

SamCERA Times

Your San Mateo County Employees' Retirement Association Newsletter
Volume 10, Number 1, February 2002



The Board of Supervisors, Board of Retirement & Teamsters Local 856 file Notices of Appeal to Judge's "Ventura II" Rulings

Well, you might as well relax because it will probably be 24 months before SamCERA's retirees find out whether or not they are entitled to a retroactive benefit increase.

Ventura I: On October 1, 1997 the California Supreme Court ruled that "all compensation paid in cash" (except overtime) must be included in (a) the payment of member & employer contributions and (b) the calculation of retirement benefits.

When the Supreme Court decision was final, SamCERA's Regulations were amended to add shift differentials, bilingual pay, uniform allowances and several other forms of special pay into the calculation of a member's benefit.

However, *Ventura I* left two unresolved issues that effect SamCERA's members (1) **Terminal Pay et al** and (2) **Retroactivity for those already retired**.

Ventura II: More than two dozen post-*Ventura I* law suits, including SamCERA's, were forwarded to the San Francisco Superior Court for a coordinated proceeding ("*Ventura II*") before the Honorable Stuart R. Pollak. Judge Pollak issued his ruling on November 30, 2001.

TERMINAL PAY et al: Judge Pollak was asked to decide whether or not vacation pay, *etc.* that is cashed out at the time of retirement must be included in the retirement benefit, if the member was not able to cash it out during the time of employment.

Judge Pollak ruled that *if the employee is not entitled to cash out such hours during the normal course of employment, then the cash out at termination does not have to be included* in the calculation of the pension.

Judge Pollak's Terminal Pay et al ruling reaffirms the existing law for current SamCERA retirees, beneficiaries or survivors. There will be no SamCERA benefit increases based on Terminal Pay. The Teamsters' appeal seeks to overturn the terminal pay portion of the Judge Pollak's ruling.

RETROACTIVITY: Judge Pollak was also asked to rule on whether or not benefits paid to current retirees need to be recalculated based upon *Ventura I* and, if so, how far back retroactive payments need to go.

Judge Pollak ruled that SamCERA must recalculate pension benefits for retirees, survivors and beneficiaries who received shift differentials, bilingual pay, uniform allowances and several other forms of special pay **during the period used to calculate their benefit.**

Judge Pollak ruled that no matter what year you retired the corrected benefits must be paid retroactively on benefits received on and after March 19, 1995 plus interest at 7% simple.

Who will be Eligible?

If Judge Pollak's ruling is upheld on appeal, then SamCERA will recalculate pensions for individuals who received the specific types of pay that were not included in their benefit calculation when they retired.

There will be no increase for retirees who did not use the affected pay codes. **It is believed that the majority of retirees did not use these pay codes during the period used to calculate their SamCERA benefit.**

The decision will not affect any member who retired after December 28, 1998 since their benefits were calculated using the correct pay codes.

Will members & retirees have to pay anything?

Judge Pollak's ruling notes that the Board of Retirement has the authority to collect back contributions on all pay earned under the affected pay codes. He notes that the collection of back contributions will impact members and retirees regardless of whether or not they are entitled to increased benefits. The back contribution issue will be decided by SamCERA's Board of Retirement at the conclusion of the appeal of Judge Pollak's ruling.

PLEASE DO NOT CALL WITH QUESTIONS AT THIS TIME. WE WILL NOT ANSWER VENTURA II QUESTIONS UNTIL AFTER THE CONCLUSION OF THE APPEAL PROCESS.

Where can I get additional information?

Members and retirees are represented by Stewart Weinberg with the law offices of Van Bourg, Weinberg, Roger & Rosenfeld, 180 Grand Avenue, Suite 1400, Oakland, CA 94612. (510) 839-6600.

2002 Cost of Living Increase Notice for SamCERA's Retirees, Beneficiaries & Survivors

Your Board of Retirement has approved the following monthly Cost of Living increases, which will be added to your April 30, 2002 SamCERA benefit payment:	
Plan 1 Retirees: 5% COLA	If you were hired by the County on or before July 6, 1980, you are probably a member of Plan 1.
	Plan 1 General & Safety members will receive a 5% COLA increase, the maximum provided in the law that governs Plan 1.
	<i>In addition to your 5% COLA, you will receive a 0.5% deposit into your COLA bank, as described on the next page.</i>
Plan 2 Retirees: 3% COLA	If you were hired by the County after July 6, 1980 but before July 13, 1997, you are probably a member of Plan 2. All Plan 2 members will receive a 3% COLA increase, the maximum provided in the law that governs Plan 2.
Plan 3 Retirees: No COLA	If you elected to become a member of the County's non-contributory Plan 3, you will not receive a cost-of-living increase, because none is provided for in the law that governs Plan 3.
Plan 4 Retirees: 2% COLA	If you were hired by the County on or after July 13, 1997, you are probably a member of Plan 4. All Plan 4 members will receive a 2% COLA increase, the maximum provided in the law that governs Plan 4.
Probation-Safety Plan 1 Retirees: 3% COLA	If you retired as a Probation-Safety Member who was hired by the County on or before July 6, 1980, you are probably in Plan 1 and will receive a 3% COLA increase, the maximum provided in the law that governs Probation Plan 1.
	<i>In addition to your 3% COLA you will receive a 2.5% deposit into your COLA bank, as described on the next page.</i>

These increases are based on the 2001 average annual change in the Consumer Price Index for the San Francisco/Oakland/San Jose area (CPI-SF/O/SJ) and the provisions of the County Employees' Retirement Law of 1937 applicable to each of SamCERA's Plans.

