

SamCERA Times



www.samcera.org

September 2007

Additional Retirement Credit purchases now open

Earlier this year the Board of Supervisors adopted Government Code §31658, commonly known as Additional Retirement Credit or ARC time.

If you are an active county employee in Plan 1, 2 or 4 with five or more years of SamCERA service credit, you are eligible to purchase ARC and increase your retirement benefit.

ARC is a "full-cost" purchase. This means that the member pays the full estimated cost of the benefit. There are no contributions from the county to assist in the cost of purchasing ARC.

The cost for ARC varies for each member based on their plan, their salary and their age at the time of the purchase.

SamCERA has added an ARC cost estimate program

to its website (www.samcera.org) to help members estimate their ARC costs. After using the estimate program, you can request a verified cost notice by completing and sending to SamCERA an ARC Cost Request Form, which is also available on the website. You will also find a list of answers to Frequently Asked Questions on the website.

The cost of ARC, like all service credit purchases, tends to be lower the earlier it is purchased. Thus, when you request a cost from SamCERA you will receive a Cost Notification and a purchase contract which will bear a date after which the cost is no longer valid. If a cost expires before you make your purchase or begin your payroll deduction plan, you must request an updated cost.

ARC differs from the purchase of prior service because it is not based on your actual employment with the

County of San Mateo or with any other employer.

For most members, adding years of service credit will increase their monthly retirement allowance and any continuance that would be received by an eligible beneficiary(ies). Also, each annual April 1 cost-of-living adjustment (COLA) increase is applied to each retiree's total monthly retirement allowance, which will include the increase in benefit due to any ARC

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purchased. Deferred members, retired members and Plan 3 (noncontributory) members, are not eligible to buy ARC. ARC can be purchased from a minimum of one year to a maximum of five years in increments of one year. ARC cannot be used to meet the minimum eligibility requirements for a service or disability retirement or toward a cancellation of contributions for certain members who attain 30 years of service credit.

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Retirement seminars planned

SamCERA will soon team up with the County Benefits Division and the Social Security Administration to sponsor a seminar to help members who are eligible to retire plan the transition from work to retirement.

The seminar, titled, **“I’m Eligible to Retire: Now What?”** will be offered

through the County's Course Catalog (Fall - November).

Presenters from SamCERA, Benefits, Health & Fitness and Social Security will present information during the four-hour seminar.

The seminar is in response to members' requests received in the annual SamCERA customer services survey.

vey.

SamCERA is preparing to offer other seminars in the future. The next one will focus on retirement planning for members in mid-career.

SamCERA will continue to offer **“Ready to Retire”** workshops each winter for those within a few months of retirement.

SamCERA offers variety of service credit purchases

SamCERA offers certain eligible members a number of ways to increase their retirement benefits through the purchase or upgrade of service credit.

In addition to the purchase of

Additional Retirement Credit (see story page one), SamCERA works with members on upgrades of their Plan 3 time to Plan 2 or Plan 4, the purchase of extra help time, redeposit of

refunded contributions, and military time purchases.

Certain eligibility and other rules apply. Contact SamCERA for more information.

Important Dates — Service Purchases or Upgrades

If you plan to use PARS funds for a purchase, you must submit your request no later than 5 p.m. on October 12, 2007.

For purchases made with other than PARS funds, SamCERA must receive your request by 5 p.m., November 16, 2007. [Any requests for purchase agreements received after that date will be put on the list for the next purchase cycle beginning in February 2008.]

To start the purchase process, complete either the Plan 3 upgrade, Extra Help or Redeposit form located on SamCERA's website: www.samcera.org or call 650-599-1234 to have a form sent to you.

Once you have completed the request, please return it to:

SamCERA

100 Marine Parkway, Suite 125

Redwood Shores, CA 94065

Or Pony: RET141, Or Email: camacker@samcera.org

All members who meet the above deadlines will receive their cost quotes from SamCERA by December 1, 2007.

Signed purchase agreements and payments must be received in SamCERA's office by 5 p.m. on December 14, 2007.

Note: These deadlines do not apply to ARC purchases. Deadlines for ARC purchases are set separately for each member who applies.

Earnings top 16 percent

The SamCERA trust fund earned approximately 16.6 percent for the fiscal year ended June 30.

The top earning category was international investments which returned 32.5 percent. Large cap investments earned 18.6 percent and small cap returned 13.5 percent. Real estate finished the year at 14.4 percent and fixed income returned 6.3 percent.

Be careful: Lots of senior scammers out there

Scams to take money from the older members of our population seem to be more prevalent than ever.

This article is a reminder to be very careful. Always get a second or third opinion before providing money or personal information to others.

To help identify possible scams, use the resources of

your local library or go on line to the AARP website (www.aarp.org). Type the word, “scam,” into the AARP site search area and you will find a wealth of information on how to avoid scams.

Finally, always remember, “If it sounds too good to be true, it probably is.”

