



The Latest Wrinkle

A Periodic Publication for Retirees and Beneficiaries of SCERS

COST OF LIVING INCREASE ("COLA") FOR APRIL 2000 SET BY BOARD OF RETIREMENT

The Board of Retirement, at its regular meeting held February 17, 2000, adopted cost of living increases, pursuant to provisions of the "County Employees' Retirement Law of 1937." April 2000 pension payroll warrants will reflect a cost-of-living increase for eligible retirees, beneficiaries, and survivors who are receiving continuing monthly retirement allowances from SCERS. There are four categories of membership eligible for these increases. They are: "Safety Tier 1," "Safety Tier 2," "Miscellaneous Tier 1," and "Miscellaneous Tier 3." Membership category "Miscellaneous Tier 2" is not eligible for annual cost-of-living increases.

Sacramento County Board of Supervisors' ordinances adopted in 1965, 1976, 1981, and 1994 arising out of collective bargaining agreements and Government Code Sections 31870 and 31874.2.

Applicable increases by membership category, effective April 1, 2000 are represented in the table shown below.

For beneficiaries and survivors receiving allowances the applicable dates are the retired members' retirement dates or active members' dates of death. This increase does not apply to insurance subsidies shown as "Medical Plan Premium Offset" on SCERS remittance advice forms.

Eligibility and maximum allowable annual increases are pursuant to Sacra-

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Important Telephone Numbers

- SCERS: 916-874-9119
- SCERS FAX: 916-874-6060
- SCERS TOLL FREE No: 1-800-336-1711
- COUNTY INSURANCE OFFICE: 916-874-5568; 916-874-5569
- PACIFIC GROUP AGENCIES (DELTA DENTAL PLAN): 916-448-6601

IF the Category of Membership Is:	THEN, the Applicable Cost-of-Living Increase is:
Safety Tier 1	4.0%
Safety Tier 2	2.0%
Miscellaneous Tier 1	4.0%
Miscellaneous Tier 2	0%
Miscellaneous Tier 3	2.0%

RETIREMENT BOARD

Jan Hoganson, President
Elected by Safety Members

Ronald Suter, Vice President
Elected by Miscellaneous Members

Mark Norris, Director of Finance
Ex-Officio

William Cox
Elected by Retired Members

Keith DeVore
Elected by Miscellaneous Members

James A. Diepenbrock
Appointed by the Board of Supervisors

Winston H. Hickox
Appointed by the Board of Supervisors

John B. Kelly
Appointed by the Board of Supervisors

Robert Woods
Appointed by the Board of Supervisors

James C. Crump, Alternate
Elected by Safety Members

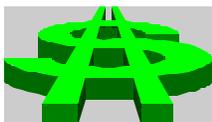
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GOVERNMENT CODE SECTIONS RELATING TO COLAs

Government Code Section 31870

"The board shall before April 1 of each year determine whether there has been an increase or decrease in the cost of living as provided in this section. Notwithstanding Section 31481 or any other provision of this chapter (commencing with Section 31450), every retirement allowance, optional death allowance, or annual death allowance payable to or on account of any member, of this system or a superseded system, who retires or dies or who has retired or died shall, as of April 1st of each year, be increased or decreased by a percent-age of the total allowance then being received found by the board to approximate to the nearest one-half of 1 percent the percentage of annual in-crease or decrease in the cost of living as of January 1st of each year as shown by the then current Bureau of Labor Statistics Consumer Price Index for All Urban Consumers for the area in which the county seat is situated, but such

change shall not exceed 2 percent per year;* however, the amount of any cost-of-living increase or decrease in any year which is not met by the maximum annual change of 2 percent in allowances shall be accumulated to be met by increases or decreases in allowances in future years,** except that no decrease shall reduce the allowance below the amount being received by the member or his beneficiary on the effective date of the allowance or the application of this article, whichever is later."

Government Code Section 31874.2

"The board of supervisors in any county, by a majority vote, may enact an ordinance providing that the maximum annual change pursuant to this article shall be increased to 4, 5, or 6 percent, as determined by the board, on the operative date of such ordinance."*

*A maximum 4 percent change was made applicable by ordinance to Sacramento County's and member districts' retirees, beneficiaries and survivors for "Safety Tier 1" and "Miscellaneous Tier 1" categories of membership, pursuant to Section 31874.2. For Safety Tier 2 and Miscellaneous Tier 3, the maximum is 2 percent pursuant to Section 31870.