In 2001, the CPI-SF/O/SJ increase was much greater than the nationwide CPI increase used by Social Security.

Please do not call SamCERA with questions until after you receive your benefit increase at the end of April. It is impossible for our small staff to answer all of your individual questions about what your cost of living increase is going to be. Thank you for your cooperation.

Answers to the most common questions appear on the next page.

Cost of Living Questions and Answers

When will I receive my cost of living increase?

The monthly increase will be added to the benefit payment you will receive at the **END OF APRIL**.

What does the word "COLA" on my pension check stub mean?

"COLA" means "Cost of Living Allowance"

Why doesn't the "Base" amount on my pension check stub change?

The "Base" amount is only calculated once at the time you retire. It will not change annually. However, the "COLA" amount increases each year.

How is my Cost of Living Allowance Calculated?

Look at last month's *SamCERA* benefit advice. Your monthly "Base" and "COLA" amounts are listed on the left side of the stub. Add your "Base" and "COLA", and then multiply the sum by your % cost of living increase to calculate your 2002 increase.

Example	March 31	Increase	April 30
Base Benefit	\$1,000		\$1,000
COLA Benefit	+ 100	+55	+ 155
Total Benefit	\$1,100	+55	\$1,155
<i>x 2002 Plan 1 COLA %</i>	<i>x .05</i>		
<i>= 2002 COLA Increase</i>	<i>\$ 55</i>		

What is the COLA Bank for Plan 1 Members?

Employees who were hired before July 6, 1980 may accumulate a COLA Bank.

These members are in Plan 1 and are entitled to receive an annual cost of living increase equal to the increase in the Consumer Price Index (CPI-SF/O/SJ), but not to exceed 5%*

When inflation is greater than 5%*, the difference between CPI-SF/O/SJ and 5%* is "deposited" in the member's COLA Bank.

Then, in years when inflation is less than 5%*, the member receives a cost of living increase based on the approved increase plus a "withdrawal" from the member's COLA Bank to bring the total cost of living increase up to the 5% maximum.

The following table lists the **COLA Bank Balances for Plan 1 General & Safety Retirees**, after the "deposit" for the current cost of living increase:

Retired on or before 4/1	Balance Remaining	Retired on or before 4/1	Balance Remaining	Retired on or before 4/1	Balance Remaining
≤1969	25.0%	1973	18.0 %	1977	4.5%
1970	23.5%	1974	17.5%	1978	4.0%
1971	21.0%	1975	14.5%	1979	1.5%
1972	19.0%	1976	9.5%	≥1980	0.5%

* Probation-Safety Plan 1 maximum COLA is 3%.

Probation Plan 1 COLA Bank Balances are as follows:

≤1998	5.5%	2000	5.0%	2002	2.5%
1999	5.0%	2001	4.0%		

Employees hired on or after July 6, 1980 can not accumulate a COLA Bank.

San Mateo County Employees' Retirement Association
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☞ See page 1 for *Ventura II Decision*

☞ See page 2 for *Cost of Living Allowance Notice*

You Have Two More Chances to Catch SamCERA's Retirement Planning Seminar Series in 2002

SamCERA has teamed up with Net Equity Associates to bring you this highly acclaimed four-part seminar that will teach you everything you need to know to prepare yourself for a successful retirement. Join us for an eye opening reality check.

Who should attend? All *SamCERA* members. **The younger you are when you attend, the better prepared you will be to manage your finances.** Retirement Planning is so important you should bring along your spouse or significant other.

Where? The seminars will be held in the **Elk's Lodge at 229 West 20th Avenue, San Mateo**, one block South of Highway 92 and two blocks West of El Camino Real.

How Much? While tuition is usually charged for this program, *SamCERA* & Net Equity Associates are picking up the full cost of providing it to *SamCERA*'s members. There will be no cost to *SamCERA*'s members and their guests.

Sign Up Now! For an enrollment form e-mail "SAMCERA" on the County Intranet or samcera @ co.sanmateo.ca.us on the Internet. The course is on County time, if pre-approved by your Supervisor.

Learn more about *SamCERA*. Contact us at...

web site: www.samcera.org

e-mail: [samcera @ co.sanmateo.ca.us](mailto:samcera@co.sanmateo.ca.us)

telephone: (800) 339-0761 or (650) 363-4581

When will the Seminars be held?

Next 2002 Series on Four Fridays:

May 3, 10, 17, & 24

Last 2002 Series on Four Tuesdays:

October 8, 15, 22, & 29

People with Disabilities Have a Voice In Our Government

The Commission on Disabilities advises the San Mateo County Board of Supervisors and provides a collective voice for people with disabilities. Represented by consumers, family members, service providers and others, the Commission serves as a core resource for the community when it comes to addressing the needs and interests of people with disabilities in our County.

The Commission works on a variety of issues such as accessibility of County facilities, programs and services, affordable and accessible housing, transportation, legislation and advocacy, emergency preparedness and disabilities awareness.

The Commission's publications include *Removing Barriers Through Self Advocacy*, *Universal Housing Design recommendations for Accessibility*, *Disabilities Awareness Curriculum for Third Graders* and *Residential Visitability*.

Information about the Commission can be found at www.smco-cod.org or by contacting Craig McCulloh at (650) 573-2580 (voice) or (650) 573-2220 (TDD).