

SamCERA Times

Your San Mateo County Employees' Retirement Association Newsletter
Volume 11, Number 1, March 2003



County Cost for SamCERA's General Members will increase 48% next fiscal year

This fiscal year, the County is paying about 10.3% of payroll for SamCERA's General Members' retirement benefits.

Next fiscal year, the County will need to contribute roughly 15.2% of payroll due to actuarial changes and the new SamCERA General Member benefit improvements.

As reported in the December SamCERA Times, the Board of Supervisors has approved new contracts with AFSCME, SEIU & BCTC.

Those contracts include improved SamCERA benefits for their General members.

No firm date has been set for implementation of the improved benefits. SamCERA is preparing to implement them when the other unions representing General Members ratify similar agreements or when legislation is enacted permitting union-by-union implementation.

Also reported in the December SamCERA Times, was news that the actuary had completed a study of SamCERA's actuarial experience that concluded, among other things, that our retirees are living longer and that recent investment returns have fallen well below the actuary's assumption of 8.25%.

The combination of the new General Member Benefit Improvements, revised actuarial assumptions and investment shortfalls account for the increase in County costs.

The 15.2% does not include the County's cost for Safety & Probation Member retirement benefits. SamCERA's Safety & Probation costs will also increase next fiscal year, but the exact amount of the increase cannot be calculated until it is known whether or not improved retirement benefits will also be implemented for Safety and Probation members.

You Have Two More Chances to Catch SamCERA's Retirement Planning Seminar Series in 2003

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.

Sign Up Now! For an enrollment form either download the form at www.samcera.org or 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.

Week One: *SamCERA & County Health Benefits plus Healthy Life Styles*

Weeks Two & Three: *Managing your Personal Investments & Finances*

Week Four: *Social Security & Deferred Compensation*

SamCERA's Retirement Planning Seminars

2nd 2003 Series: **May 6, 13, 20 & 27**

3rd 2003 Series: **October 7, 14, 21 & 28**

CalPERS' Long-Term Care Insurance Annual Open Enrollment from April 1st through June 30th

For information, attend a CalPERS Seminar **April 23rd** at Noon in the Jury Room, 1050 Mission Road, South San Francisco; or at 3:30 in Room B, 225 W. 37th Avenue, San Mateo; or **April 24th** at 8:30 a.m. or 10:00 a.m. in Room 101, 455 County Center, Redwood City

For a CalPERS' Long-Term Care Application Form call 1-800-266-1050 or visit their website at www.calpers.ca.gov/longtermcare.

2003 Cost of Living Increase

Notice to SamCERA Retirees, Beneficiaries & Survivors

Your Board of Retirement has approved the following monthly **Cost of Living increases, which will be added to your April 30, 2003 SamCERA benefit payment:**

Plan 1 General & Safety Retirees:	<p><i>If you were hired by the County on or before July 6, 1980 and did not choose Plan 3, you are a member of Plan 1.</i></p> <p>Plan 1 General & Safety members who retired...</p> <ul style="list-style-type: none">• On or before April 1, 1978 will receive a 5% COLA increase, the maximum provided in the law that governs General & Safety Plans 1.• After April 1, 1978 & on or before April 1, 1979 will receive a 3% COLA increase.• After April 1, 1979 & on or before April 1, 2002 will receive a 2% COLA increase.• After April 1, 2002 & on or before April 1, 2003 will receive a 1.5% COLA increase.
All Plan 2 & Plan 4 Retirees:	<p><i>If you were hired by the County after July 6, 1980 and did not choose Plan 3, you are a member of Plan 2 or Plan 4.</i></p> <p>All Plan 2 members & all Plan 4 members will receive a 1.5% COLA increase.</p>
All Plan 3 Retirees:	<p><i>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.</i></p>
Probation/ Safety Plan 1 Retirees:	<p><i>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.</i></p> <p>Plan 1 Probation members who retired...</p> <ul style="list-style-type: none">• On or before April 1, 2002 will receive a 3% COLA increase, the maximum provided in the law that governs Probation Plan 1.• After April 1, 2002 & on or before April 1, 2003 will receive a 1.5% COLA increase.

These increases are based on the 2002 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.

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.

MEET YOUR BOARD OF RETIREMENT

Tom E. Bryan, Chair

Donna Wills Colson, Vice Chair

Alma R. Salas, Secretary

Lee Buffington

William R. Cottle

Kenneth A. Lewis

Michael E. McMahon

Bette Perroton Stuart

Christine D. Tonsfeldt

Cost-of-Living Frequently Asked 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		\$1,000.00
COLA Benefit	+ 100	+16.50	+ 116.50
Total Benefit	\$1,100	+16.50	\$1,116.50
<i>x 2003 COLA %</i>	<i>x .015</i>		
<i>= 2003 COLA</i>	<i>\$16.50</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 "withdrawals" 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	21.5%	1973	14.5 %	1977	1.0%
1970	20.0%	1974	14.0%	1978	0.5%
1971	17.5%	1975	11.0%	≥1979	0%
1972	15.5%	1976	6.0%		

* Probation Plan 1 maximum COLA is 3%.

Probation Plan 1 COLA Bank Balances are as follows:

≤1998	4.0%	2000	3.5%	2002	1.0%
1999	3.5%	2001	2.5%	2003	0%

- **Employees hired on or after July 6, 1980 cannot accumulate a COLA Bank.**

San Mateo County Employees' Retirement Association
Attn: Sid McCausland, Chief Executive Officer, Pony: RET 141
100 Marine Parkway, Suite 125, Redwood Shores, CA 94065

2003 Cost of Living Notice inside...

We have Moved to...



SamCERA

**100 Marine Parkway, Suite 125
Redwood Shores, CA 94065**

How to Find Us:

By Bus & Train: SamTrans Route 260 & Express Route NX stop in front of our building. Route 260 also stops at the Belmont CalTrain Station. A 260 bus is scheduled every 30 minutes during most of the day.

By Vehicle, Bicycle & Foot:

Take **Holly** toward the Bay to Twin Dolphin Drive (East of 101).

Turn **left** on **Twin Dolphin**.

Take Twin Dolphin until it dead ends into Marine Parkway.

[The "Shores Center" sign on the lawn on your right at the corner of Twin Dolphin & Marine Parkway is located beside our building.]

Turn **right** on **Marine Parkway**.

[Note the 100 Marine granite monument with "SamCERA" logo near the curb as you approach Lagoon Drive.]

Turn **right** at the first opportunity on **Lagoon Drive** and then immediately take the next two Right turns into our parking lot.

Park in the **Visitor spaces** on the Marine Parkway side of our building near the North Entrance.

SamCERA is in Suite 125 on the first floor, on your left just inside the North Entrance on the Marine Parkway side of the building.

**SamCERA's New Telephone Number:
(650) 599-1234**

From a County Extension Dial 1234

**From Outside the 650 Area Code:
(800) 339-0761**

Website: [www . samcera . org](http://www.samcera.org)

SamCERA's Office Hours:

**SamCERA is open Monday – Thursday from
7:00 a.m. until 5:30 p.m.**

SamCERA is closed Friday – Sunday