

SamCERA Times

Your San Mateo County Employees' Retirement Association Newsletter
December 2004



David Bailey, SamCERA's new Chief Executive Officer, will take the reins on January 3, 2005

The Board of Retirement has selected David Bailey to serve as SamCERA's next Chief Executive Officer. In announcing the appointment, Retirement Board Chair Alma Salas noted that,

"David comes to us with the highest qualifications and references. David worked for the Oregon Public Employees' Retirement System from 1988 to 2004, first as the Administrator for the Agency Services Division and then in 1993, as Deputy Director. In this position David oversaw all operations for the 42 billion pension system. David comes to us with the highest recommendations from colleagues, Retirement Board members and staff. I know you will join me in welcoming David to SamCERA and San Mateo County."

When asked about his reaction to the appointment David Bailey replied,

"My wife, Suzanne, and I are excited about moving to the Bay Area. For two people who grew up on the north Oregon Coast, where the average rainfall is 80 inches a year, moving to a place that averages 20 inches sounds like paradise to us.

"I'm even more excited about the opportunity to serve the members of SamCERA. Having spent most of my career in public service, and as the son of a county commissioner and a public utility manager, I respect and admire those who serve the public. I find it rewarding to work on their behalf, and I look forward to doing so through a retirement association that provides accurate, timely benefits and excellent customer service.

"I will enjoy learning more about the system, its members and the Bay Area."

Sid McCausland, SamCERA's first Chief Executive Officer will assist David with the transition. Sid will then retire on March 31st. Sid noted that

"David is great. SamCERA's members are lucky to have him. He brings a deep understanding of the problems that face our employers and our members. He will be a great leader for our Board and staff. SamCERA's team has already met David and Suzanne. Everyone is looking forward to working with him.

"I am grateful for the eleven years of support I have received from all of you. I know David will also have your full support."

Domestic Partners registered with California Secretary of State will be eligible for SamCERA benefits as of January 1, 2005

NEWS FOR CURRENT EMPLOYEES

Current employees of the County or Mosquito Abatement District may provide their domestic partners with SamCERA's Spousal Benefits under the provisions of Assembly Bill 205.

AB 205 changed California law to provide domestic partners who are registered with the Secretary of State with the full rights and obligations of spouses. The new law goes into effect on January 1st.

Under current law, a spouse, who has been married to a SamCERA member for at least one year prior to retirement, and is still married to the member at the time of the member's death, may collect a lifetime monthly benefit equal to 60% (50% for Plan 3 members) of the member's SamCERA benefit. This 60% spousal benefit is paid by the employer and does not cost the member anything. Currently, a member can leave a continuance to anyone other than a spouse, but only by paying for that benefit by taking a reduction in the member's monthly retirement benefit.

Beginning in January, a California Registered Domestic Partner may be eligible for the 60% monthly lifetime benefit if registered with the member for at least one year prior to retirement, and still registered with the member at the time of the member's death. Employees who have been registered with the State for one year will be entitled to provide SamCERA surviving spouse retirement benefits for (1) their domestic partner of the same sex or, (2) if at least one of the partners is age 62, their domestic partner of the opposite sex.

Caution: The member and domestic partner who register with the Secretary of State will have created a **Community Property Interest** in the member's SamCERA benefit. If the California Registered Domestic Partnership eventually dissolves, the domestic partner will be eligible to claim 50% of the SamCERA benefits earned during the course of the registered relationship. SamCERA's Dissolution of Marriage law, regulations and guidelines will apply to the California Registered Domestic Partnership.

Note: Registration with the County is still suitable for County Health Benefits, but it does not meet the requirements for SamCERA benefits. Registration must be with the Secretary of State. The State "Declaration of Domestic Partnership" forms may be downloaded at <http://www.ss.ca.gov/dpregistry/>.

For those who want a Refund of their SamCERA Contributions

Terminating members are reminded that SamCERA cannot process requests for refunds or rollovers until after you receive your last paycheck.

Depending on the date of your last check it may take up to five weeks to process and mail your refund or rollover check. Please keep this in mind when selecting your termination date.

Member Cost-Sharing Contributions to Increase in 2005

The last phase of the Member Cost-Sharing Contributions for the new enhanced benefit formulas will kick in early in 2005.

The Member Cost-Sharing Contribution Rates were negotiated between the County and its labor unions to defray part of the cost of the new enhanced benefit formulas.

For **Safety Members**, the Member Cost Sharing rates will increase on January 2nd when the new 3% @ age 50 benefit formula is implemented. The Safety Member rates range from **3% to 5%** based on the member's years of service and classification.

For **Probation Members** the Member Cost Sharing rate will increase to **3.5%** on January 2nd when the new 3% @ age 50 benefit formula is implemented.

For **General Members** in Plans 1, 2 & 4, the Member Cost Sharing rate will increase to **3%** of pay on March 13th when the new 2% @ age 55.5 benefit formula is implemented.

Mosquito Abatement employees do not participate in the new benefit formulas and do not have to pay the Member Cost Sharing Contribution.

Member Cost-Sharing Contributions are paid in addition to the '37 Act-mandated basic member contribution rates. SamCERA's full contribution rate schedule can be viewed on our website: www.samcera.org/Benefits/NewMemberRates.



YOUR SamCERA BOARD OF RETIREMENT

Alma R. Salas, Chair
Kenneth A. Lewis, Vice Chair
Tom E. Bryan, Secretary
Lee Buffington
Donna Wills Colson
James Hooley
Michael E. McMahon
Bette Perroton Stuart
Emily Tashman

NEWS ALL MEMBERS

Divorce & Your Retirement

Like it or not, *SamCERA* is your partner in the dissolution of a marriage that spanned any portion of your employment with the County.

