

SamCERA Times



www.samcera.org

September 2008

Three new trustees join Retirement Board

SamCERA recently welcomed two new elected trustees and one new appointed trustee.

As the result of an election in June, Natalie Kwan Lloyd and Albert David were elected by the active members of the retirement association to fill two seats recently vacated by the retirements of other board members.

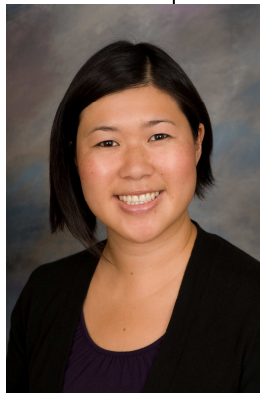
Lloyd is an Appraiser in the San Mateo County Assessor's Office. She joined the board in July to serve out the unexpired term of Tom Bryan. Her term will expire June 30, 2010.

David is an Information Services Dept. IMS-Health Relationship Manager. He is also a retired Army Reserve Lieutenant Colonel. He joined the board in July to serve out the unexpired term of Paul Hackle-

man. His term will expire June 30, 2009.

Ben Bowler was appointed in

appointed to fill the unexpired term of Scott Lee. His term will expire June 30, 2010.



Natalie Kwan Lloyd



Albert David



Benedict Bowler

The other current members of the Board of Retirement are: Board Chair **Emily Tashman**, Vice Chair **David Wozniak**, Secretary **Lee Buffington**, **James Hooley**, **Bette Stuart**, and **Margaret Jadallah**. Deputy County Treasurer **Sandra Arnott** substitutes for the Treasurer

when needed. Probation Services Manager **Alma Salas** is the Safety Alternate. **John Murphy** is the Retired Alternate.

August by the Board of Supervisors. Bowler is the Assistant Treasurer of Finance and Planning at Con-Way, Inc. He was

Retirees' Group Open to New Members

The San Mateo County Retired Personnel Assoc., otherwise known as SCORPA, is the recognized voice of SamCERA retirees. To represent retirees' interests well and to provide its popular social functions to as many county retirees as possible, the group is seeking new members.

The easiest way to join SCORPA is to send your name, address and phone number along with a check

for \$12 (the annual dues) to SCORPA, PO Box 3603, Redwood City, CA 94063.

You may also join at any meeting. SCORPA's next meeting is set for October 22 at 1 p.m. at the Veteran's Memorial Building, 1445 Madison Ave., Redwood City.

Each meeting is preceded by an optional lunch at noon.

Call 650-780-7259 for reservations. Lunch is \$4.50.

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SamCERA will weather economic downturn

These are not the best of times for the U.S. economy. Everyone is aware of the decline in housing prices, the sell off in the stock market, and the weak U.S. dollar. *SamCERA* of course has not been immune to the declines in stock values. But *SamCERA* is a long term investor.

The retirement fund's goal is to earn an average of 7.75% over a long period of years. So while the fund lost value (7.65%) in the 2007-2008 fiscal year, over the three previous fiscal years the fund has had an average investment return of more than 14%.

The Retirement Board

maintains a diversified portfolio of domestic and international equities along with fixed income and real estate investments. The board, investment staff and investment and actuarial consultants expect the fund to continue to exceed its assumed return of 7.75% over the long term.

Prediction of longer lives will increase member rates a bit

A recent actuarial study has verified that member's lifespans continue to increase. That's a good thing. But since *SamCERA* pays retirement benefits that are guaranteed for the lifetimes of its

retirees, this finding means that more money will be paid out than previously expected. It means the cost of benefits is higher, and as a result, the contribution rates for both the county

and for working members must by law be increased. (Retirees are not affected.)

The increases will vary by entry age and plan type but the average increase will be about 1%. For example, if you are currently contributing 7% of salary, your new rate would be 7.07% of salary, an increase of 70 cents per bi-weekly pay period on each \$1,000 of salary.

The increases will not be effective until July 2009 at the start of the next fiscal year.

Experience studies are conducted every three years to assess the demographic changes that have occurred in the member population and to determine if the association's assumptions about the future costs of benefits appear to be accurate. Changes that are found affect the rates that members and their employer pay for *SamCERA* benefits.

Members accounts protected from investment losses

Though the value of the *SamCERA* fund declined during the 07-08 fiscal year, as was typical for public pension funds, active member accounts will not share in that loss.

(Retirees will also not be affected.)

SamCERA's crediting policy does not allow member accounts to be credited with less than zero.

Member Account Statements will

soon be mailed. The statements show how much service credit each member has earned, who their beneficiaries are as well as their age and other important data. Each member should review their member statement for accuracy and contact *SamCERA* if

there are any concerns.

Perhaps the least important data on the statement for most members is the account balance.

For those who have worked for their *SamCERA* employer for ten years or more, their retirement payments will not be based on their account balance. Instead they will be the product of their years of *SamCERA* service multiplied by their

Final Average Compensation times a factor for their age.

Account balances are most often paid out to members who terminate their employment and who have not worked long enough to become eligible for a lifetime benefit.



