



LOOKING FORWARD... TO THOSE GOLDEN YEARS

Ensuring Tomorrow's Benefits Through Prudent Management

Summer 2010

Decisions and Options ...

Planning retirement, leaving employment, can be exciting, yet very stressful and there are many decisions to be made. *Consider your options carefully, this is a lifetime benefit.* If you are a Tier 1, 2, 4 or 5 member, you will need to decide upon one of the following options when you retire. Each payment option will impact the retirement allowance that you receive.

Unmodified Option - This option provides the maximum monthly lifetime benefit.

- Upon your death, your spouse/registered domestic partner will receive a 60% continuance for life.
- If you have no spouse/domestic partner eligible for a continuance at your death, your beneficiary will receive a lump sum payment of your contributions less the sum of the actual monthly retirement allowance payments received by you.

(It's called the "Unmodified Option" because it is the one originally allowed for under the law that governs the retirement plan.)

Option 1 – Cash refund annuity

This payment option provides for a slightly reduced monthly retirement allowance based upon the beneficiary's age..

- Upon your death, any remaining member contributions and interest are paid in a lump sum to your estate or to a beneficiary of your choice.
- If the named beneficiary dies before you, a new beneficiary may be designated.

Option 2 – 100% joint and survivor

This option provides for a reduced monthly retirement allowance based upon the beneficiary's age.

- Upon your death 100% of your reduced allowance is paid monthly to one named beneficiary for life.
- If your named beneficiary dies before you, a new beneficiary may NOT be designated.



Continued



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What Does it Mean to be "VESTED?"

When you are vested, you have earned the right to receive retirement benefits for life. You are vested after earning five years of retirement/reciprocal service credit. There is no partial vesting in the retirement system.

What if I am vested but not ready to retire and I leave employment?

* If you leave employment and you are vested you will have to choose whether to withdraw your contribution or leave them with StanCERA until you are eligible and ready to retire.

* If you withdraw your retirement contributions when you terminate employment, you will no longer be eligible for a lifetime retirement benefit and you will no longer be a member of StanCERA.





Looking Forward ...
To those Golden
Years

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Board of Retirement

Gordon B. Ford
Maria De Anda- Chair
Clarence Willmon
Ron Martin - Vice Chair
Mike Lynch
Jim DeMartini
Darin Gharat
Lyn Bettencourt
Linda Stotts-Burnett
 Alternate Retiree Representative
Mike Fisher

Retirement Administrator
Tom Watson

Retiree Payroll Dates
Sep. 1, 2010
Oct. 1, 2010
Nov. 1, 2010

Many Opportunities to Learn More:

- Personal Counseling (Continuously)
- Annual Pre-Retirement Seminar (May)
- Video Clips at www.StanCERA.org
- Clear Direction for Retirement which is also available on our website, StanCERA does a presentation at each of the workshops presented by Members Financial Services located at Valley First Credit Union. Please Call 558-8466 for schedule and reservations.
- Department/Division Presentations on request

The StanCERA newsletter is intended as a source of information, not a legal document or a substitute for the law. If differences appear between the law and the newsletter, the law must prevail.

**Excess Earnings Policy Revised...
Funding Vested Benefits is Highest Priority**

Given the dramatic downturn in the financial markets in 2008-2009 and the negative impact on StanCERA's funded ratio (from 85% to 71%) the Retirement Board embarked on changing its Excess Earnings Policy to focus on the system funding primarily and only consider retiree ad hoc benefits when the funded status improves significantly.

After committee development of a proposed policy and retiree input on the proposed policy the Retirement Board adopted the revised Excess Earnings Policy on May 25, 2010.

As in the past, the policy continues to use earnings to pay for all administrative, investment, and actuarial expenses; eliminate any prior loss contra-reserve balances and credit the actuarially assumed rate (8.16%) to the reserves used to fund vested benefits.

Now excess earnings will be used as follows:

- If the actuarially determined funded ratio is below 90%, all excess earnings will be used to fund the pension liability
- If the funded ratio is at least 90% to under 100%, 75% of excess earnings will be used to fund the pension liability, 25% will be available at the discretion of the Retirement Board
- If the funded ratio is 100% to 115%, 50% of the excess earnings will be placed in the Contingency Reserve and 50% will be available at the discretion of the Retirement Board
- If the funded ratio exceeds 115%, the Retirement Board has total discretion as to the use of excess earnings

The revised Excess Earnings Policy as well as additional member and financial information can be found at **www.StanCERA.org**.

StanCERA Funded Ratio

6/30/2004	96%
6/30/2005	94%
6/30/2006	87%
6/30/2008	85%
6/30/2009	71%

**Undistributed
Earnings Reserve (Losses)**

6/30/2006	\$	-
6/30/2007	\$	11,293,801
6/30/2008	\$	(176,466,913)
6/30/2009	\$	(399,358,416)



Decisions...