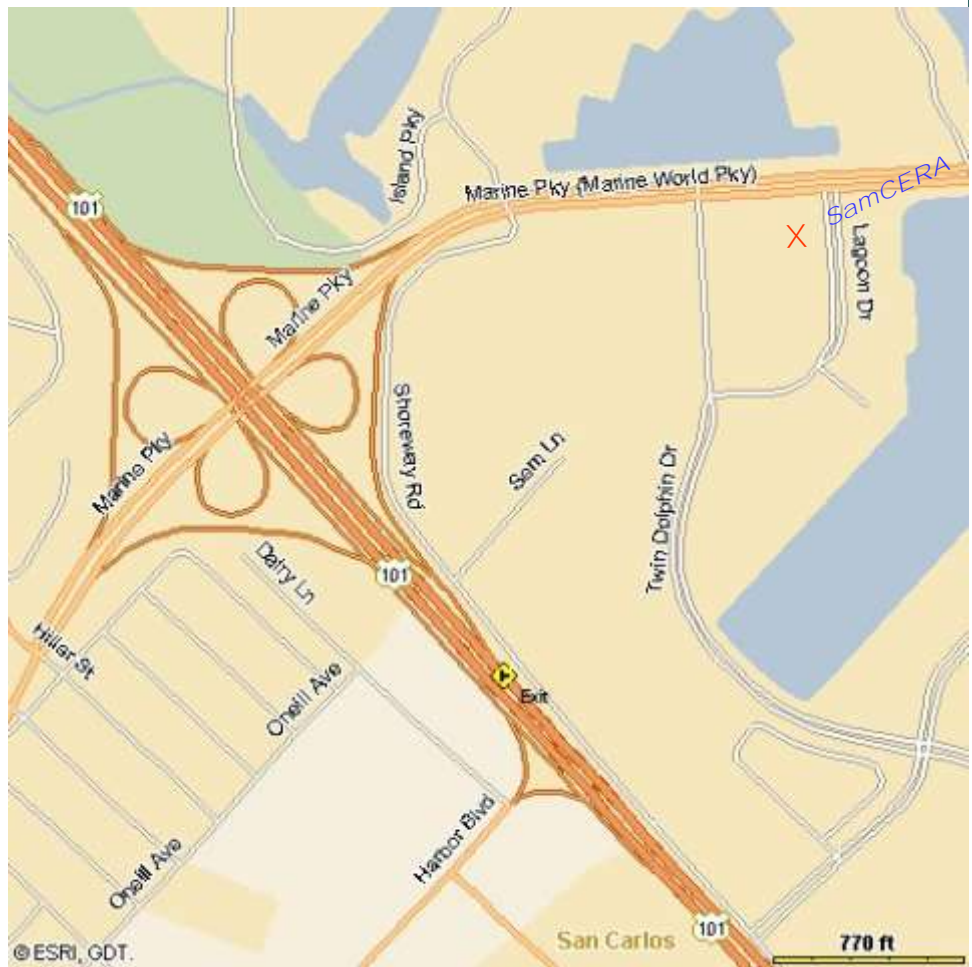
Excuse me, but where is your office?

We’ve heard that question more than a few times from members in their cars on their cell phones trying to find our office.

SamCERA is actually easy to get to, but maybe not so easy to find the first time.

Directions to SamCERA are available on our website at www.samcera.org. On the directions page there is also a link to a Google Maps photo of the SamCERA office. You can click on the photo and see a 360 degree view of the area, as if you were standing on Marine World Parkway.

SamCERA is directly across from the east end of the Oracle campus on Marine World Parkway.



SamCERA 101 – basic information about your retirement benefits

The California law which contains the rules for SamCERA benefits (the 1937 Act) is 340 pages long and contains 157,698 words--at last count. So one of SamCERA's biggest jobs is to help you understand your benefits. This article is the second in a series containing basic information about your retirement association. For more information see all SamCERA's member publications on its website at www.samcera.org, email us at sam-cera@samcera.org, or call us at 650-599-1234 or (toll free) 800-339-0761.

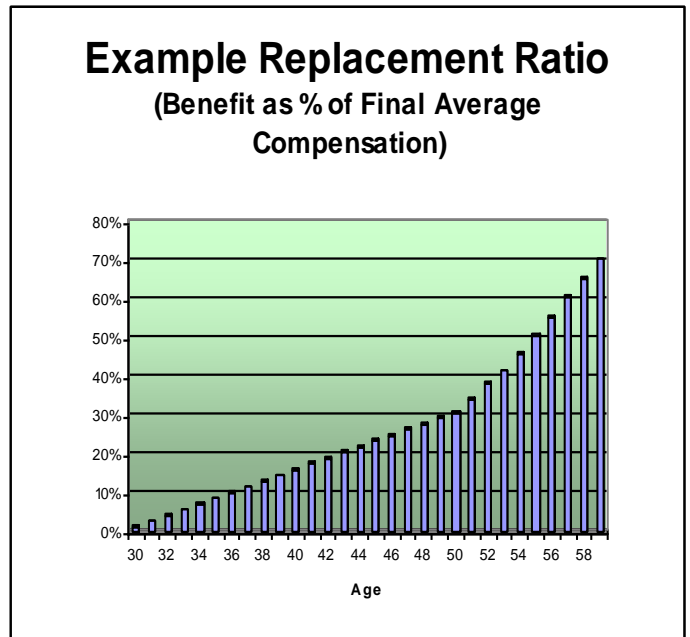
How much will my benefit be worth?

The retirement formula for your SamCERA retirement benefit is your years of service multiplied by your final average compensation (FAC) multiplied by a factor for your age. For general plan members the formula will provide a member 2 percent of their FAC at age 55½ times their total years of service. Safety plan members receive 3 percent of their FAC at age 50 times their total years of service.

The graph at the end of this article shows the growth in the percentage of a member's FAC that a typical member will receive as a retirement benefit. This comparison of FAC to benefit is call Replacement Ratio. In this example, a general member who begins SamCERA-covered employment at age 30

would receive more than 70 percent of their FAC from SamCERA after a 30-year career. A typical safety plan member will receive about 90 percent of FAC after 30 years.

Perhaps the most important message of the graph is that retirement benefits escalate more rapidly the longer you work. Each year tends to be more valuable than the last. As a result, staying a few more years on the job can make a big difference in your



Note: Prior to age 50, retirement age is assumed to be deferred to age 50. After 50 retirement age is actual age.