More info on the web

Go to www.samcera.org for:

- Deadlines for service purchases
 - A video about your plan
 - All *SamCERA* member publications and forms
 - News about free flu clinics

Things you need to know about Medicare

By Linda Zamfino
Social Security Spokesperson
in Oakland, CA

Medicare is a medical insurance program for retired and disabled people. Here are some things you should know about Medicare.

There are four parts to Medicare: Parts A, B, C and D. **Part A** helps pay for inpatient hospital care, skilled nursing care, hospice care and other services. **Part B** helps pay for doctors' fees, outpatient hospital visits, and other medical services and supplies that are not covered by Part A. **Part C** allows you to choose to receive all of your health care services through a provider organization. These plans may help lower your costs of receiving medical services, or you may get extra benefits for an additional monthly fee. You must have both Parts A and B to enroll in Part C. And **Part D** is the Medicare Prescription Drug Program. Part B is the one we get the most questions about, so here are some things to know about it.

Most people don't pay a premium for Part A because they have worked and paid enough in Medicare taxes on wages over the years. However, there is a monthly premium for Medicare Part B; in 2008 the standard premium is \$96.40. Some high-income individuals pay more than the standard premium. Part B is a

good value for people who need medical insurance, but you need to enroll during your initial enrollment period, or when you first become eligible, unless you want to pay a penalty in the form of a higher premium. Most people first become eligible for Medicare at age 65.

There are exceptions to this rule. For example, you can delay your Medicare Part B enrollment without having to pay higher premiums if you are covered under a group health plan based on your own current employment or the current employment of any family member. If this situation applies to you, you can sign up for Medicare Part B without paying

higher premiums:

- Any month you are under a group health plan based on your own current employment or the current employment of any family member; or
- Within eight months after your employment or group health plan coverage ends, whichever comes first.

If you are disabled and working (or you have coverage from a working family member), the same rules apply.

For more information about Medicare Parts A, B, C, and D, visit the Center for Medicare & Medicaid Services (CMS) Medicare website at

www.medicare.gov or call 1-800-MEDICARE.

SamCERA Times going electronic

Beginning with the next *SamCERA Times* newsletter, members will have the option of receiving it in either paper or electronic form.

Active members (still working for a *SamCERA* employer) will automatically receive the March 2009 newsletter via email unless they notify *SamCERA* that they would prefer the newsletter in paper form.

Retired members will automatically continue to receive the newsletter in paper form unless they notify *SamCERA* that they would prefer to re-

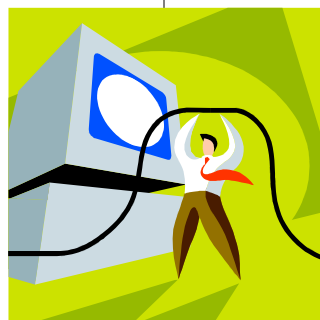
ceive the newsletter by email.

The change will reduce printing costs, save a few trees, and reduce the use of gasoline used in the delivery process.

The change will also allow more or fewer articles as the need dictates in the email newsletter version, since space will not be a consid-

eration.

Not all active *SamCERA* members have access to email. Such members should **contact SamCERA** in order to continue to receive a paper copy of the newsletter.



SamCERA 101 – basic information about your retirement benefits

The California law that contains the rules for SamCERA benefits (the 1937 Act) had 159,076 words at last count. So one of SamCERA's biggest jobs is to help you understand your benefits. This article is the fourth in a series containing basic information about your retirement benefits. For more information see all SamCERA's member publications on our website at www.samcera.org, email us at samcera@samcera.org, or call us at 650-599-1234 or (toll free) 1-800-339-0761.

SamCERA's main purpose is to provide lifetime retirement benefits to those members who reach eligible retirement age and choose to retire. But SamCERA also provides disability benefits to those who, in the opinion of medical experts and the SamCERA Board, are permanently medically unable to continue working.

Plan 1, 2 and 4 Members become eligible for a **Service Connected Disability Benefit** if based on all medical evidence they become permanently incapacitated for the performance of their assigned duties and their disability was substantially caused by their job or the job contributed substantially to the incapacity.

The benefit amount is the higher of the mem-

ber's earned service retirement benefit or 50% of their final average monthly compensation.

Plan 1, 2 and 4 Members become eligible for a **Non-Service Connected Disability Retirement** benefit if they have completed five years of service, become permanently incapacitated from the performance of their assigned duties, but their incapacity is not caused or contributed to by their job.

In general, a Non-Service Connected Disability benefit payment will not exceed 1/3 of the member's final average monthly compensation. The formula used to calculate the benefit is complex. However, a disabled member will usually receive **less** than the 1/3 maximum if they came to work for their employer after the age of 43. They may receive more than 1/3 if they have more than 22 years of service credit at the time they become disabled.

Plan 3 Members: SamCERA does not provide Plan 3 disability benefits.

To learn more, go to www.samcera.org or call SamCERA at 650-599-1234 or 1-800-339-0761.

SamCERA



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