**Accumulated carry-overs for Miscellaneous Tier 1 and Safety Tier 1 are as follows:

<u>Initial Retirement Date 4/1/99</u>	<u>Accumulated Carry-Over</u>
On or Before 7/1/67	54.5%
07/01/67 to 06/30/68	54.0%
07/01/68 to 03/31/69	53.0%
04/01/69 to 03/31/70	50.5%
04/01/70 to 03/31/71	48.0%
04/01/71 to 03/31/72	46.0%
04/01/72 to 03/31/73	45.0%
04/01/73 to 03/31/74	44.5%
04/01/74 to 03/31/75	41.5%
04/01/75 to 03/31/76	34.5%
04/01/76 to 03/31/77	28.5%
04/01/77 to 03/31/78	27.0%
04/01/78 to 03/31/79	23.5%
04/01/79 to 03/31/80	18.0%
04/01/80 to 03/31/81	13.5%
04/01/81 to 03/31/82	2.5%
04/01/82 to Present	0.0%

**Accumulated carry-overs for Miscellaneous Tier 3 and Safety Tier 2 are as follows:

On or Before 03/31/94	5.0%
04/01/94 to 03/31/97	5.0%
04/01/97 to 03/31/98	4.5%
04/01/98 to 03/31/99	3.0%
04/01/99 to 03/31/00	2.0%

**The trick is to stop thinking of it as "your" money.
-IRS Auditor**

CalPERS Long Term Care Program Announces Enrollment Period

CalPERS has announced that the 2000 application period for its Long-Term Care Program will begin April 1, 2000 and end June 30, 2000. All SCERS retirees and their spouses, parents and parents-in-law are eligible and may enroll during this period. This year, a broader array of benefit options will be offered in each of three Long-Term Care Plans. New options this year will offer lower benefit amounts for nursing home care, assisted living facility care and home care, with more affordable rates.

Some key facts to keep in mind when considering long term care are:

- Long-term care is not typically covered by health insurance.

- Medi-Cal coverage for long-term care does not begin until you have exhausted virtually all your assets.
- Six out of 10 Americans over the age of 65 will need long-term care.
- Average cost for nursing home care in California in 1999 was more than \$47,000 and home care costs were \$20,000 or more annually.

To call for an application kit or for more information about the CalPERS program, call 1-800-266-1050 or access their website at <http://www.calpers.ca.gov>.

".....Average cost for nursing home care in California in 1999 was more than \$47,000 and home care costs were \$20,000 or more annually....."



SCERS Board, Board of Supervisors Raise Burial Allowance to \$4,000!

By Statutes of 1997, the California Legislature added Government Code Section 31789.5 which permits a board of supervisors to enhance a burial benefit defined in the County Employees Retirement Law of 1937.

It was just one year ago, on March 2, 1999, that the Sacramento County Board of Supervisors took action recommended by the SCERS and SCREA boards to double the burial allowance to be provided to SCERS retirees, increasing the benefit from \$1,000 to \$2,000.

Another year of growth in available excess earnings made it possible for the Board of Retirement to recommend enhancing the death benefit again. Thus, at its meeting on February 22, 2000, the County Board of Supervisors once more responded to the practical needs of SCERS retirees, and acted to increase the benefit provided to \$4,000.

Congratulations once again to SCERS and SCREA boards' members and the County Board of Supervisors, for their continued concern for the welfare of SCERS retirees and survivors.



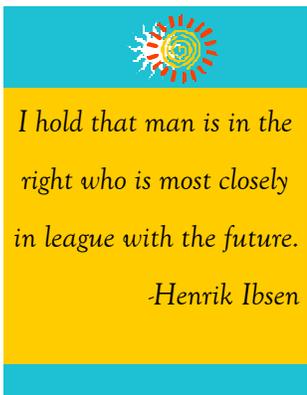
**"If you think nobody cares that you are alive, try missing a couple of car payments."
- Earl Wilson**

SCERS WEB PAGE – A SITE TO SEE

SCERS website, located at www.co.sacramento.ca.us, made a quiet entrance into the e-world on April 1, 1999, featuring "The Latest Wrinkle" and "The Finish Line," the newsletter for active members. The website also featured financial statements, the web-site version of SCERS Retirement Handbook, organizational charts, administrative information, investment policy objectives and reports, and provided links to other retirement systems and the Social Security website. Since last April, the site has been enhanced, now providing a service retirement calculator program by which an active member can input variables, i.e., plan/tier, ser-

vice credits, expected retirement date and final compensation, and derive an accurate estimate of his future retirement allowance. By July, SCERS hopes to provide online access to each individual active member's actual account through a secure PIN number.

Future enhancements being contemplated may provide retirees and active members secure access to view their own individual documents contained in SCERS records, such as member affidavits or beneficiary designations. Long range, SCERS hopes to provide access to interactive forms, so that members can fill them out online and transmit them to SCERS office through the internet! What a country!



