



New Roads *Spring 2008*

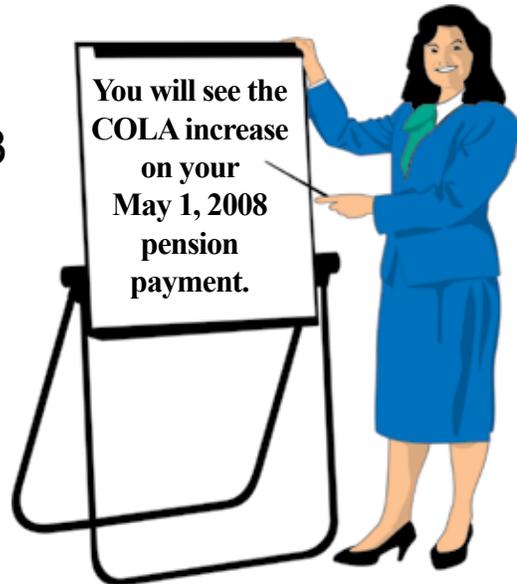
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Good News for Retirees

Retiree Cost of Living (COLA) Increases Adopted for 2008

At the February 13, 2008 Retirement Board meeting, trustees voted to adopt cost of living adjustments recommended by CCCERA's actuary.

Many of us are feeling the pinch from recent economic fluctuations. Fortunately, CCCERA's pension system provides a cost of living component to help maintain the value of our pension payments into the future.



What exactly is the cost of living?

The cost of living factor used by CCCERA is determined by comparing the December CPI (Consumer Price Index) for the San Francisco-Oakland-San Jose Area, for the past two years. Actuaries compute the resulting percentage change and recommend an annual adjustment figure. The actual cost of living adjustment is dependent on your previous employment tier and your retirement date. The 1937 Act also "caps" the amount CCCERA can increase the COLA portion of your benefit. If the inflation rate (measured by the CPI) is higher than this statutory limit, the remainder is "banked" for future years, and applied if the CPI is low. This helps stabilize the COLA figure from year to year. The COLA will be applied on April 1. You will see the increase on your May 1, 2008 pension payment.

ONE IMPORTANT POINT:

The cost of living adjustment is separate from other benefit enhancements. While some enhancements, such as "New Dollar Power" for members retired prior to 4/1/82, affect specific groups, **all retirees are eligible for the COLA.**

How Much Will You Get?

If you are Tier 1, 3, or Safety, with a service retirement, your COLA increase for 2008 will be: 3%, the highest percentage allowed by the 1937 Act.



If you are a Tier 2 service or Tier 2 or 3 disability retiree, your COLA increase for 2008 will be: 4%, the highest percentage allowed by the 1937 Act.



To see a sample calculation of how the COLA will affect your benefit, please turn to page 3.

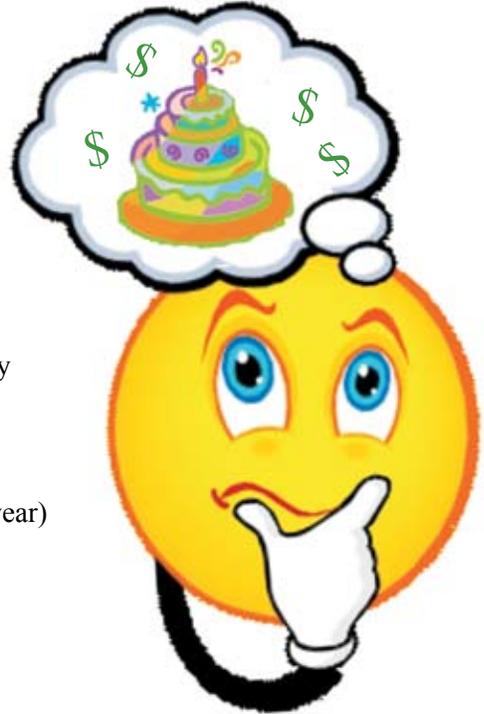


Working for a CCCERA employer after retirement

Thinking of Going Back to Work?

Here are the facts you need to know. . .

For many of us, the idea of working after retirement, especially if it's for an employer you know well, is quite appealing. It's a little like having your cake and eating it, too. If you plan correctly and follow the rules, you can keep your monthly pension payment and earn some money, too. Or you can return to the workforce, earning an additional new benefit.



The rules for returning to work and keeping your pension are mandated by statute in the 1937 Act, Sections 31680. through 31680.5. There are two usual ways to go back to work:

1. Return to work on a limited schedule (maximum 960 hours in a fiscal year) while still receiving your pension. **OR**
2. Reenter “active” contributing membership (suspending your pension).

A retiree who is eligible to return to work must meet these criteria:

- You must be receiving a service retirement from CCCERA.
- Your retirement cannot be a disability benefit.
- You must have a job offer from Contra Costa County or a Special District.
- Your new job must qualify for membership in CCCERA.

1. Working While Receiving Your Pension

The 1937 Act provides a feature for retirees who are reemployed in positions that require special skills or knowledge. (The employer determines what constitutes “special skills or knowledge.”) Retirees can return to work up to 120 days (960 hours) within any fiscal year, without being reinstated to “active” CCCERA membership. You will continue to receive your retirement benefit. No contribution deductions are taken from your salary, so your status as a retired association member stays the same. **You do not earn additional service credit with this method,** however.

