

SamCERA Times

Your San Mateo County Employees' Retirement Association Newsletter
Volume 11, Number 2G, May 2003



The County & All Unions Representing SamCERA's General Members have Ratified Two New SamCERA Retirement Benefits

New Contracts! The Board of Supervisors approved the last of the MOU's granting new retirement benefits on May 6th. On June 10th the Board is scheduled to adopt a Resolution providing for the implementation of the new benefits.

Who will be eligible for the improved benefits?

You must be a General Member in SamCERA's Plan 1, Plan 2 or Plan 4 to qualify for the improved benefits. If you retired before the effective dates, you are NOT eligible for these improved benefits.

Step One: Implementation of 2% @ 55 is set for August 17th

SamCERA's Monthly Retirement Benefit for General Members in Plans 1, 2 & 4 who retire on or after August 17th will be calculated using the new **2% @ 55** formula. For a person who retires at Age 62, the new benefit will be **13% greater** than the current benefit.

What will it cost me?

Members will share some of the cost of the improved benefits. All General Members in Plans 1, 2 & 4 will begin making a **Cost Sharing Member Contribution** of 1% of pay on August 31st, an additional 1% of pay beginning August 29, 2004 and an additional 1% of pay beginning March 13, 2005.

What if I retire at Age 65 or older?

Members who retire at Age 65 or older before the 2% @ 55.5 formula comes into effect will be retired under the current 2% @ 61.25 formula, because the old formula provides a better benefit at age 65. These members will receive a refund of the 2% @ 55 Cost Sharing Member Contributions that they paid.

Step Two: Implementation of 2% @ 55.5 Benefit Formula Requires State Legislation

SamCERA's Benefit for General Members in Plans 1, 2 & 4 who retire on or after **March 13, 2005** will be based on the new **2% @ 55.5** formula, *contingent on enactment of legislation*. For a person who retires at Age 62, the benefit will be **25% greater** than the current benefit.

Why does it take legislation? General Members currently pay for ~50% of the base benefit.

The County pays for the other 50% plus 100% of the COLA. Under the standard 2% @ 55.5 formula, the Member would pay for only 25% of the basic benefit. The County insists that the Member continue to pay for 50% of the base benefit. Assemblyman Mullin's Assembly Bill 398 includes the legislation needed to satisfy the County's demand. The Unions and the County are encouraging the Legislature and Governor to enact the legislation.

Age 53-55 Retirements: For individuals who plan to retire between the ages of 53 & 55, the 2%@55 benefit is greater than the 2%@55.5 benefit. Therefore, members who wish to take advantage of this unusual age 53-55 anomaly should retire before March 13, 2005. At all other ages, the 2% @ 55.5 benefit is greater.

Members who terminate County employment will be eligible for a refund of the Cost-Sharing contributions and interest thereon.

County Cost for SamCERA's General Members will increase approximately 50% next year

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

Next fiscal year, the County will need to contribute roughly 15.6% of payroll due to actuarial changes, investment shortfalls and the new General Member benefits.

How Can I Learn More About SamCERA's New Benefits?

Here are four things you can do to learn more:

1. **SamCERA's website** includes an updated manual Benefit Calculator with the new formulas as well as *An Overview of Upcoming Changes to SamCERA's General, Probation & Safety Member Benefits & Costs*. You can access them from the scrolling banner on the Home Page at www.samcera.org
2. **SamCERA's** online intranet **Benefit Estimator** will be updated soon with the new formulas. You will then be able to do your own real time retirement benefit estimates online using the 2% @ 55 & 2% @ 55.5 formulas from a County computer.
3. **Retirement Enrollment Workshop**. Next week, members age 49½ and older with ~10 years of service will be receiving an invitation to attend a Retirement Enrollment Workshop. Those interested in retiring this year will be guided through completing the necessary paperwork. Workshops will be conducted between June 2nd and August 17th.
4. **SamCERA's Retirement Planning Seminar Series** is still accepting registrations for its third 2003 Series:

Fall Series: **October 7, 14, 21 & 28**

How Can I Enhance My SamCERA Benefits?

You may increase your retirement benefits if you are eligible to do any one of the following:

- Purchase your Extra Help time
- Upgrade your Plan 3 service credit
- Redeposit your previously withdrawn contributions
- Purchase your Military Service time if you meet stringent eligibility criteria
- Protect your reciprocal service

Purchase requests must be submitted to SamCERA in writing. Purchases should be completed prior to retirement. You may purchase service credit in a lump-sum payment or by payroll deduction.

Please plan ahead since it may take several months for SamCERA to research your historical records & calculate the cost.

Are You a 30-Year Employee?

If you have been a Member of SamCERA since March 7, 1973, you will not have to pay Member Contributions after you accumulate 30-years of continuous service credit. The service can all be with SamCERA, or it can be a combination of SamCERA plus reciprocal agency service credit.

If you think you qualify, but you are still paying Member Contributions, contact SamCERA today.

You are still required to pay the Cost-Sharing Member Contribution mandated for SamCERA's new benefit formulas.

For the rest of us, this 30-year provision of the '37 Act was closed on March 8, 1973. So, if you became a SamCERA Member after March 7, 1973, you will continue to make Member Contributions as long as you are an active County or District employee.

