETTER CONTROL OF THEIR FINANCES)**

Instructor: **KEITH DORNEY**

Date: **4/22, 2010 • Time: 11:30 AM-1:30 PM (BROWN BAG LUNCH SESSION)**

Session Length: **2 HOURS**

Location: ***SAMCERA BOARD ROOM, 100 MARINE PARKWAY, REDWOOD SHORES***

Registration: **SIGN UP THROUGH THE COUNTY'S LEARNING MANAGEMENT SYSTEM**

Participants attending this course will gain valuable knowledge and skills needed to build and maintain a good credit record. Each participant will receive a 40-plus page workbook which reviews each subject covered and provides listings of additional resources for future use.

## **HOW TO CHOOSE FINANCIAL PROFESSIONALS (RECOMMENDED FOR THOSE WHO WOULD LIKE GREATER KNOWLEDGE AND ABILITY TO MAKE MORE INFORMED DECISIONS WHEN CHOOSING FINANCIAL PROFESSIONALS)**

Instructor: **KEITH DORNEY**

Date: **4/22, 2010** • Time: **2:30 PM-4:30 PM**

Session Length: **2 HOURS**

Location: **SAMCERA BOARD ROOM, 100 MARINE PARKWAY, REDWOOD SHORES**

Registration: **SIGN UP THROUGH THE COUNTY'S LEARNING MANAGEMENT  
SYSTEM**

Participants who attend this course will gain important skills to better screen and select financial advisers/planners, portfolio managers, brokers and brokerage firms, tax professionals, attorneys, and insurance agents. Each participant will receive a 50-plus page workbook, which reviews each covered and provides a resource guide and glossary for future use.

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## **Consumer Price Index yields 1/2% COLA**

The Bay Area experienced very low inflation during 2009 according to the U.S. Bureau of Labor Statistics, resulting in a ½% (0.5%) cost of living adjustment (COLA) for most *SamCERA* retirees and beneficiaries. The increase will be effective on all April 2010 payments.

The COLA is calculated according to California law, which requires it to be based on the change in the annual Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area as determined by the federal Bureau of Labor Statistics. The law also requires the amount to be rounded to the nearest one-half of one percent.

This year the Bay Area CPI as validated by *SamCERA*'s actuarial firm, Milliman, Inc., showed a 0.73% increase. Per law this number was rounded to 0.5%. Probation members who retired on or before April 1, 2008, and General and Safety members who retired on or before April 1, 1971, have a COLA bank and will receive higher amounts.

See the chart below for COLA amounts based on date of retirement, plan and employment category.



## Cost of Living Percentages By Plan

**Plan One:** Each retiree and beneficiary who retired on or before April 1, 2010, will receive a Cost of Living Adjustment in accordance with the following tables.

<b>Date of Retirement</b>	<b>General</b>	<b>Safety</b>	<b>Probation</b>
On or before 4/1/1970	5.0%	5.0%	1.0%
4/2/1970 to 4/1/1971	2.5%	2.5%	1.0%
4/2/1971 to 4/1/2008	0.5%	0.5%	1.0%
On or after 4/2/2008	0.5%	0.5%	0.5%

**Plan Two:** Each retiree and beneficiary who retired on or before April 1, 2010, will receive a Cost of Living Adjustment of 0.5%.

**Plan Three:** Plan Three members are not eligible for Cost of Living Adjustments.

**Plan Four:** Each retiree and beneficiary who retired on or before April 1, 2010, will receive a Cost of Living Adjustment of 0.5%.