If you go to work for an employer who is NOT a member of CCCERA (not Contra Costa County or a Special District), this article does not apply to you. But if you are retired and considering work for the County or any of the 16 Special District employers, it's important to understand the “return to work” rules for retirees.

2. Returning to “Active” Membership

After retirement, if you return to a position with a CCCERA employer on a schedule that is more than 960 hours per year, and is eligible for membership, your retirement allowance will be discontinued during the time you are working. You will be reinstated to “active” membership. Retirement contributions will be taken from your salary. You will return to your current employer’s tier structure. Your contribution rate for this new work period will be based on your age **at reentry into the system.** When you retire again, your new benefit will be calculated on the most recent credited service. That figure will be in addition to your retirement allowance from your prior service.

The good news is you will accrue service credit that will create a new benefit when you re-retire. When you retire again, your benefit will be the total of your original benefit amount, any retiree cost-of-living increases granted while you were reemployed, and your new pension benefit. (The new pension benefit will be based on your age, tier, service and final compensation at termination from your reemployment period.)

Retirees Going Back to Work continued. . .

Two more points: *Bona Fide Separation from Service* and *Normal Retirement Age*

Members who retired **before** achieving *Normal Retirement Age* (age 50 for members who retired under the 3% at 50 formula, and age 55 for members who retired under the 2% at 55 formula), must comply with the *Bona Fide Separation from Service* ruling. This means you must have *at least* a continuous 90-day break in service before being reemployed by the same CCCERA employer. You also may not have a pre-existing agreement with your employer to go back to work after retirement.

These rules do not apply to members who retired *at or after normal retirement age*, or *disability retirements at any age*.

For more information on this topic, see the Winter 2008 edition of the *FYI* newsletter, available on our web site. Call CCCERA to speak with a counselor, and to get the forms you need to file in order to return to work.

COLA Increases continued from Page 1. . .

Calculate your cost of living benefit for 2008

An example.

Start with your figures from 2007:

Monthly Basic Allowance	=	\$1,000
New Dollar Power	=	\$ +80
		\$1,080

2007 COLA was 3%		
(\$1080 x .03)	=	\$ +32.40

Add COLA amount to benefit.		
2007 Total Monthly Income	=	\$1,112.40

2008 Monthly Basic Allowance	=	\$1,000
New Dollar Power	=	\$ +80
COLA carried from 2007	=	\$ +32.40
TOTAL		\$1,112.40

2008 COLA is figured on 2008 monthly total.

2008 COLA is 3%.		
\$1112.40 x .03	=	\$ 33.37
\$44.50 + \$1,112.40	=	\$1,145.77

\$1,145.77 is the 2008 monthly pension payment.

Remember, this is an example. Use your own benefit and COLA amounts to figure your personal estimate.

New Roads

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John Gioia
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Jim Remick (Safety alternate)

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Marilyn Leedom

Chief Investment Officer

Cary Hally

Retirement Board Meetings are usually held on the 2nd and 4th Wednesday of each month starting at 9:00 a.m. in the Retirement Office Boardroom. Below are meeting dates for 2008. (Meeting dates and times may be subject to change.)

January 9, 23
February 13, 27
March 13, 26
April 23, 30
May 7, 28
June 4, 25
July 9, 23
August 13
September 3, 10
October 8, 16, 22
November 5, 25
December 10

New Legislation Mandates Retirement Board Changes

Clifton A. Wedington, CCCERA's long standing Board Chairman, resigned from the Board in January, due to a new California law (A.B.246) which prohibits trustees from marketing investment products to other 1937 Act systems. In his private career, Mr. Wedington is an investment professional with Morgan Stanley. During his tenure on the Board, Mr. Wedington served CCCERA's membership (and the State Association of County Retirement Systems (SACRS)) with integrity and creativity, focusing on education and responsible fiduciary management of the fund.

With Mr. Wedington's departure, the Board voted Brian Hast as Chairperson, William J. Pollacek as Vice-Chairperson, and Jerry Telles as Secretary. Hast was elected by general members, Pollacek is Contra Costa County's Treasurer, and Telles is an elected retiree representative. Dave Gaynor, who has served as a Board of Supervisors' appointee alternate (voting in the absence of Board of Supervisors' appointed trustees), will now be a regular voting member, until the election/appointment cycle adds a new twelfth member.

In June 2008, several elected and appointed board members' terms are expiring. Dave Gaynor, John Gioia, and Paul Katz are County Board of Supervisors' appointees whose current terms will end in June. Richard Cabral, elected by general members, Bob Rey, elected Safety representative, and Jim Remick, alternate safety member, have terms expiring in June.



After business hours,
voicemail is available
to take your messages
24 hours a day at
925.646.5741.

CCCERA office hours are
8 a.m. - Noon, 12:30 p.m. - 5 p.m.,
Monday through Friday; Counselors
are available by phone
9 a.m. - Noon, 12:30 p.m. - 4 p.m.

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