SamCERA's Financial Planning Seminar Series – Now More Important Than Ever

SamCERA has teamed with Net Equity Associates to bring you this highly acclaimed four-part seminar that will teach you everything you need to know to prepare for a successful retirement.

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 your spouse or partner to the seminar with you.

Where? The seminars will be held in the Elk's Lodge at 229 West 20th Avenue, San Mateo, 1 block South of Highway 92 and 2 blocks West of El Camino Real.

Cost? SamCERA & Net Equity Associates pay the full cost of providing it to SamCERA's members. The course is on County time, but only when it is pre-approved by your Supervisor.

Sign Up Now! Simply download an Enrollment Form from our website and submit it to SamCERA today. When you enroll, you commit to attending all 4 sessions.

How *SamCERA's* "Retirement Formula" Works

Your Years of Service Credit	<i>2,080 eligible hours equal one year</i>	20
Times		X
Your Final Average Salary	<i>Plan 1 & 2: eligible compensation for 2,080 consecutive hours divided by 12. Plan 4: eligible compensation for 3-sets of 2,080 consecutive hours divided by 36.</i>	\$10,000
Times		X
Your Age Factor	<i>Increases incrementally every three months after age 50 until maximum factor reached. (example based on Age 62 2%@61.25)</i>	.02091
Equals		=
Your Unmodified Monthly Benefit	<i>Plan 1, 2, & 4: Leaves 60%of Unmodified Monthly Benefit to Eligible Spouse. Optional reduced Member Benefit can be elected to provide additional benefit to spouse or others.</i>	\$4,182

SamCERA's Benefit Factor for Your Age at Retirement Depends on your Date of Retirement

Retirement Date	Benefit Factor			Monthly Benefit Examples**			Percentage of Current	
	Before 8/17/2003	8/17/2003 - 3/11/2005	On or After 3/12/2005*	Before 8/17/2003	8/17/2003 - 3/11/2005	On or After 3/12/2005*	8/17/2003 - 3/11/2005	On or After 3/12/2005*
Formula	2%@61.25	2%@55	2%@55.5	2%@61.25	2%@55	2%@55.5	2%@55	2%@55.5
Age								
50	0.01182	0.01426	0.01475	\$118	\$143	\$148	121%	125%
51	0.01243	0.01522	0.01567	\$124	\$152	\$157	122%	126%
52	0.01303	0.01628	0.01667	\$130	\$163	\$167	125%	128%
53	0.01364	0.01742	0.01741	\$136	\$174	\$174	128%	128%
54	0.01426	0.01866	0.01841	\$143	\$187	\$184	131%	129%
55	0.01492	0.02000	0.01948	\$149	\$200	\$195	134%	131%
56	0.01564	0.02052	0.02061	\$156	\$205	\$206	131%	132%
57	0.01641	0.02104	0.02182	\$164	\$210	\$218	128%	133%
58	0.01725	0.02156	0.02268	\$173	\$216	\$227	125%	131%
59	0.01817	0.02210	0.02354	\$182	\$221	\$235	122%	130%
60	0.01917	0.02262	0.02440	\$192	\$226	\$244	118%	127%
61	0.01991	0.02314	0.02526	\$199	\$231	\$253	116%	127%
62	0.02091	0.02366	0.02611	\$209	\$237	\$261	113%	125%
63	0.02198	0.02418	0.02611	\$220	\$242	\$261	110%	119%
64	0.02311	0.02418	0.02611	\$231	\$242	\$261	105%	113%
65	0.02432	0.02432	0.02611	\$243	\$243	\$261	100%	107%

* Contingent on enactment of Legislation

**Assumes: Service = 10 Salary = \$1,000

Timely Tips: Plan 3 Upgrade Purchases: Contact *SamCERA* if you have five or more years of Plan 3 Service Credit and want to purchase an upgrade to the new formulas.

Divorce Technicalities Can Delay Retirement Payments: Contact *SamCERA* to find out why.

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

Critical Dates for Those Who Wish to Retire on August 17th

General Members who wish to take advantage of the new 2% @ 55 formula may retire at any time on or after August 17, 2003. You should leave paid status on the last day of a biweekly pay period.

Members who want to receive their first retirement benefit payment on September 30th must meet the following deadlines & be aware of critical *SamCERA* processing dates:

June 2 nd :	First Day to File for August 17 th Retirement & First Retirement Enrollment Workshop
Aug 16 th :	Your Last Day In Paid Status
Aug 17 th :	Your Date of Retirement
Aug 22 nd :	Last Day to File Application for Sept. 30 th Benefit Payment for August 17 th Retirement
Sept 10 th :	<i>SamCERA</i> mails <i>Your Election of Monthly Retirement Allowance</i> form
Sept 17 th :	Last Day to File <i>Your Election of Monthly Retirement Allowance</i> form
Sept 30 th :	<i>SamCERA</i> distributes September Benefits Payroll including retroactive benefits for August



SamCERA
100 Marine Parkway, Suite 125
(across from the Oracle complex)
Redwood Shores, CA 94065

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

SamCERA's Office Hours:
SamCERA is open Monday – Thursday
from 7:00 a.m. until 5:30 p.m.
SamCERA is closed Friday – Sunday