

SCERS NEWSLETTER

RETIREMENT INFORMATION

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A Message from SCERS CEO

As we head into the fourth quarter of a year like no other, still navigating our way through the changes brought on by COVID-19 and surrounding wildfires, good things are also happening, and SCERS is working harder than ever to provide our members with excellent customer service.

A key initiative of our Strategic Management Plan was the development of a customer satisfaction survey, which has been initiated for new retirees and is providing us with valuable feedback on how we can improve our services. SCERS' Member Portal is soon to launch and will offer a more efficient user experience, and we are continuing to add educational videos to our website.

Of course our greatest success story is our members. This quarter we are pleased to feature recent Regional Parks retiree Sylvia Smartt, who is in a class all by herself with a remarkable 45 years of service.



— Eric Stern



Member Portal in Development

Coming Soon: New Member Portal

It has been two years since SCERS started a major project to modernize its computer systems, and we're nearing the date when the new member portal goes live.

Since last July, SCERS has been using new workflow and document management technology that has enabled us to work remotely and securely during the pandemic without significant disruption to member services.

SCERS plans to retire its old member record-keeping system in November 2020 and replace it with a new system for tracking member information such as pensionable wages, contributions, and service credit. The new system will provide many internal enhancements for SCERS staff.

Just as importantly, the new system will provide a secure web portal where members can see their up-to-date SCERS information. The member portal also provides the ability for members to update their demographic information including beneficiaries, home addresses, email addresses, etc.

Additional enhancements will be made throughout 2021 that will improve benefit estimates and support online submission of retirement applications and other documents.

Instructions for activating your online web portal account will be posted to the scers.org website once the system is available. Further announcements will be made via upcoming SCERS newsletters, County employee news updates, and annual membership statements.



Member Feature: A Smartt Retiree 45 Years With Regional Parks

An incredible journey began in 1975 when Sylvia Smartt (then Hazewood) attended a job fair hosted by the County of Sacramento. Her first choice in where to apply was with the Department of Parks and Recreation (now known as Regional Parks), and she was interviewed by Richard Burton, then head of the Recreation Services division. As Mr. Burton explained the position to her, Smartt knew she was a perfect fit, and history has proven it to be so.

Starting as a typist clerk, Smartt's Regional Parks career advanced through a long list of promotions over the years and she finished her tenure as a senior account clerk. In her desire to assist wherever there was a need, she also learned the duties of several coworkers and covered for them during their leaves.

Smartt considered her coworkers as family. "They were there for me when I got married, the birth of my daughter, family deaths, a house fire, and my retirement," she said. Those relationships are what kept her there so long, as did her family-supported decision on when to retire. "What my pension means to me is that I will have financial freedom for the rest of my life."

Smartt's advice to County employees is "Start planning for

retirement as early as possible by being familiar with the retirees' handbook, attending retirement planning seminars and signing up for Deferred Compensation."

Besides careful retirement planning, Smartt's long career had many highlights, including having been entrusted as the control operator for the pre-COMPASS computer system and having been one of the first County employees to be trained in COMPASS and AgendaNet. She is also proud of her promotion to Executive Secretary, and her 19 years of service as clerk to the Recreation and Parks Commission.



Sylvia Smartt hard at work in 1991

Smartt never lost her enthusiasm for working for Regional Parks, an agency that maintains and operates more than 15,000 acres of parks throughout the County, including open spaces, multi-use trails, sports facilities, golf courses, river access, and picnic areas. Regional Parks director Liz

Bellas described Smartt as an anchor of stability with steadfast dedication. "She is an amazing person, and our Department is extremely lucky to have had her as a member of our Parks family," Bellas said. She is clearly missed.

Smartt is now enjoying retirement with family and friends and making plans for future travel. SCERS wishes her the very best.

Investment Performance Update

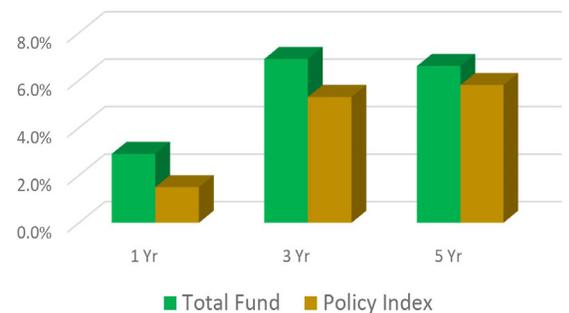
This year has been defined by perseverance, even in the investment world.

At the end of March 2020, when the market volatility from COVID-19 peaked, SCERS' fiscal year returns were down over 4%. However, by the end of the fiscal year on June 30, 2020, SCERS' total fund returned 2.9% gross of investment management fees and finished with a market value of \$9.8 billion.

Even as the returns were below SCERS' actuarial rate of return of 7.0%, the gross annualized return was higher than the policy index returns over the last five years. That is, SCERS beat its benchmark that compares our performance relative to our asset mix. The plan has done well—generating an 8.2% annualized return over the past three decades. With capital market assumptions pointing toward reduced

returns in the future, SCERS' strategic asset allocation is designed with a range of growth-oriented, diversifying, cash-flow generating, and inflation-sensitive assets to assist in performing well—and persevering—across a variety of market environments.

