

# The SamCERA Times

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RETIREES AND  
BENEFICIARIES  
EDITION

SPRING 2015

## Your 2015 COLA: 2% or 3%, Depending on Plan

Because of an inflation rise in 2014, most SamCERA retirees and beneficiaries will receive a Cost of Living Adjustment (COLA) of either 2% or 3% this year. The COLA applies to eligible retirees and beneficiaries retired on or before April 1, 2015, and the amount of the COLA will depend on the retirement plan. The COLA for Plan 1 and Plan 2 is 3%, while the COLA for Plans 4, 5, 6 and 7 is 2%. Plan 3 does not provide a COLA.

All COLAs will be paid beginning with the April 2015 benefit payments.

### How COLA is Calculated

SamCERA's COLAs are calculated according to California law, which requires them 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, since the index increased 2.84%, the nearest one-half of one percent is 3.0%. The maximum allowable COLA for Plans 4, 5, 6 and 7 is

always 2.0%. These COLA amounts are validated by SamCERA's actuarial firm, Milliman, Inc.

Remember, annual COLAs can increase or decrease depending on whether the Bay Area experiences inflation or deflation, but your pension will never go below the basic benefit allowance you received when you retired.

### 2015 SamCERA COLAs

Retirement Plan	COLA
Plan 1	3%
Plan 2	3%
Plan 3	NA
Plan 4	2%
Plan 5	2%
Plan 6	2%
Plan 7	2%

*2015 COLA amounts apply to members and beneficiaries retired on or before April 1, 2015.*

### SamCERA CEO Retiring

SamCERA CEO David Bailey is retiring. He's passing the reigns over to his successor, SamCERA's new CEO Scott Hood, and leaving for greener pastures later this month. And while it's hard to see David go, he's got some great thoughts to share as he heads into retirement. *Read his letter to members on page 2.*



### Contact SamCERA

100 Marine Parkway, Suite 125  
Redwood City, CA 94065  
(650) 599-1234 | (800) 339-0761  
[samcera@samcera.org](mailto:samcera@samcera.org)

SamCERA's normal office hours are  
Monday–Thursday, 7 am–6 pm.

## Letter to SamCERA Members

by Retiring CEO David Bailey



David in 1987

For the last 27 years, I've spent every working day thinking about, talking about, and writing about "retirement." But retirement was something other people did. Now, the time has come and I too get to retire.

I got into this business in 1988 when I went to work for the Oregon

Public Employees' Retirement System as their Communications Officer and administrator of internal services. I was 37. I knew nothing about retirement. Until then I'd worked in a variety of industries and was tired of learning a new field ever few years. I wanted to become an expert at something. What I didn't know was how much there was to learn in the retirement business.

My first day on the job, my boss gave me a three-foot high stack of materials and told me to spend the week reading through it. I started on that with enthusiasm, but at about 2:30 p.m. every day I wondered if there was a way I could sleep with my eyes open so no one would notice. I wondered if I would ever become interested in actuarial science, benefits law, benefits communications, accounting, budgeting, information technology, and investments.

On Friday of that first week, I had read down the stack to the internal newsletter. It was all about the people who worked at OPERS, their professional and personal lives. Soon I was involved in meetings, got some issues to deal with and assignments to complete. Within a few days it all became fascinating.

One of the great things about government is that

there is opportunity. Work hard, learn all you can, and try looking at things from your boss's perspective. In 1993 they made me the Deputy Director, the number two management position, and I spent the next 11 years responsible for carrying out the plans of the Board and the Executive Director for what was then a \$45 billion fund with about 350,000 members and retirees.

After a decade of working closely with the Executive Director, always thinking what I would say or do in that position, I decided I was ready to try my hand at the top job in a pension system. I applied for a few such jobs. One day, I got a call from Mary Welch, then Human Resources Director for San Mateo County. Frankly, I could not recall applying for a job at San Mateo County. In fact, I had only a vague idea where San Mateo County was. I'm so glad I found out.

I started as the CEO of SamCERA on January 3, 2005. It's been a dream job. Which is not to say there haven't been challenges. On my first day I had a horrible cold. But I couldn't call in sick my first day on a job! So I went to my office, formerly occupied by my predecessor, Sid McCausland. Sid retired to

Alaska, and I think I know why. He likes the cold. I found that he'd blocked off the heating vents in his office so no warm air, only cold, came in. I spent the first week sick and freezing.