[More about SCERS investments.....](#)

Another Year of Strong Returns

The Sacramento County Retirement System investments returned 15.40% on a net basis for calendar year 1999. This is the fifth consecutive year that annual investment returns have been in double digits. The 1, 3 and 5 year annualized returns for SCERS investments by asset class are shown in the table.

Sacramento County Employees' Retirement System			
Investment Performance			
December 31, 1999			
Asset Class	1 year	3 year	5 year
Domestic Equity	20.80%	22.80%	25.00%
International Equity	28.90%	15.00%	13.80%
Fixed Income	.3%	6.20%	7.50%
Real Estate	10.30%	14.80%	10.80%
Total Fund	15.40%	16.60%	17.50%



FUNNY MONEY

Certainly there are things in life that money can't buy, but it's very funny -- Did you ever try buying them without money?
--Ogden Nash

A study of economics usually reveals that the best time to buy anything is last year.
--Marty Allen

What this country needs is a good five-cent nickel.
-Frank Adams



Health Benefits Increased and Extended Through June 2001

The SCERS Board and the Sacramento County Board of Supervisors have acted to provide a continuation of non-vested medical plan premium offsets for retirees and surviving spouses for fiscal year 2000-2001, beginning with "coverage" for July 2000, utilizing \$9.5 million in SCERS investment earnings which the SCERS Board has allocated for that purpose. The Retiree Health Care Benefits Program for Fiscal Year 2000-2001 medical plan premium offsets are based upon a graduated scale related to SCERS credited service at time of retirement. The "old" and "new" amounts (effective with June 2000 pension payroll) are as follows:

Credited Service

Maximum Monthly Offset

If you are credited with:

Then, SCERS will pay as described below and the retiree will pay the rest of the premium.

	Old	New
Less than 10 years	\$ 84.00	\$ 93.00
10 years but less than 15	\$ 105.00	\$116.00
15 years but less than 20	\$ 126.00	\$139.00
20 years but less than 25	\$147.00	\$162.00
25 or more years	\$167.00	\$186.00

Years of additional service creditable to a member retired for nonservice-connected disability in accordance with Government Code Sections 31727(b) and 31727.2(b) are not included in determination of credited service for

purpose of determining medical benefit eligibility.

The increase in offset amounts ("Old" to "New") is reflective of the increase in base premium for the Program, i.e., the highest premium offered for County-sponsored health maintenance organization plans for a member under age 65 or with no Medicare eligibility (changed from \$167 to \$186).

In the event that the recipient's choice of a plan and coverage results in a premium that is less than the maximum monthly offset, the actual benefit shall be the amount of the premium.

As part of the Retiree Health Care Benefits Program For Fiscal Year 2000-2001, the SCERS Board has extended its Agreement with Delta Dental Service to provide SCERS-paid dental care coverage to SCERS retirees and surviving spouses, and coverage to living retirees' spouses at the retirees' expense. Living retirees' spousal dental care plan premiums will remain at \$28.43 monthly.

[Special Note: Legal instruments under which the Sacramento County Retiree Health Care Benefit Program For Fiscal year 1999-2000 is created provide that the plan does not create any contractual, regulatory, or other vested right or entitlement to either present or future retirees, their spouses or dependents, to any particular level of subsidization of health care costs, or to subsidization at all. Whether subsidization continues, and if so, the level of subsidization is vested within the sole discretion of the Board of Supervisors.]

Are you on "Cloud Nine?"

Did you know that someone who is feeling great is said to be on "cloud nine?" Types of clouds are numbered according to the altitudes they attain, with nine being the highest clouds. If someone is said to be on cloud nine that person is floating above worldly cares,,,,,,,,,"



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VISIT THE RETIREMENT WEBSITE :
www.co.sacramento.ca.us/retirement



SCERS

Perspectives (wisdom from the internet)



A SHORT COURSE IN HUMAN RELATIONS
The six most important words: I admit that I was wrong.
The five most important words: You did a great job.
The four most important words: What do you think?
The three most important words: Could you please. . .
The two most important words: Thank you.
The most important word: We.
The least important word: I.
ANONYMOUS

WHAT IS MATURITY

Maturity is the growing awareness that you are neither wonderful nor worthless. It has been said to be the making of peace between what is, and what might be. It isn't a destination. It is a road. It is the moment you wake up after some grief or staggering blow and think, 'I'm going to live after all.'

It is the moment when you find out something you have long believed in isn't so, and parting with the old conviction, find that you're still you; The moment you discover somebody can do your job as well as you can, and you go on doing it anyway; The moment you do the thing you have always been afraid of; the moment you realize you are forever alone--but so is everybody else, and so in some ways you are more together than ever, and a hundred other moments when you find out who you are.

It is letting life happen in its own good order, and making the most of what there is.

For more 'perspectives' like this, see <http://www.bizmove.com/inspiration/m9e.htm>