If you are getting a divorce, *SamCERA* must be joined as a party to the dissolution. Please contact us immediately.

If you are already divorced and the marriage spanned any portion of your employment with the County, please contact us so that we can help you determine whether or not your papers are in order.

Be advised that no disbursements may be made from your account in the event of your retirement until your paperwork is in order.

Stanford is looking for a few Good Volunteers

The **Stanford Prevention Research Center (SPRC)**, a division of the University's School of Medicine, promotes individual and community health through interdisciplinary research. The SPRC's **Healthy Aging Projects** group is currently studying programs aimed at improving the lifestyle habits of older adults to help prevent chronic disease and increase quality of life. As our organization serves the older adults of our community, these studies may be of interest to our members.

The Center is currently recruiting older adults for three new research projects:

TEAM: Telephone Health Advice and Mentoring Program compares different telephone-based counseling strategies to motivate participants over the age of **55** to start and maintain healthier lifestyle habits. This study is available for English and Spanish speakers.



TLC 2: Teaching Healthy Lifestyles to Caregivers tests telephone-based counseling strategies to encourage healthier lifestyle habits for people over age **50** who are caring for a friend or relative with a long-term illness or disability.

LIFE: Lifestyle Interventions and Independence for Elders compares different programs to assist adults ages **70 to 85** improve their quality of life and remain independent for a longer period of time. This study is available for English and Spanish speakers.

For additional information visit
<http://healthyaging.stanford.edu>
or call (650) 725-6206.

SamCERA's Board of Retirement Enhances Asset Allocation to Optimize Risk-Adjusted Investment Returns

SamCERA has six new investment managers and seven new investment mandates. The changes result from a thorough evaluation of SamCERA's investment program that the Board of Retirement began in late 2003.

The Board's Investment Consultant, Strategic Investment Solutions, guided the Board through a detailed analysis of the potential risks and potential returns associated with each major asset class and investment management style. In the Spring of 2004, the Board adopted new asset allocation targets and mandates and then instructed Strategic Investment Solutions to

identify investment management firms that were qualified to be finalists in the Board's search for new managers. Over the Summer and Fall of 2004, the Board interviewed finalists and selected its new investment management team.

Upon the completion of due diligence and the execution of contracts with each new manager, Gary Clifton, SamCERA's Investment and Finance Manager, initiated the transition to the new asset allocation targets on October 29th.



SamCERA's old and new asset allocation and manager assignments are set forth in the following table:

Asset Class	Investment Manager	Target Allocation	
Domestic Equity		Old	New
Russell 1000 Index	Barclays Global Investors	40%	20.0%
Russell 1000 Alpha Tilt	Barclays Global Investors		20.0%
Russell 2000 Index	Barclays Global Investors	10%	
Russell 2000 Enhanced	Goldman Sachs Asset Mgt		5.0%
Small Cap Active Value	Brandes Investment Partners		2.5%
Small Cap Active Growth	Chartwell Investment Mgt		2.5%
<i>Subtotal Domestic Equity</i>		50%	50.0%
International Equity			
Active Core	Bank of Ireland Asset Mgt	15%	
Active Core	Mondrian Investment Partners		7.5%
Active Core	Julius Baer Investment Mgt		7.5%
<i>Total Equity</i>		65%	65.0%
Fixed Income			
US Debt Index	Barclays Global Investors	16%	9-2/3%
US Debt Active Core	Deutsche Asset Mgt	13%	9-2/3%
US Debt Active Core Plus	Western Asset Mgt		9-2/3%
<i>Total Fixed Income</i>		29%	29.0%
Real Estate			
Real Estate Separate Properties	Invesco Realty Advisors	3.5%	
Real Estate Commingled Fund	Invesco Realty Advisors		3.5%
Real Estate - Unallocated		2.5%	2.5%
<i>Total Fund</i>		100%	100.0%

You should consider becoming a Senior Peer Counselor

If you are retired or considering retirement, you may want to become involved in a meaningful volunteer activity. San Mateo County has an outstanding Senior Peer Counseling program.

The peer counselors work with older adults who are troubled by a range of social and emotional issues. Being a good listener and having an interest in working with older adults are the only qualifications.

You will be pleasantly surprised by how rewarding it is to serve as a senior peer counselor.

The Director would welcome the opportunity to talk with you about the exciting fifty-four hour training class that is scheduled to begin February 28, 2005.

For details, please phone (650) 573-2716 and ask to speak with **Howard Lader**, LCSW, Director, Senior Peer Counseling.



San Mateo County Employees' Retirement Association

Telephone: (650) 599-1234 / From outside 650 Area Code: (800) 339-0761

Attn: Sid McCausland, Chief Executive Officer, Pony: RET 141

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



Beat Those Winter Blues

Are you age 50 or over...
trying to find something that will give you more
energy..

help you deal with stress...
relieve that tired feeling at the end of the day...

chase away those winter blues?

Call San Mateo County ***Active for Life***® at
(650) **573-2003** and ask to speak to **Katya**.

Persons eligible for this FREE program receive a pedometer,
educational materials and 6 months of telephone coaching to
increase physical activity.

Retirees can now make Charitable Contributions using SamCERA Payroll Deductions

Retirees who want to make charitable contributions through
SamCERA retiree payroll deductions must complete an
authorization form similar to the forms used by active County
employees.

Retirees are limited to the same charities available through
the active employees' County payroll.

Anyone desiring a Charitable Contributions Deduction Form
should **mail a request** to SamCERA, 100 Marine Parkway,
Suite 125, Redwood Shores, CA 94065, or **e-mail a request**
to SAMCERA@co.sanmateo.ca.us. We will ship the form to
you a.s.a.p.