2019-20 Investment Returns





CA Supreme Court Decision Impacts SCERS

The California Supreme Court issued a decision on July 30, 2020 that has important implications for SCERS members.

In the case of *Alameda County Deputy Sheriffs' Association et al. v. Alameda County Employees' Retirement Association and Board of Retirement of ACERA ("Alameda")*, the Court upheld the constitutionality of certain amendments the Legislature made to the County Employees' Retirement Law as part of a pension reform package approved in late 2012. Those amendments, now approved by the Court, require county pension systems to exclude certain pay items from a member's "compensation earnable" for those who retired on or after January 1, 2013 when the pension-reform law was enacted.

At the September 16, 2020 meeting of the Board of Retirement, the Board took formal action to comply the *Alameda* ruling to exclude pay items SCERS has historically treated as pensionable, including:

- Standby Pay
- Vacation Cash-In that exceeds what can be earned and paid in each 12-month period, whether calendar year or fiscal year
- Animal Allowance, for Legacy and PEPRA (post-2013) members
- Insurance subsidy offset, paid to County employees in January of each year to refund over-collected taxes for employees who reached the Social Security earnings limit

Additionally, the Board adjusted the effective date to January 1, 2013, of a SCERS policy that excludes the portion of differentials, allowances, or other incentives that include overtime from retirement-applicable earnings.

The Board directed the SCERS staff to adjust pensions going forward and refund contributions, to the extent needed, for retirees and members who are impacted by the new exclusion. Individual notices will be provided to affected members.

If you have recently submitted or are considering submitting a retirement application, please consider how this information may influence your retirement plans, including withdrawing or delaying your application.

To learn more about this important decision and find answers to frequently asked questions, visit

scers.org/article/update-supreme-court-opinion-notice-members.



A Matter of FAQs

"What happens to my retirement if I move out of state?"

Moving out of state is the same as moving across town, but please be sure to do these two things:

- **Update your address with SCERS**
Deferred and retired members should update their address by completing and returning to SCERS a new Member's Affidavit with an updated address.
- **Update your tax withholding form**
Retired members who relocate out of state should also review and update their tax withholding instructions, as needed. As a non-California resident you may be exempt from California state tax withholding. However, SCERS will not automatically change your tax status if you have an out-of-state address—you will need to submit a Tax Withholding form, which is available at scers.org/forms-retired-members. Please see your tax advisor or visit ftb.ca.gov for more information.

If you have questions, contact us at sacretire@saccounty.net.

Board of Retirement

The SCERS Board is responsible for administering the pension plan in accordance with governing law, managing risk, and protecting both plan assets and the interests of the plan beneficiaries.

Rick Fowler, President. Appointed by the Board of Supervisors

John B. Kelly, Vice President. Appointed by the Board of Supervisors

Keith DeVore, Vice President. Appointed by the Board of Supervisors

James A. Diepenbrock, Appointed by the Board of Supervisors

Dave Comerchero, Elected by Miscellaneous Members

Diana Gin, Elected by Miscellaneous Members

Martha Hoover, Elected by Retired Members

Matt Petersen, Elected by Safety Members

Ben Lamera, Ex-Officio. Director of Finance

Kathy O'Neil (alternate), Elected by Retired Members

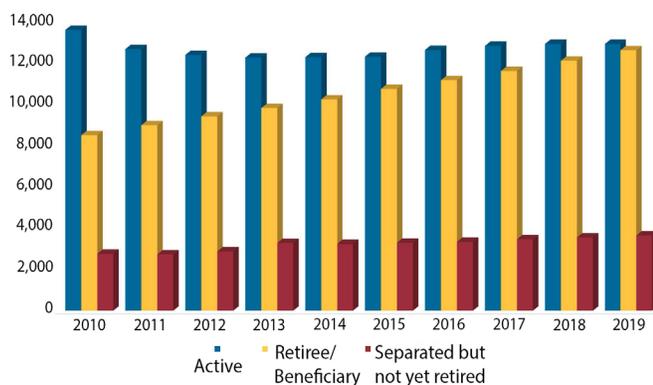
Vacant (alternate), Elected by Safety Members

Learn more about our Board at scers.org/board.

Fast Facts

SCERS Membership (as of fiscal year ended June 30, 2019)

The number of retirees drawing benefits is now almost as large as the active employees paying into the system. This dynamic is expected in a mature pension fund like SCERS, which is structured for long-term stability and security.



Source: SCERS 2019 Annual Financial Report

Upcoming Events

Due to the pandemic, Board meetings will be conducted by teleconference until further notice. Visit scers.org/retirement-board-meetings for more information.

Board Meetings - 10:00 a.m.

- Wednesday, December 9
- Wednesday, January 20, 2021
- Wednesday, February 17, 2021

3rd Annual Employer Forum Webinar

- Thursday, January 28, 2021

Quarterly Retirement Webinars

- Thursday, December 3
- Thursday, February 2, 2021

Visit scers.org/retirement-planning-seminars for resources and materials.