

Quotes to remember:

“If you can count your money, you don’t have a billion dollars..”
-J. Paul Getty



The Finish Line

A Publication for Active Members of the Sacramento County Employees’ Retirement System

We Know What We Did Last Summer!

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As promised in the June 2000 issue of *The Finish Line*, SCERS website now provides most of you the opportunity to take a more active role in planning for your retirement. By a click of your mouse, you are able to access your own current member account information any time, online. The information available is similar to the information provided to you each March in your Member’s Annual Statement. However, while your annual statement provides year end account balances, your online access will deliver current account information (generally, with only one or two pay periods delay).

During the month of August, over 14,000 of you who were active, deferred or reciprocal SCERS members as of June 2000 were issued temporary passwords for use in logging on to SCERS benefit calculator program (available at our website: www.co.sacramento.ca.us/retirement). [SCERS members who were hired after June of 2000 will also be issued temporary passwords, but those passwords will be mailed along with Annual Statements in March.] SCERS’ plan is to provide passwords to new SCERS members every year,

generally, when Annual Statements are mailed out.

To date, 1,800 SCERS members have accessed the benefit calculator program to derive estimates of their potential post retirement monthly benefit. On average, these 1,800 members have accessed the calculator five times each. SCERS staff continues to work together with Office of Communication and Information Technology programmers to bring you more and better information about your retirement system and the benefits the system provides. We encourage you to take advantage of every opportunity to plan for a secure retirement.



Important Telephone Numbers

SCERS:

916-874-9119

SCERS FAX:

916-874-6060

SCERS TOLL FREE No:

1-800-336-1711

E-mail address:

irisb@co.sacramento.ca.us



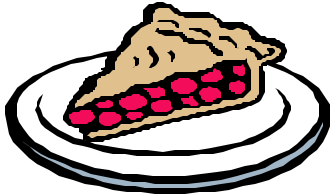
GFOA Awards SCERS Certificate of Achievement

The Sacramento County Employees’ Retirement System has been presented a Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 1999 by the Government Finance Officers’ Association (GFOA) of the United States and Canada. Such a certificate is awarded only to those government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

SCERS June 30, 1999 CAFR is available for viewing on the SCERS’ website.

The Rational Inquirer

A regular (second time already!) feature of *The Finish Line* giving you the latest scoop - about your retirement benefits!



You can be preparing now to get your piece of the retirement pie!

SCERS' offers active members several opportunities to enroll in informational seminars - in the spring and in the fall of each year. The seminars are full of information about your retirement benefits and other important issues which you will face in retirement!



This month's featured question was submitted by Amina Hurry, of the Department of Regional Perks, Reparations and Often Space.

Amina's Question: I'm confused. I will be 57 years old on January 31 and it seems like I've been working for Sacramento County forever. When can I apply for retirement and how long will it take to get my first check?-

Well, Amina, if your "forever" feeling means you have been working for Sacramento County for more than ten years, you are in luck. You may not know this, but you are a Miscellaneous member of the Sacramento County Employees' Retirement System (SCERS), and since you are over 50, you can retire any time you wish, even today! But let's be sensible - there is a recommended way to do this in order to make sure your retirement process is handled efficiently and courteously. As with most anything else, a little bit of planning goes a long way with retirement issues.

First of all, let's say you did want to retire today....you need to know that you would get a higher benefit allowance if you waited until your birthday, or until you reach any quarter mark - retirement benefit factors go up each quarter year of age until they max out at 65!

It goes without saying that you should pay attention to retirement issues from day one of your membership in SCERS. Review your annual statement each year, get "on-line" and view your account often, and let the retirement office know if you spot something that doesn't look quite right. You will be nipping problems right in that bud!

As you approach your long awaited date, and in fact, about **three years before retirement**, if you still haven't done so, enroll in one of our SCERS' Pre-retirement Financial

Planning Seminars where you will get many suggestions on how to maximize the amount of money you can live on in retirement.

One year before retirement, review your county or special district work history to find out if there is any service you may purchase in order to increase your total years of service. Make sure you have copies of your birth certificate, your beneficiary's birth certificate if you are providing a continuing benefit for him, her or them, and your marriage certificate if you are in that "altared" state.

