

# SamCERA Times

Your San Mateo County Employees' Retirement Association Newsletter  
Volume 8, Number 1, July, 2000



## Michael McMahon Wins in General Member Election

Veteran Trustee Michael E. McMahon was the winner in his hard fought campaign for re-election to SamCERA's Board of Retirement. Mr. McMahon received 505 votes and Steve Perry received 434, according to Bill Jackson, the County's Elections Officer.

Michael has spent more than 25 years with the County of San Mateo. He is a Senior Auditor-Appraiser in the Personal Property Division of the Office of the Assessor-County Clerk-Recorder.

He has served as a Steward for Local 715 of the Service Employees International Union.

Michael makes his home in Daly City. He was first elected to the Board in 1993.

## "Brown Bag" Retirement Seminars are a Success

Early reports are that Susie Lamica is doing a great job of explaining things to everyone who participates in one of SamCERA's mini Brown Bag Seminars. Susie is SamCERA's Member Services Retirement Analyst. She is responsible for reviving our work site seminar program.

All you have to do is call Susie at 363-4821 and she will schedule a time when she can join you and your co-workers at your work site during the lunch hour. If you let her know who is going to attend, she will even bring along retirement estimates for the participants.

### MEET YOUR BOARD OF RETIREMENT

Aron H. Hoffman, Chair  
Tom E. Bryan  
Lee Buffington  
John J. Carberry  
Donna Wills Colson  
William R. Cottle  
Keith W. Hoffman  
Michael E. McMahon  
Bette Perroton Stuart

## Court Excludes "Terminal Pay" from Retirement Benefit

SamCERA is **not** required to include "terminal pay" in the calculation of a member's retirement benefits according to Judge Stuart Pollack's June 21<sup>st</sup> ruling.

Judge Pollack's decision means your retirement benefit will **not** be increased by the value of the accrued hours of leave that you cash out when you retire. Examples include accrued vacation, comp time and holiday hours.

However, if you can cash out hours annually during the course of your employment, then your final average compensation must include the amount cashed out during the period used to calculate your retirement benefit. In-service cash-outs were included in the original Supreme Court's *Ventura* decision.

Judge Pollack has ruled that the Supreme Court's *Ventura* decision does not extend to cash-outs that can not be taken prior to termination of active service. The plaintiffs may appeal Judge Pollack's decision.

**Retirees** must wait for the Judge's next decision to find out whether or not they will benefit from the *Ventura* decision. Judge Pollack is expected to schedule a hearing this Fall on whether or not the other elements of the original *Ventura* decision must be applied retroactively to current retirees.

For background on *Ventura* visit [www.samcera.org](http://www.samcera.org).

## Now You can Call SamCERA toll free at 1-800-339-0761

With the proliferation of Area Codes, it is getting harder and harder for our members to reach us.

Consequently, your Board of Retirement has taken the initiative and installed a new 800 number that will allow us to serve you better.

**If you live outside of the 650 Area Code and within the Continental United States, you may now call SamCERA toll free.**

Please jot this number down in a place where you will be able to find it when you want to call us.

## *Make Sure You Name a Beneficiary because SamCERA's Benefits for Your Beneficiary can be substantial*

**"One-Time Death Benefit":** If there are no eligible survivors, your **beneficiary** will receive your contributions and interest, **plus** a County-paid one-time benefit equal to one month's salary for each year of service, up to a maximum of six months' salary.

**"Eligible Survivor(s)":** If you were married, your spouse will receive the **duty-death** monthly benefit for life. For **all other benefits**, you must have been **married for one year prior to death** for your spouse to qualify. If no eligible spouse, your children will receive the monthly benefit until age 18 (age 22 if unmarried full-time student), otherwise the one-time death benefit.

**What if I die in the Line-of-Duty?** If you are in Plan 1, 2 or 4 your **beneficiary** will be eligible for the Death Benefit as of your first day on the job. A monthly benefit equal to 50% of your final average monthly compensation will be paid to your **eligible survivor**.

**What if I die Before I'm Vested?** If you are in Plan 1, 2 or 4 and die **before** you have accumulated **5-years of service credit**, your **beneficiary** will receive the *One-Time Death Benefit*.

**What if I die After I'm Vested?** If you are in Plan 1, 2 or 4 and die **after** you have accumulated 5-years of service credit, your **eligible survivor** will receive a monthly benefit for life based upon the Option 2 100% continuance calculation for a Non-Service Connected Disability benefit. If there are no eligible survivors, your **beneficiary** will receive the *One-Time Death Benefit*.

