

The SamCERA Times

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RETIREES AND
BENEFICIARIES
EDITION

WINTER/SPRING 2014

Most Retirees to Receive 2% Cost of Living Adjustment for 2014

2014 COLA is 2% for Most Retirees and Beneficiaries

Because of a modest inflation rise in 2013, nearly all SamCERA retirees and beneficiaries will receive a 2% Cost of Living Adjustment (COLA) this year. The COLA applies to eligible retirees and beneficiaries retired on or before April 1, 2014. The amount of the COLA is the same for most retirement plans, except for Plan 3, which does not provide a COLA.

All COLAs will be paid beginning with the April 2014 benefit payments.

How COLA is Calculated

SamCERA's COLAs are calculated according to California law, which requires them 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, since the index increased 2.24%, the nearest

one-half of one percent is 2.0%. The maximum allowable COLA for Plans 4, 5 and 6 is always 2.0%. These COLA amounts are validated by SamCERA's actuarial firm, Milliman, Inc.

Remember, annual COLAs can increase or decrease depending on whether the Bay Area experiences inflation or deflation, but your pension will never go below the basic benefit allowance you received when you retired.

2014 SamCERA COLAs

Retirement Plan	COLA
Plan 1	2.0%
Plan 2	2.0%
Plan 3	NA
Plan 4	2.0%
Plan 5	2.0%
Plan 6	2.0%

2014 COLA amounts apply to members and beneficiaries retired on or before April 1, 2014.

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PROTECT YOURSELF FROM ROBOCALLS



WHAT'S THE PROBLEM?

Robocalls are becoming more common than ever before. Technology is the reason: companies are using autodialers that can send out thousands of phone calls every minute for an incredibly low cost.

These robocalls offer everything from fraudulent credit card services, so-called auto warranty protection plans, medical discount cards, to grant programs.

During the last few years, the Federal Trade Commission (FTC) has blocked billions of illegal robocalls from all around the world. But the first line of defense is consumer awareness.

Inside Your Pension Plan: SamCERA Gets a Thumbs-Up from IRS

Good news! SamCERA has received a favorable determination letter from the IRS. Although something of a formality, this is an important achievement for SamCERA and its members—and it allows SamCERA to continue on a path that's best for everyone's bottom line.

What is the determination letter? The letter is a seal of approval from the IRS. It confirms that SamCERA's backbone of internal laws, rules and regulations is consistent with federal tax code. Public retirement plans need this seal of approval in order to get favorable tax treatment.

Why is this important? Favorable tax treatment provides three very important things most members probably take for granted. First, it means members' pension contributions are deducted pre-tax and not counted as income. Second, it allows members to roll over money upon leaving SamCERA. Finally, it means that SamCERA's investment earnings are tax-free.

WHAT CAN YOU DO? If you're getting robocalls, make sure you've signed up for the National Do Not Call list, online at: www.donotcall.gov. You may still receive robocalls after you sign up.

Regardless, here's what to do if you receive a robocall: **Hang up. Do not press any number, even if you're given the option to be removed from the call list.** Pressing any number can lead to more calls.

WHAT'S A ROBOCALL? If you answer the phone and hear a recorded message instead of a live person, it's a robocall. If the recording is a sales message and you haven't given the company written permission to call you, it's an illegal robocall.

How does the process work? The IRS has special rules for public retirement plans. To show they're following the rules, retirement plans like SamCERA need to file paperwork with the IRS. The paperwork describes the way the retirement plan works—it's a detailed description of the rules and regulations on everything from how benefits are paid to how money is invested. As long as the retirement plan is following the rules, it gets a clean bill of health in the form of a favorable determination letter.

In a sense, the determination is a formality—the letter confirms the laws governing SamCERA are consistent with federal guidelines. Still, the process can take time. For SamCERA, this process took several years.

Now what? From a member standpoint, nothing changes. SamCERA will periodically need to refile with the IRS, and keep working to maintain the seal of approval. In the meantime, the determination means the retirement plan is built on solid ground. It's reassurance that SamCERA is doing its duty to protect members' money and pay retirees on time—now and in the future.

GET YOUR PAYCHECK FASTER!

Are you still receiving a paper check from SamCERA? Get in touch with SamCERA and get direct deposit!

In most cases, you'll get your money faster with direct deposit. That's because the funds are typically transferred on the last business day of each month.

With paper checks, the checks are mailed on the business day before direct deposits are made. It may take a few days for you to get your check.

So sign up for direct deposit, and start getting your money right on time!

If you'd like to switch from a paper check to direct deposit, you must fill out and sign a Direct Deposit Form. All forms are available on the SamCERA website.

If you need help, you can call SamCERA at (650) 599-1234, or send an email to samcera@samcera.org.

Make sure you make any changes to your direct deposit information by the 15th of the month! That way, your changes can go into effect at the end of that month.

DID YOU RECEIVE YOUR
1099-R?

SamCERA mailed 1099-R tax forms in late January.

Please contact SamCERA if you did not receive your copy. You can call SamCERA at (650) 599-1234, or toll-free at (800) 339-0761; or send an email to samcera@samcera.org.

Changing Your Beneficiaries

Even as a retired member of SamCERA, you should always keep your beneficiary information up-to-date.

But keep in mind that retirees can only change beneficiary designations for those persons who are eligible to receive a lump-sum payment.

This means that if you designated someone to receive a continuance of your monthly benefit, you cannot change that designation. So even if your primary beneficiary has died, you won't be able to change your beneficiary designation to someone else.

Of course, this all depends on the specific provisions of the retirement option you chose at retirement. Some retirement options provide for a continuance, while others don't.

And remember, if you have gotten a divorce or terminated a registered domestic partnership since you retired, contact SamCERA for instructions regarding changing your beneficiary.

Joining SCORPA is easy!

SCORPA (the San Mateo County Retired Personnel Association) invites all San Mateo County retirees to become members of SCORPA for \$15 a year.

SCORPA is open to all San Mateo County retirees.

For information about SCORPA, please call Elena Torres at (650) 368-2790.



In our next newsletter...

SamCERA will soon offer Web Member Services for retirees. Stay tuned for more information.



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2014 SAMCERA HOLIDAYS AND RETIREE PAYDAYS

January						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February						
S	M	T	W	T	F	S
					1	
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

March						
S	M	T	W	T	F	S
					1	
2	3	4	5	6	7	8
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

April						
S	M	T	W	T	F	S
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May						
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4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June						
S	M	T	W	T	F	S
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July						
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August						
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				1	2	
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

September						
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	1	2	3	4	5	6
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21	22	23	24	25	26	27
28	29	30				

October						
S	M	T	W	T	F	S
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19	20	21	22	23	24	25
26	27	28	29	30	31	

November						
S	M	T	W	T	F	S
					1	
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December						
S	M	T	W	T	F	S
			1	2	3	4
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

31 Retiree payday.

25 Holiday. SamCERA will be closed on these dates. Additionally, SamCERA is closed every Friday.