Three months before retirement, you can call the SCERS office and set up an appointment for a group interview, where you will learn all the important details about your retirement from experts.

Two months (60 days) before retirement, file your application for retirement with the SCERS office. Attend the group interview for which you have been scheduled. You will be getting good information about the important choices you will be making regarding your beneficiary, your health coverage, tax to be withheld from your benefit, etc. Be sure to submit any forms you have been issued in a timely fashion!

You should be mindful of one very important issue many of our members miss - if you are in one of those "one in two" marriages that end in dissolution, remember to provide SCERS with a copy of your dissolution papers, so that there is no unfinished business at the critical time of your retirement.

SCERS' members generally are receiving their first retirement benefit check within four or five weeks of their retirement date. You will too, if you plan ahead.

LOOK FOR MORE "WATER COOLER" TALK IN FUTURE ISSUES OF "THE FINISH LINE."

Test your smarts....

Even if they are starving, natives living in the Arctic will never eat a penguin's egg. Why not?

Penguins live in the Antarctic.

SCERS "Pocket Guide" for Estimating Retirement Allowance

SCERS Service Retirement Formulas Miscellaneous Plan/Tiers 1, 2, 3	
Ret Age *	% Yrs. Svc.**
50	1.11
51	1.24
52	1.30
53	1.36
54	1.42
55	1.49
56	1.56
57	1.64
58	1.72
59	1.81
60	1.91
61	1.99
62	2.09
63	2.19
64	2.31
65	2.43

% x Yrs. Svc. = % of F.C. ***

	F.C.**	Max. COLA
Tier 1	1 Yr	4%
Tier 2	3 Yr.	0%
Tier 3	3 Yr.	2%

* Factors actually change by 1/4 year of age.

** Does not account for Social Security reduction factor. (See Retirement Handbook).

*** "F.C." = Final Compensation is defined as the highest average annual compensation earnable for the F.C. period elected by member, for years indicated for each tier.

This table is intended for use by SCERS "Miscellaneous" or "Safety" Plan members as a quick reference guide. Before relying upon this information refer to your Retirement Handbook or seek advice from SCERS staff by calling (916) 874-0110

SCERS Service Retirement Formulas Safety Plan/Tiers 1, 2	
Ret Age *	% Yrs. Svc.**
41	1.25
42	1.32
43	1.40
44	1.47
45	1.56
46	1.64
47	1.73
48	1.81
49	1.90
50	2.00
51	2.10
52	2.21
53	2.33
54	2.46
55	2.61

% x Yrs. Svc. = % of F.C. ***

	F.C.**	Max. COLA
Tier 1	1 Yr	4%
Tier 2	3 Yr.	2%



These quick reference factors can serve as a guide in estimating your retirement.

The CalPERS Long-Term Care Program

All California public employees/retirees are eligible to apply for long-term care coverage from CalPERS. That includes all full or part time state, county, and city employees or retirees. School-teachers, judges – whatever your classification – it doesn't matter which retirement system you have. This program is for you, your spouse, your parents, and your parents-in-law.

Long-term care needs can arise at any time – at any age. Health insurance and Medicare typically do not pay for extended care at home or in a nursing facility. Are you prepared to meet those costs right

now if you had to?

The CalPERS Long-Term Care Program, established by state legislation, is self-funded and not for profit (no insurance company). It is one of the largest providers of long-term care coverage in California.

For more information, request a free application kit by calling:

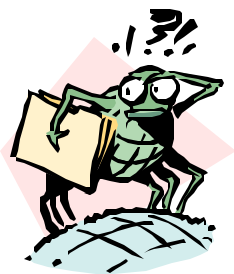
1-800-266-1050,

Or visit the CalPERS website at www.calpers.ca.gov/longtermcare. The CalPERS Long-Term Care Program's Application Period begins April 1, 2001 and ends June 30, 2001.



BEWARE OVERLAPPING SERVICE:

For R-E-C-I-P-R-O-C-I-T-Y ~ Concurrent Service is a "Deal Killer"



Don't confound your chances for reciprocal benefits!