**What if I die After I'm Eligible to Retire?** If you are in Plans 1, 2 or 4 and are 50 with 10-years of service, or a Safety Member with 20-years or a General Member with 30-years of service or a Plan 3 Member age 55 with 10-years of service, your **eligible survivors** may be eligible for the equivalent of the Option 2 100% continuance based upon the higher of your earned Service Retirement benefit or your Plan 1, 2 or 4 Non-Service Connected Disability benefit.

**What if I die After I Retire?** The Option that you selected when you retired determines what your **beneficiary** will receive. For most retirees who were married when they retired, the spouse will receive 60% of the member's benefit for life. If there is no eligible spouse, most **beneficiaries** will receive the balance of contributions and interest in the retiree's account.

## *Markets Go Up and Markets Go Down, but your Retirement Fund just Rides Out the Storm*

On December 31<sup>st</sup> of last year, *SamCERA's* investment portfolio was valued at just under \$1.4 billion. At the end of June, *SamCERA's* investment portfolio was valued at just under \$1.4 billion. During the six months in between, the value of the portfolio rose and fell and rose again like a ship at sea.

The whole past year has been like a storm at sea. From July - September, *SamCERA's* portfolio was down -1.9%. Then from October - December it was up 10.3% and from January - March it was up another 3.6%. However, the three months from April - June saw the markets finally begin their correction. As of June 21<sup>st</sup>, the portfolio was down -3.8% for the quarter.

When the final reports are received, it is probable that *SamCERA's* investment return for the past year will have been about 8.2%.

8.2% is not a return that we would write home about, given our recent memories of double-digit returns. But our actuary expects us to make less than 8.25% about 1/3<sup>rd</sup> of the time, so that tells you a little bit about how crazy the markets have been for the past five years. There is a reasonable chance that five years of double digit returns might be followed by five years of negative or flat returns, so 8.2% looks pretty solid.

Your Board of Retirement knows that markets go through cycles. That is why they have diversified the investment portfolio over a broad range of asset classes and securities. By staying away from "dot.com" stocks with zero profits, *SamCERA's* investment managers helped your fund ride out the recent storm with a minimum of damage. It's like Grandma always said, "Never put all of your eggs in one boat."

## *SCORPA Needs You!*

Bill Bullard, President of SCORPA, has issued an all points bulletin. The independent retiree group needs the support of all *SamCERA* retirees. SCORPA provides a forum for retirees to lobby the Board of Supervisors and the Board of Retirement for improved retiree benefits, as well as an opportunity for old friends to gather once a month and swap war stories. Help SCORPA celebrate its 25<sup>th</sup> Anniversary this year.

Bill wants you to send \$10 in annual dues to SCORPA at P.O. Box 3603, Redwood City, 94064 and to call (650) 780-7270 for reservations for the SCORPA luncheons which are held on the fourth Wednesday of each month.

## Please Help Us Serve You

Please help us plan for the future by responding to the following questions and returning your responses to SamCERA at the address on the top of page 4.

Please attach additional sheets of paper with your detailed comments.

### PERSONAL INFORMATION

Are you currently receiving a monthly SamCERA benefit? ☐ Yes ☐ No

Do you still work for the County? ☐ Yes ☐ No

How old are you? \_\_\_\_\_

How many years have you worked for the County? \_\_\_\_\_

Do you expect to retire from the County? ☐ Yes ☐ No

Do you participate in the County's 457 Deferred Compensation Program? ☐ Yes ☐ No

Do you have investments other than your SamCERA and Deferred Compensation programs? ☐ Yes ☐ No

### RETIREMENT INFORMATION

Do you think you understand what your retirement benefits will be when you retire? ☐ Yes ☐ No  
How can we improve your knowledge about retirement?

Have you read SamCERA's booklet called *Very Important Questions & Answers About Your SamCERA Retirement Benefits*? ☐ Yes ☐ No  
How can we improve the booklet?

Have you visited SamCERA's web site? ☐ Yes ☐ No  
How can we improve the web site?

Have you attended SamCERA's four-part Financial Planning Seminar? ☐ Yes ☐ No  
How can we improve the financial planning seminar?