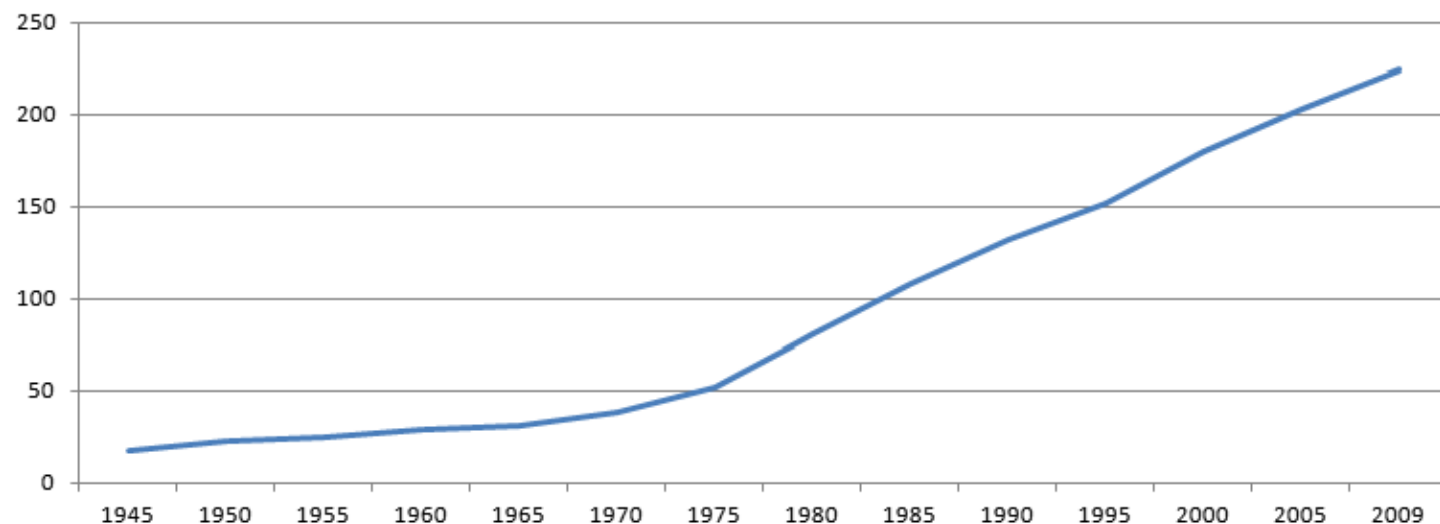
Inflation, as measured by the Bay Area CPI, has been a very regular occurrence since *SamCERA* first opened its doors in 1944. (See the chart below.) But the opposite of inflation—deflation—can occur bringing with it a negative COLA. Deflation has only occurred once in *SamCERA*'s history. In 1955 the CPI declined by approximately 0.8%. Benefits were unchanged because COLAs did not exist in 1955.

Today, however, if we were to experience deflation in the Bay Area, the law calls for a decrease in retirement benefits. That has never happened for *SamCERA* or any other California pension system operating under the same laws—until this year. We know of at least one county system that saw deflation in their area in 2009 and is required to reduce retirement payouts beginning in April.

Deflation-driven reductions in retirement payments would occur in the same manner as increases. The negative COLA would be based on the Bay Area CPI as determined by the federal Bureau of Labor Statistics. However, by law, benefits can never be reduced below the amount the member received when they first retired.

Is deflation likely to occur in the Bay Area? Not any time soon, according to most economists. In fact, most economists expect that, as usual, inflation is much more likely than deflation during the next several years.

## Historical Data - Bay Area Consumer Price Index



## Most convenient Social Security office is online

By Linda Zamfino

*Social Security Administration, Office of the Area Director in Oakland, CA.*

You probably don't need anyone to tell you that times are tough for many people right now. The past year has seen a recession-driven increase in applications for Social Security retirement and disability benefit applications. These increases translate into busier offices and telephone lines.

So if you need information, or want to apply for Social Security benefits, visit the most conveniently located office Social Security has: our online office at [www.socialsecurity.gov](http://www.socialsecurity.gov). There, you can apply online for retirement, spouses, and disability benefits. There's no need to fight the traffic to visit an office or wait for an appointment. Our website makes it simple, allowing you to apply for Social Security retirement benefits in as little as 15 minutes.

If you're not certain you're ready to apply, we have online resources that can help you decide. Our *Retirement Estimator* will allow you to enter different scenarios to come up with the retirement plan best for you. You can find it at [www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator).

Or if you worked for the state, local or federal government and did not pay Social Security taxes while employed with the government, instead of the Retirement Estimator, you can use our pension offset calculator to compute your Social Security benefits. You can find the calculator at: [www.socialsecurity.gov/retire2/anyPiaWepjs04.htm](http://www.socialsecurity.gov/retire2/anyPiaWepjs04.htm). You can also find information about the pension offset at: [www.socialsecurity.gov/pubs/10045.html](http://www.socialsecurity.gov/pubs/10045.html) and [www.socialsecurity.gov/pubs/10007.html](http://www.socialsecurity.gov/pubs/10007.html)

A Disability Starter Kit makes it easy to prepare for your disability application. The kit explains the documentation and information you'll be required to share on the application, and includes

checklists and worksheets to help take the mystery out of applying. You can find the Disability Starter Kit at [www.socialsecurity.gov/disability](http://www.socialsecurity.gov/disability) on the left-hand side of the page.

There are other things you can do online, such as applying for a replacement Medicare card, and requesting an SSA-1099 for tax purposes. You can learn about these and other online services at [www.socialsecurity.gov/onlineservices](http://www.socialsecurity.gov/onlineservices).

When you are ready to apply for Social Security benefits, everything you need is at your fingertips. Just visit [www.socialsecurity.gov/applyonline](http://www.socialsecurity.gov/applyonline).

*Newsletter End ###*