But Sid left me a ton of good things. Best of all, he hired outstanding staff members

and created a governance framework that is still a bedrock of SamCERA today. A few years into my tenure, a Governor's commission concluded that all retirement systems should adopt certain governance documents. That was no problem for SamCERA. Sid had already created them and they'd been adopted by the Board years before.

Of course, there were bigger issues than the temperature of my office. The recession was an all-consuming problem. Every day I watched the stock market zig-zag downward in an historic financial crisis that had no predictable end. It was sometimes hard to look away from the screen. The result was that employer contributions shot up to help stabilize

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Consumer Protection:  
From the Federal Trade Commission

## Tax-Related Identity Theft

*Identity thieves could be using your Social Security Number (SSN) to file a bogus tax return or get a job. Here's how to protect yourself.*

It's tax season, which means it's a good time to make sure your SSN is safe from identity thieves. The IRS uses your SSN to make sure your filing is accurate and complete, and that you get any refund you are due. So an unexpected notice or letter from the IRS could alert you that someone else is using your SSN.

**BE AWARE!** The IRS doesn't start contact with a taxpayer by sending an email, text or social media message that asks for personal or financial information. If you get an email that claims to be from the IRS, do not reply or click on any links. Instead, forward it to [phishing@irs.gov](mailto:phishing@irs.gov).

If someone uses your SSN to file for a tax refund before you do, the IRS might think you already filed and got your refund. When you file your return later, IRS records will show the first filing and refund, and you'll get a notice or letter from the IRS saying more than one return was filed for you.

If someone uses your SSN to get a job, the employer may report that person's income to the IRS using

your SSN. When you file your tax return, you won't include those earnings. IRS records will show you failed to report all your income. The agency will send you a notice or letter saying you got wages but didn't report them. The IRS doesn't know those wages were reported by an employer you don't know.



### What to do if it happens to you...

If you think someone used your SSN for a tax refund or a job — or the IRS sends you a notice or letter indicating a problem — contact the IRS immediately. Specialists will work with you to get your tax return filed, get you any refund you are due, and protect your IRS account from identity thieves in the future.

After you contact the IRS, it's important to limit the potential damage from identity theft:

- Put a fraud alert on your credit reports.
- Order your credit reports.
- Create an Identity Theft Report by filing an identity theft complaint with the FTC and filing a police report.

Learn more about tax-related identity theft here:  
[www.consumer.ftc.gov](http://www.consumer.ftc.gov)

## 2 ways to know you might be in trouble...

TAX ID THEFT

An identity thief may use your Social Security number to get a tax refund or a job. Contact the IRS if they send you a notice saying their records show:

- you were paid by an employer you don't know, or
- more than one tax return was filed using your Social Security number.

## 2015 Retiree Paydays

Dates for the remaining retiree paydays



March 31  
April 30  
May 29  
June 30  
July 31

August 31  
September 30  
October 30  
November 30  
December 31



100 Marine Parkway, Suite 125  
Redwood City, CA 94065

**Letter to SamCERA Members**  
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the fund and governments at every level debated how to address the steep decline in resources.

Looking back at my time as a retirement administrator during the recession, I could not have been in a better place. Our Retirement Board, Board of Supervisors, County management and union leadership managed through the crisis as well or better than any other retirement system in the country. SamCERA and the County each took bold actions that have turned out well. The County made the exceptional decision to contribute funds to the system, over and above the requirements of law and actuarial standards. That decision was a collaborative example of government working well that I will always be proud to have been a part of. Today, the many steps taken to improve the finances of SamCERA have helped return the fund to a position of strength. Members can be assured that SamCERA is on solid ground to pay retirement benefits as promised.

Stakeholders can also be comfortable that SamCERA

will continue to provide exceptional, dedicated, personal service. The Retirement Board promoted from within when it selected a new CEO to lead the SamCERA staff. A nationwide recruitment concluded when the Board chose Scott Hood to fill the position. Scott has been with SamCERA for 14 years, and has served as Assistant Executive Officer since 2002. He holds a BS in Engineering from the US Military Academy and an MS in Computer Information Systems from Boston University. He has more than 30 years of combined active and reserve military service, including deployments in Bosnia, Iraq and the Horn of Africa. You are in good hands.

So now I get to retire. Retirees tell me I will enjoy it. I know I will, and I am looking forward to it. But it will be tough to top the feeling of adventure my jobs have provided or the time spent each day working with outstanding professionals. To all our members and all the great people I've worked with or just come into contact with during this job, I extend my sincere thanks and gratitude. It's been a privilege.

*David plans on splitting his time in retirement between California and his native Oregon, and spending more time with his wife Melanie.*