Have you participated in a SamCERA "brown bag" seminars? ☐ Yes ☐ No  
How can we improve the "brown bag" seminars?

Have you read the *SamCERA Times*? ☐ Yes ☐ No  
How can we improve the *SamCERA Times*?

Have you visited SamCERA's office? ☐ Yes ☐ No  
How can we improve our customer service?

Have you telephoned SamCERA? ☐ Yes ☐ No  
How can we improve our telephone service?

Have you e-mailed SamCERA? ☐ Yes ☐ No  
How can we improve our e-mail service?

Have you written to SamCERA? ☐ Yes ☐ No  
How can we improve our correspondence?

Please rank the following in terms of their **Importance**:

HOW IMPORTANT IS IT TO YOU?	Very	Helpful	Sort of	Not
SamCERA's Booklet				
SamCERA's Web Site				
New Employee Orientation				
Financial Planning Seminars				
Informal "brown bag" seminars				
SamCERA Times				
Easy to visit staff				
Easy to call staff				
Easy to e-mail staff				
Easy to write staff				
Caring Service				
Fair Service				
Accurate Service				
Timely Service				
Knowledgeable Service				

### FUTURE SERVICES

If the Board of Retirement provided you PIN-controlled access to web-based retirement benefit estimates, would you do your own estimates using "real-time" data?

☐ Yes ☐ No ☐ Maybe

If the Board of Retirement provided you access to web-based financial planning services that would allow you to plan for your retirement, optimize your 457 Deferred Comp investments and analyze and track your other personal investments, would you take advantage of such a service? ☐ Yes ☐ No ☐ Maybe

Would you use a web-based financial planning service if it was provided to you at:

No cost? ☐ Yes ☐ No ☐ Maybe  
\$25 per year? ☐ Yes ☐ No ☐ Maybe  
\$50 per year? ☐ Yes ☐ No ☐ Maybe  
\$100 per year? ☐ Yes ☐ No ☐ Maybe

Please help us serve you better, send us your responses

## Please Help Us Update Your Beneficiary Information

Our *PensionGold* system is designed to help us make certain that your beneficiary receives everything they are entitled to in the event of your death. So we need to ask everyone to provide us with ALL of the required information on her or his *SamCERA* beneficiary, including SSN. You can learn more about SamCERA's death benefits on page 2 of this newsletter.

**PLEASE COMPLETE THE FOLLOWING FORM AND RETURN IT TO THE ADDRESS AT THE TOP OF THIS PAGE AS SOON AS POSSIBLE.** If you want to name more than two beneficiaries, you may attach a separate sheet of paper with all of the required additional information. If you add a sheet, please sign both sheets of paper. If you are married, your spouse must sign this form with you, as well as any additional sheets that you attach.

Pursuant to the provisions of California's County Employees' Retirement Law of 1937 applicable to San Mateo County, I **hereby designate the following person(s) as my beneficiary(ies)** for applicable SamCERA death benefits, effective as of the date this form is received by *SamCERA*:

Beneficiary's Social Security Number		Beneficiary's Last Name		First Name & Middle Name		% of Benefit	
Sex	Relationship	Physical or Mental Disability <input type="checkbox"/> Yes <input type="checkbox"/> No		Full Time Student <input type="checkbox"/> Yes <input type="checkbox"/> No		Primary Beneficiary <input type="checkbox"/> Yes <input type="checkbox"/> No	
Date of Birth		Place of Birth		Married <input type="checkbox"/> Yes <input type="checkbox"/> No		Member's Spouse <input type="checkbox"/> Yes <input type="checkbox"/> No	
Telephone Number		Home Address		City, State & Zip Code			

Beneficiary's Social Security Number		Beneficiary's Last Name		First Name & Middle Name		% of Benefit	
Sex	Relationship	Physical or Mental Disability <input type="checkbox"/> Yes <input type="checkbox"/> No		Full Time Student <input type="checkbox"/> Yes <input type="checkbox"/> No		Primary Beneficiary <input type="checkbox"/> Yes <input type="checkbox"/> No	
Date of Birth		Place of Birth		Married <input type="checkbox"/> Yes <input type="checkbox"/> No		Member's Spouse <input type="checkbox"/> Yes <input type="checkbox"/> No	
Telephone Number		Home Address		City, State & Zip Code			

Member's Social Security Number	Member's Signature	Signature of Spouse ( <b>mandatory if married</b> ) or Witness	Date
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