

The SamCERA Times



www.samcera.org

RETIREES & BENEFICIARIES EDITION

March 2010

Consumer Price Index yields 1/2% COLA

The Bay Area experienced very low inflation during 2009 according to the U.S. Bureau of Labor Statistics, resulting in a 0.5% cost of living adjustment (COLA) for most *SamCERA* retirees and beneficiaries. The increase will be effective on all April 2010 payments.

The COLA is calculated according to California law, which requires it to be based on the change in the annual Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area as determined by the federal Bureau of Labor Statistics. The law also requires the amount to be rounded to the nearest one-half of one percent.

This year the Bay Area CPI as validated by *SamCERA's* actuarial firm, Milliman, Inc., showed a 0.73%

increase. Per law this number was rounded to 0.5%. Probation members who retired on or before 4/1/2008 and General and Safety members who retired on or before April 1, 1971, have a COLA bank and will receive higher amounts.

See the chart below for COLA amounts based on date of retirement, plan and employment category.

Remember, while annual COLAs can increase or decrease, your pension will never go below the basic benefit allowance you were entitled to when you retired.

Cost of Living Percentages By Plan

Plan One: Each retiree and beneficiary who retired on or before April 1, 2010, will receive a Cost of Living Adjustment in accordance with the following tables.

Date of Retirement	General	Safety	Probation
On or before 4/1/1970	5.0%	5.0%	1.0%
4/2/1970 to 4/1/1971	2.5%	2.5%	1.0%
4/2/1971 to 4/1/2008	0.5%	0.5%	1.0%
On or after 4/2/2008	0.5%	0.5%	0.5%

Plan Two: Each retiree and beneficiary who retired on or before April 1, 2010, will receive a Cost of Living Adjustment of 0.5%.

Plan Three: Plan Three members are not eligible for Cost of Living Adjustments.

Plan Four: Each retiree and beneficiary who retired on or before April 1, 2010, will receive a Cost of Living Adjustment of 0.5%.

In this Issue:

- ◆ *New trustees appointed to board*
Page 2
- ◆ *SamCERA nominated for investment award*
Page 2
- ◆ *Do you need a power of attorney?*
Page 3
- ◆ *Dangerous Mixing of Medications Common*
Page 3
- ◆ *If these walls could talk*
Page 4

New trustees appointed to board

Two new trustees were appointed to the Board of Retirement in November.

Lauryn Agnew is a Principal at Seal Cove Financial and Chair of the Investment Committee at United Way of the Bay Area. Her term expires June 30, 2012. Ms. Agnew had prior service on the Board of Retirement during the 1990s.



Eric Tashman

Eric Tashman is a public finance partner in the San Francisco office of law firm Sidelity Austin where he is head of the firm's West Coast public finance practice group. His term expires June 30, 2012.

The two new trustees replace James Hooley and Emily Tashman.

Ms. Agnew and Mr. Tashman were appointed by the Board of Supervisors.

The supervisors appoint four of the nine positions on the retirement board. Four other positions are elected from the membership including two from the general membership, one from the safety membership and one from the retired membership.



Lauryn Agnew

In addition, the members elect a safety alternate and a retired alternate.

One member of the board is the County Treasurer. The Treasurer's constitutional alternate may attend board meetings in his/her place.

SamCERA nominated for investments award

SamCERA was honored recently to be among three public pension plans nationwide nominated for Mid-Sized Plan of the Year, an award presented by *The Money Management Letter*.

SamCERA was nominated because of changes the Retirement Board made in 2009 to further diversify the investments of the plan.

According to *The Letter*, "The \$1.8 billion *San Mateo County Employees Retirement System* began investing in global equity and bond mandates in 2009 to give managers more latitude to seek out the best securities and achieve stronger returns. SamCERA also made a 15% allocation to Treasury inflation-protected securities and a 7.5% allocation to the Public Private Investment Program to further diversify its bond portfolio and protect against inflation."

