

San Mateo County Employees' Retirement Association

The SamCERA Times


www.samcera.org
ACTIVE MEMBER EDITION**Fall 2012**

Get Ready for Tax Season with SamCERA's Free Class

SamCERA is offering two special sessions of its popular Tax Planning Strategies class in December. Don't miss out on a chance to get an early jump on your taxes and learn the latest tips from the pros.

You can register for classes through the LMS My Personal and Health and Well-Being (Private) Site, or go to www.samcera.org for more information, including class listings and step-by-step instructions on how to register.

As always, our classes are free of charge and "conflict free" too--this means you won't get a sales pitch from the instructors. What you will get is unbiased financial planning advice from experienced professionals.

A limited number of seats are available for each class, so hurry--because open seats won't last long. SamCERA's tax planning classes are often fully booked in less than a week.

Class Listings

You can find a full list of classes with descriptions on the [SamCERA website](http://www.samcera.org).

Tax Planning Strategies

December 3, 2012

Location: 455 County Center, Room 101, Redwood City

Time: 9-11 am (2 hours)

Tax Planning Strategies

December 3, 2012

Location: 455 County Center, Room 101, Redwood City

Time: 1-3 pm (2 hours)

Inside This Issue

- [*Get Ready for Tax Season with SamCERA's Free Class*](#)
- [*Pension Legislation: What does it mean for you?*](#)
- [*Retirement 101: Saving for Retirement*](#)
- [*SamCERA's New Chief Investment Officer*](#)
- [*Want to know more about Social Security?*](#)
- [*Retirement Board Elections*](#)
- [*Thinking about retirement? Come to SamCERA's Ready to Retire workshop to learn more!*](#)

Pension Legislation: What does it mean for you?

In September, Gov. Jerry Brown signed a sweeping pension bill into law. The Public Employees' Pension Reform Act (PEPRA) will take effect in 2013, but most of the bill's provisions won't affect current SamCERA members.

After careful reading of the bill, we can tell you that on or after January 1, 2013:

- **Your contributions will not be immediately affected.** The amount of money deducted from your paycheck to pay for future pension benefits won't change. Your contribution rates could be changed in the future, but those changes would be made through negotiations between your bargaining unit and your employer.
- **Your retirement benefit formula will remain the same.** The equation used to calculate your benefits when you retire won't change.
- **Your minimum retirement age will remain the same.** The minimum retirement age for all existing SamCERA plans won't change.

There will, however, be some changes that affect current members.

- **You will no longer be able to buy Additional Retirement Credit (ARC).** December 31, 2012, is the last date that SamCERA will accept an application to purchase ARC. Keep in mind that ARC is just one type of service credit purchase available to eligible members. Other service purchases will still be available.
- **Retirees returning to work will have to wait longer.** Regardless of your age at retirement, retirees won't be eligible to return to work for a SamCERA employer for a period of 180 days following retirement, except under special circumstances.

While most of the provisions of the legislation aren't going to affect current members, there will be a number of changes in place for employees hired on or after after January 1, 2013. Up-to-date information can be found at www.samcera.org.

Interested in buying Additional Retirement Credit (ARC)?

You must apply by December 31, 2012. Learn more about ARC purchases, find out how much an ARC purchase would cost using SamCERA's ARC estimator, and download an application to purchase ARC: <http://www.samcera.org/arc-faq.html>.

Retirement 101: Saving for Retirement

Will you have enough money saved when it's time to retire? In our [last newsletter](#), we talked about how much money you're likely to need when you retire. You'll need to take a hard look at your expenses, but a good starting point is that you'll need roughly 80% of your pre-retirement income to be comfortable in retirement.

80% of your pre-retirement income can be a sizeable amount of money, which leads us to our next question:

Where will your retirement money come from?

A successful retirement is built on a solid foundation. Financial planners call this foundation the 3-legged stool of retirement income. It includes (1) personal savings like a 401(k) or 457 plan; (2) your Social Security benefits; and (3) retirement benefits like your SamCERA pension. Sometimes, the 3-legged stool isn't enough, so many Americans of retirement age need to add a fourth leg to their stool, opting to work part-time to cover their expenses.

Once you have a rough idea of the amount of money you'll need in retirement, you'll need to figure out if your 3-legged stool will provide enough income. You can use SamCERA's [Web Member Services](#) to estimate your SamCERA benefits. The Social Security Administration also has [tools](#) that you can use

to estimate your Social Security benefits.

If you have a 457 account with Hartford, go to www.retire.hartfordlife.com to find useful retirement planning tools. The County also recently began working with a company called Financial Soundings to help both 457 plan and non- 457 plan participants estimate their retirement needs and provide advice on how to meet them. Contact the Benefits Staff of San Mateo County Human Resources (send an email to benefits@co.sanmateo.ca.us, or call 650-363-1919) for more information about Financial Soundings.

For other types of accounts, check with the plan administrators to estimate your retirement income from those accounts.

When you have a better idea of how much money you'll be bringing in once you retire, you'll be able to start planning accordingly. You may find that it's a good idea to increase your contribution to your 457 account, or that you may be better off postponing retirement and working a year or two longer than you thought. You may also want to contact SamCERA (or check the [SamCERA website](#)) to learn more about any purchases of service credit you may be eligible for to increase your benefit. But the sooner you get a clearer picture of where you stand, the better.