As indicated in pages 15 and 16 of your Retirement Handbook, reciprocal retirement benefits may be available to you if you leave SCERS membership to accept a position with another qualified public agency, e.g. CalPERS or another "1937 Act" county retirement system, or vice versa, if you leave membership employment with another qualified public agency to come to SCERS. These benefits include:

- your rate of contribution to the state or county retirement system may be based on the age at which you entered the first system.
- continuation of membership will continue your right to a death benefit and to disability retirement.
- service credited to you under each system will be added together in order to determine eligibility for retirement under the several systems.
- your retirement allowance may be based on your highest average compensation in any reciprocal system, if you retire from all systems concurrently.

You will have reciprocal rights and obligations if:

- you become a member of the reciprocal system within one hundred and eighty days after separating from the other system's membership service and,
- you elect to leave your contributions on deposit with SCERS or the qualified reciprocal system and inform the system you leave of the name of the entity in which you will be employed or are employed and retirement system of membership. Contributions may not be withdrawn while under reciprocity.

You should re-read your Retirement Handbook for more details. **DEAL KILLER – Be forewarned! Concurrent service, i.e., overlapping service credit with reciprocal retirement systems disqualifies you from reciprocal retirement systems' benefits.**

"service to your credit under each system will be added together in order to determine eligibility for retirement...."

SCERS Wishes You All a Happy Holiday Season



SCERS tips its holiday hat to its membership....

The Thanksgiving holiday has just passed, and the December holidays will soon be upon us. This is an opportune time for the board members, managers and staff of your retirement system to wish you the happiest of holiday seasons and to tell you that we are pleased to serve you, our members, by making sure that all of your retirement benefits are secure and available to you when you need them. SCERS investments

are diligently monitored and guided by your Retirement Board members and managers, and your personal records are attended to by SCERS staff. All of us at SCERS want to acknowledge the courteous and friendly attitude presented by our members, even when we get a little bogged down in the details....so, thanks for your cooperation and here's to a gratifying year ahead!



SOME INTERESTING FACTS ABOUT OLDER AMERICANS

Size of Older Population: The size of the age 65 and older population was 34.7 million in 1999, representing about 13 percent of the population of the United States. There were 4.2 million Americans age 85 years and older, representing about 1.5 percent of the population. (U.S. Census Bureau, www.census.gov)

Gender Ratio: In 1998, there were 143 older women for every 100 older men (or 20.2 million older women to 14.2 million older men). The ratio of women to men increases to 241:100 for persons age 85 and older.

Life Expectancy: Children born in 1997 have a life expectancy of 76.5 years (73.6 years for men, 79.4 years for women). People reaching the age of 65 in 1997 had an average life expectancy of 17.7 more years. Women reaching age 65 could expect to live 19.2 more years (to age 84) on average, and men could expect to live an additional 15.9 years (to nearly 81). (National Vital Statistics Reports, Vol. 47, No. 19.)

Growth of Older Population: The population age 65-plus-currently about 34.7 million (13 percent of the population)-is projected to double over the next three decades to nearly 70 million (20 percent of the population). The Census Bureau projects the 65-plus population to be 39.4 million in 2010, 53.2 million in 2020, and 69.4 million in 2030.

Centenarians: The current estimate of 50,000 to 75,000 centenarians is expected to increase to 131,000 in the year 2010, 214,000 in the year 2020, 324,000 in the year 2030, 447,000 in the year 2040, and 834,000 in the year 2050, according to the Census Bureau's middle projections. (See www.census.gov/prod/99pubs/p23-199.pdf and www.med.harvard.edu/programs/necs/centenarians.html)

Marital Status: Because women as a group out-live men, men age 65-plus are more likely to be married (75 percent in 1998) compared to older women (43 percent). Widows in 1998 outnumbered widowers four to one (8.4 million widows, 2 million widowers).

Income: In 1998, the median income of older people was \$18,166 for older men and \$10,054 for older women.

Employment: In 1998, about 12 percent of older Americans were in the workforce or actively seeking work (2.2 million men and 1.6 million women). These older workers compose 2.8 percent of the U.S. workforce

Poverty: About 10 percent of older Americans were poor in 1998-roughly the same proportion as the adult population under age 65. Percentages of older people living below the poverty level included 9 percent of older whites, 26 percent of older blacks, and 21 percent of older Latinos. (Based on official poverty levels for the years 1995 to 1997.)