The fund has also, "...cut its equity exposure, raised bonds and real estate ... made a 0.5% allocation to cash... brought in fundamental managers AXA Rosenberg, BlackRock and others, reducing its reliance on quantitative strategies that had been impacted by the market crisis."

In the 2009 calendar year SamCERA took part in the rebound in the financial markets earning 19% on its fund. These earnings come at the right time, although the fund still has a long way to go before it reaches the asset value it attained before the start of the recession.

The Arizona Public Safety Personnel Retirement System and the Dallas Police and Fire Pension Fund were also nominated for the award, which the Dallas system eventually won. We are pleased that the SamCERA board was recognized for its proactive approach and hard work.

Do you need a power of attorney?

At some point in our lives, many of us will need help in managing our affairs. One option is to set up a legal document known as a Power of Attorney (POA). A POA allows you, as the principal and as long as you are mentally competent, to designate someone to act as your attorney-in-fact, that is, to act on your behalf in specified areas.



It's wise to get legal advice before executing a POA, but here are some of the questions that lawyers are frequently asked.

Why Execute a POA?

If you are unable to conduct business, banking and other transactions for yourself, a POA can be useful. For example, if you have limited mobility or are located far from the physical locations where you have business to transact, you may want to get someone *you trust* to help you.

POAs can be used on a limited basis or for a limited period of time. Consider the following carefully: What powers do you want to grant to the person acting on your behalf (the attorney-in-fact)? Do you want to grant these powers for an unlimited period of time or establish time limits to the POA?

If you are interested in setting up a POA or learning more about them, *SamCERA* highly recommends that you consult an attorney.

If you already have a POA established, be sure that *SamCERA* has been provided a copy of these documents. *SamCERA* staff cannot discuss your retirement information with another person nor can we accept requests for changes to your retirement account signed by

another person unless POA documents are already on file designating that individual as your attorney-in-fact.

The article above and the one which follows are based on articles courtesy of the Alameda County Employees' Retirement Association.

Dangerous Mixing of Medications Common

A study by researchers at the University of Chicago Medical Center found that nearly 1 in 25 Americans over age 57 are potentially at risk for a harmful interaction of medications. The study interviewed over 3000 individuals ages 57–85 and found that prescription medications, over-the-counter medications, and dietary supplements were commonly used together.

Dangerous combinations of over-the-counter medications and dietary supplements were found, with the most common combination being aspirin and ginkgo biloba, which may increase the risk of internal bleeding when taken concurrently.

Half of the interaction risk involved the use of over-the-counter medications like aspirin. Patients may not be aware of the potentially harmful interaction with prescription medications, so they may not notify their doctors and pharmacists of the over-the-counter medications they regularly take.

Before your doctor prescribes medication, it's important to inform her/him of all medications and dietary supplements you are taking on a regular schedule, like every day or every week. Additionally, your pharmacist is a great resource for information about medication and dietary supplement interactions; consult him/her before getting your prescription filled and before purchasing over-the-counter medications.

If these walls could talk—museum history sought

In honor of its centennial, the San Mateo County Historical Association is collecting stories and pictures of the 1910 San Mateo County Courthouse. These stories and pictures will be used in an issue of *La Peninsula*, the Association's scholarly journal and in an exhibit at the San Mateo County History Museum.

Do you have a favorite memory of the Old County Courthouse? Did you work, get married or serve on a jury there? The association is asking

Guess What...

SamCERA now has email addresses for more than 600 retirees for use in emergencies and for other communications. If you would like to be on the list, email samcera@samcera.org.

that you share your story (up to 500 words) and pictures for possible inclusion in the Summer 2010 issue of *La Peninsula*.

Please submit to:

History Museum

Attention: *La Peninsula*

Editor

2200 Broadway

Redwood City, CA 94063

Stories and photos must be submitted by **May 15, 2010**. And the association would like each submitter to sign an authorization for the use of their materials.

Visit www.historysmc.org for more information on the Courthouse Centennial.



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