Plan ahead so you can make your financial decisions on your own terms.

**Your Retirement Income:
The 3-Legged Stool**

Personal Savings
like a 401(k) or 457 plan

Social Security

Retirement Benefits
like your SamCERA pension

Part-Time Employment
(the optional 4th leg)

SamCERA's New Chief Investment Officer

Over the summer, SamCERA hired Michael Coultrip as its new Chief Investment Officer (CIO).

Mr. Coultrip will manage a portfolio of \$2.5 billion in net assets. He comes to SamCERA from Raytheon, where he was Director of Pension and Investments. In that position, he helped oversee \$15 billion in assets across multiple classes, including domestic equity, international equity, fixed income, alternatives, and hedge funds.

Prior to his work at Raytheon, Mr. Coultrip was Manager of Asset Allocation for Qwest Asset Management, where he worked on investment policy issues, including liability-based investing, alpha-beta separation, risk budgeting, portable alpha strategies, and risk management, for an \$11 billion portfolio.

Mr. Coultrip has more than 20 years of experience in investment management and strategy. He holds an M.S. in Finance from DePaul University, and a B.S. in Finance from Illinois State University.

The hiring comes after a nationwide search for a new CIO which began earlier this year. Mr. Coultrip replaced former SamCERA CIO Gary Clifton, who retired this spring after 23 years of service.



Michael Coultrip

Want to know more about Social Security?

We asked Social Security's Robert Pepper a few basic questions about Social Security retirement benefits.

Question:

What is the earliest age that I can apply for my Social Security retirement benefits?

Answer:

The earliest age to receive retirement benefits is 62, but you can apply up to three months beforehand. If you retire at age 62 today, your benefit would be about 25 percent lower than what it would be if you wait until you reach full retirement age.

Even if you are not ready to retire, you still should sign up for Medicare three months before your 65th birthday. You can do both online at www.socialsecurity.gov/applyonline.

Question:

I'm doing more things online, including shopping and paying bills. What are some things I can do at www.socialsecurity.gov?

Answer:

Perhaps the most important thing you can do is to take a look at your *Social Security Statement*, which allows you to check your earnings record and get an estimate of your future benefits. Revisit your *Statement* annually, around your birthday for example. If you're ready to apply for benefits, you can do that online as well.

Applying for Social Security retirement benefits online can take as little as 15 minutes. Once you've submitted your electronic applications, in most cases, you're done! Also online, you can find more than 100 publications with information about Social Security and its programs. Most of these publications are also in Spanish, and some of the most popular are available in 14 other languages.

You also can estimate your future retirement benefit using our *Retirement Estimator*, which allows you to get personalized estimates based on different retirement ages and scenarios. The possibilities are endless at www.socialsecurity.gov.

Question:

I'm trying to decide when to retire. Can Social Security help?

Answer:

The best place to start is with a visit to the online *Social Security Statement*. The *Statement* provides you with estimates of benefits for you and your family as well as your earnings record and information you should consider about retirement and retirement planning. Find out more about the *Statement* at www.socialsecurity.gov/mystatement.

The "right" time to retire is different for everyone and depends on your individual situation. To help you make your own decision, we offer an online fact sheet with some of the factors to consider at www.socialsecurity.gov/pubs/10147.html.

Robert Pepper is Social Security's Bay Area Public Affairs Specialist, based out of San Francisco.

Retirement Board Elections

In June, SamCERA Safety Members reelected David Spinello to the Seventh Member Safety seat on the Board of Retirement. Christopher Miller was elected to the Seventh Member Alternate seat, replacing incumbent Alma Salas.

Mr. Spinello is a Deputy with the San Mateo County Sheriff's Office. He has been with the Sheriff's Office for 10 years, and was first elected to the Retirement Board in 2009. Mr. Miller is a Group Supervisor II and a Probation Department Association (PDA) representative for the Juvenile Hall staff. He has been with the County since 2005.

The Second Member General seat was also up for election this year and incumbent Al David, who ran unopposed, was deemed elected. Mr. David is Director of Administrative and Information Services for the San Mateo County Human Services Agency (HSA). He is also a retired Army Reserve Lieutenant Colonel. He was first elected to the Retirement Board in 2008.

The terms of office for the newly elected board members will expire on June 30, 2015.



Thinking about retirement? Come to SamCERA's Ready to Retire workshop to learn more!

Are you thinking of retiring within a year? If so, then come to SamCERA's Ready to Retire workshop.

During this one-hour workshop, you'll learn about your SamCERA retirement pension options and the application process.

A representative from the Benefits Department will also be present to answer any questions regarding retiree health benefits. If you are not yet ready to retire but would like to learn more about your retirement, contact SamCERA for a one-on-one informational meeting.

Seats are still available, so sign up for the January session before it's too late!

Upcoming Workshop

Thursday, January 10, 2013

10-11 am

SamCERA Office, 100 Marine Parkway, Suite 125, Redwood City, CA 94065

How to Register

Please send an email to samcera@samcera.org to register for the workshop. In your email please specify your planned retirement date. Spouses and partners are welcome.