Board of Retirement Meeting Schedule

Meetings are held the second Wednesday and the fourth Tuesday of each month with some exceptions, located at 832 12th Street, Modesto 6th Floor in the Wesley Hall Board Room at 2:00 p.m.

Admin/Benefits	Investments
Aug 11, 2010	Aug 24, 2010
Sep 8, 2010	Sep 28, 2010
Oct 13, 2010	Oct 26, 2010

To view the past 3 months' Board actions, please visit our website at: www.stancera.org under **Agendas and Minutes - 2010**.

Option 3 – 50% joint and survivor

This option provides for a reduced monthly retirement allowance, based upon the beneficiary's age, paid to you for your lifetime.

- Upon your death, 50% of your reduced allowance is continued after your death to your qualified beneficiary for your beneficiary's lifetime.
- If your named beneficiary dies before you, a new beneficiary may NOT be designated.



Social Security Modification (SS) - level income option

If you plan to retire before age 62, you may consider the social security modification option. The SS modification allows you to increase your retirement allowance until you reach age 62.

Beginning at age 62, your StanCERA retirement allowance is reduced; however you will be eligible to apply for SS benefits. The combined benefits (StanCERA +SS) will approximate the income you were previously receiving only from StanCERA.

RETIREES : Who to call for answers...

Understanding the difference between StanCERA (your retirement association) and RESCO (the non-profit group for retirees) is important. It can also help ensure that your questions are answered in a timely manner. The following charts should help to direct you for some of the most commonly asked questions.

Contact StanCERA (Stanislaus County Employees' Retirement Association) for information about:

- How to change your death benefit beneficiary
- Working after retirement
- Direct deposit
- Obtaining a change of address form
- Survivor benefits
- Dissolution of marriage
- Tax withholding form and information
- Monthly benefit

Contact StanCERA:
Phone (209) 525-6393`
Email retirement@stancera.org

Contact RESCO (Retired Employees of Stanislaus County) for information about:

- RESCO membership
- The quarterly luncheon meetings
- The annual RESCO picnic
- See's Candies discounts
- RESCO News – quarterly newsletter
- Monthly Dues

Contact RESCO:
Phone: (209) 521-1666
Email: Contact@RescoToday.org

Retirees with Health

Insurance Administered through BMTI, Please Note :

BMTI is now **STEMLER, McTIGHE & LEWIS** . StanCERA retirees can call direct (209) 846-2934 or visit on the web at www.smlins.com.

Meet the Board: Lyn Bettencourt

Trustee Lyn Bettencourt, elected earlier this year as Retiree Representative, Seat # 8, may be the most recent addition to the Board of Retirement, but this is not his first time serving StanCERA.

Mr. Bettencourt brings 20 years of experience with him. Mr. Bettencourt first joined the Board in 1983 as an elected General Representative and served in that capacity until 1989 when Probation Officers became Safety members. In 1992, Mr. Bettencourt was again elected to the Board of Retirement as the Safety Representative, where he served until 2002.

Mr. Bettencourt takes his role as a decision maker for the retirement fund seriously and believes that

his primary duties are to preserve the fund in order to provide retirement benefits to members. In doing so, Mr. Bettencourt hopes to provide service to the employers, the employees, the retirees, and the public.

As trustees, "we face many challenges, as we have in the past. I hope to be able to use some of our history to prepare us to meet the difficulties and opportunities that will face us in the future."

Raised in Merced County and a graduate of Grace M. Davis High, Mr. Bettencourt went on to receive a degree from Modesto Junior College (AA), San Francisco State University (BA in Psychology), and Chapman University (MA Correctional Counseling).



He also holds a lifetime teaching credential in public administration, computer science, psychology, and sociology.

Lyn also keeps busy with computer consulting including computer forensics. He is an officer of his homeowners' association, and very much enjoys spending time with friends and family.

Office & Building Closure

As of July 1, 2010, the staff at StanCERA will join fellow County employees in taking a "5% across the board" pay cut along with 13 furlough days.

StanCERA shares a building with the District Attorney. The District Attorney must be open if Superior Court is open, so to conserve energy and security costs, there will be 3 scheduled (office closed) furlough days.

Then, to ensure that members' needs are met, StanCERA staff will schedule the remaining 10 furlough days without closing the office.

Oct. 11, 2010

Feb. 11, 2011

Mar. 31, 2011

Keeping up with the Board

This is the year for possible change to the Board of Retirement, with 3 seats up for election, and 2 for appointments.

Congratulations to Lyn Bettencourt on his election, to Maria De Anda for her re-election and Ron Martin on his re-appointment to the Board of Retirement. We look forward to working with you for the next three years.



Elected General
Seat # 2
1999 - 2013



Appointed by B.O.S.
Seat # 4
2004-2013