Housing and Living Arrangements: Most people age 65-plus live with family members (a small percentage live in nursing homes). Among older Americans not living in nursing homes, about two out of three people age 65 and older live with spouses or other family members (80 percent of men and 58 percent of women). While 20 percent of these older men live alone, 42 percent of older women live alone.

Nursing Homes: A small percentage of older Americans live in nursing homes (1.43 million in 1996, or 4.2 percent of the senior population). The proportion in nursing homes rises steeply with age (1 percent of those age 65 to 74, 4 percent for those age 75 to 84, and 20 percent for those 85 and older). A person turning 65 in the year 1990 had about a 40 percent lifetime chance of living in a nursing home. (www.mayo.edu/geriatrics-rst/NH.RTF.html)

Ageing Children in the Family Structure: The proportion of Americans age 60 with at least one parent alive has risen dramatically this century:

1900	7 percent
1940	13 percent
1960	24 percent
2000	44 percent

In 1960, 14 percent of Americans age 50 still had both parents living. That proportion has nearly doubled to 27 percent today.

Sources: AARP, Administration on Aging, Agency for Health Care Policy Research, National Center for Health Statistics, The National Council on the Aging, U.S. Bureau of the Census. For more items of interest about about older Americans, check out the National Council on Aging's website: www.ncoa.org.



“The population age 65-plus-currently about 34.7 million (13 percent of the population)-is projected to double over the next three decades to nearly 70 million (20 percent of the population).”



There cannot be a crisis this week; my schedule is already full!

Update On “Ventura” Lawsuits

This is a follow up to our December 1999 *The Finish Line* article on the “Ventura” lawsuits.

In October 1997, arising out of a lawsuit brought against the Ventura County Employees’ Retirement Association (System), the California Supreme Court issued a ruling which caused all twenty county retirement systems enacted pursuant to provisions of the County Employees’ Retirement Law of 1937 (“The 1937 Act”) to review their interpretations and application of provisions relative to determining what forms of employee compensation should be subjected to retirement systems’ contribution rates and therefore, includable in the determination of an employee’s final compensation at time of retirement. Prior to that Supreme Court decision, systems were following an Appellate Court’s decision, which decision the Supreme Court later said was wrong.

When SCERS performed its review, SCERS did, indeed, agree that there were thirteen additional types of compensation, e.g., auto allowance, food allowance, clothing allowance, which SCERS should include. Shortly thereafter, however, SCERS was sued in Superior Court. These suits argue that still other forms of compensation (termination pay after retirement, e.g., cash-out of sick leave and vacation; insurance-related payments, e.g., employer-paid medical premiums; and, “pick-ups”, e.g. employer-paid retirement contributions); should also be considered as compensation earnable/final compensation.

The two suits are: Ernest Buda, Thomas J. Burns, and Michael Dutra

(Plaintiffs) V. SCERS, Board of Retirement of SCERS; and Richard Price and Scott Eckert (Petitioners) V. Board of Retirement of SCERS.

These suits and all other similar suits with other retirement systems have been referred to the Superior Court in San Francisco.

In July 2000 Superior Court Judge Stuart R. Pollak issued a “Statement Of Decision re Includability Of : (1) Termination Pay; (2) Insurance Related Payments; And (3) Pick-Ups” in which he found that the contested forms of compensation “need not” be included as compensation earnable/final compensation.

The Judge has not, however, made a determination on other aspects of the original *Ventura* decision, i.e., the issue of just which plan members should receive increased benefits. Members who retired before *Ventura* may be entitled to “retroactive” increases of the benefits paid to them for a period of time before the decision, or “prospective” increases of their benefits being paid thereafter, or both, plus interest on the unpaid amounts.

Judge Pollak is expected to issue a decision sometime in June 2001.

Experienced professionals opine that these suits will not be completely resolved until the Supreme Court once again addresses the issues. This is likely to take several more years.

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Newsletter Coordinator - Iris Bachman
Sacramento County Employees’
Retirement System
980 9th Street, Suite 750
Sacramento, CA 95814