



# New Roads

January 2010

Published by the Contra Costa County Employees' Retirement Association  
[www.cccera.org](http://www.cccera.org)

## Time to Review Your Withholding Amounts

### Tax Withholding Reminders for Retirees

Retirees have the right to increase, decrease, start or stop federal and/or state income tax withholding from their monthly retirement benefit at any time.

You are not required to have federal tax withheld from your monthly payments; **however, if you choose to exempt yourself from withholding, you must pay any required taxes through other sources, such as quarterly estimates and deposits.**

If your withholding and estimated tax payments do not adequately meet your tax liabilities, penalties under the estimated tax rules may apply.

### What About State Taxes?

Monthly payments made to CCCERA retirees **living in California are subject to California income tax**. CCCERA payments to retirees **living outside California are not subject to California income tax**, but benefits may be subject to other state taxes. It is a good idea to check with a tax professional or State Department of Revenue for concise and current information on your individual tax situation.

If you would like to change your withholding amounts, The *Federal Withholding Certificate for Pension Payments/State of California Withholding Certificate for Pension or Annuity Payments* form can be mailed to you from our office, picked up in person or printed from our website, [cccera.org](http://cccera.org).

This forms allows you to:

- Discontinue federal/state income tax withholding from your monthly retirement allowance.
- Choose to withhold federal/state income tax based on:
  - 1) a set number of allowances,
  - 2) a specific marital status,
  - 3) a specific amount withheld from your monthly pension payment.

There is also an option to withhold an additional amount from each monthly pension payment, if you choose.

"If your current withholding arrangements are appropriate, they will remain in effect. No action is required."

"Changes can be made any time by filing the form with CCCERA. Changes made before the 20th of each month will be effective the following month."

## A Reminder for Safety Retirees

### Retired Safety Member \$3,000 Tax Exclusion

Retired Safety members can take advantage of a provision in the Pension Protection Act of 2006 that allows public safety officers who retired at, or after “normal retirement age,” or for disability at any age, to exclude **up to \$3,000** of their pension from *federal* income taxation, if the money was used to pay for health care premiums.

(*Normal Retirement Age* for Safety members is age 50.)

Health premiums paid through payroll deductions (a requirement of the provision is that payments must be made directly to the insurer) are included in Box 1 and Box 2a on form 1099R, as part of gross distributions and taxable amounts. 1099R forms will show the entire amount of taxable income for the year, without the \$3,000 excludible amount deducted.



Safety retirees will claim this deduction on their individual IRS 1040 tax forms when filing their returns. Even though this deduction has been in effect since late 2007, it may be a good idea to mention it to your tax preparer, since the deduction applies to such a specific group of retirees.

### *It's Not a Tax Increase; It Just Feels Like One*

### State of California Temporarily Increases Withholding Amounts on Personal Income Tax

Retirees will notice another change in State of California withholding on their February 1, 2010 pension payments.

This isn't a *tax* increase, but a *withholding* increase, designed to help balance the state's budget in this difficult economic climate.

The State of California is withholding 10% more from personal income tax, regardless of filing status or number of dependents claimed. Your actual annual tax liability hasn't changed; the Franchise Tax Board is just keeping more of your money *up front* until tax filing time. The additional money will be refunded to you if it isn't owed on your 2009 taxes.

For example, if you usually receive a refund, that amount may be larger. If you usually owe tax, you may owe less due to the withholding increase.

This new withholding plan won't have much impact for tax year 2009, since it went into effect November 1. However, the plan will continue in 2010.

Retirees who live out-of-state are not affected by California's new withholding schedule, since the 10% increase only applies to California residents.

CCCERA does not offer tax advice. We encourage you to consult your tax advisor for individual questions about the new tax withholding amounts.



## Information Disclosure and Board Policy

### What Member Information is “Public?”

The Public Records Act (Govt. Code 6250-6276.48) requires public agencies to disclose information regarding the public’s business when a lawful, valid request is made by an individual or an agency, such as a newspaper. CCCERA respects personal privacy; however, the Retirement Board must balance the obligation of protecting the confidentiality of member records with obeying the law.

The *Accessibility of Records Policy* adopted by the Board in 2004 has been amended due to recent court rulings that provide clear direction as to what information is disclosable by a Public Records Request, and what is not. This policy also included a section that provided notification to individual members if a records request had been received. This section has been removed from the policy, since it is not in keeping with transparency in government.

### What Information May Be Disclosed?

- The gross amount of any benefit or contribution refund
- Member and benefit recipient names
- Member’s date of hire
- Service category (General or Safety)
- Employment tier
- Applicable benefit formula
- Member’s retirement date
- Retirement allowance type
- Credited service years
- Benefit calculation age factor
- Final average compensation including “compensation earnable”
- Total retirement allowance

### What Information is Not Disclosable?

- Member or beneficiary social security numbers
- Date of birth
- Address, telephone and fax numbers
- Email addresses
- Age-at-entry into service
- Spouse and/or beneficiary names (unless receiving a benefit)
- Disability applications
- Medical records
- Retirement option elections

The complete *Accessibility of Records Policy* is available on our web site, [www.cccera.org](http://www.cccera.org).

## New Roads

CCCERA - [www.cccera.org](http://www.cccera.org)  
1355 Willow Way, Ste 221  
Concord, CA 94520  
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fax: (925) 646-5747

### Board of Retirement 2010:

William Pollacek (Chairperson)  
Jerry Telles (Vice-Chairperson)  
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Richard Cabral  
Brian Hast  
Maria Theresa Viramontes  
John Gioia  
Paul Katz  
Terry Buck (Safety)  
Jim Remick (Safety Alternate)  
Sharon Naramore (Retiree Alternate)  
Jerry R. Holcombe (Appointed  
(Alternate)

### Chief Executive Officer

Marilyn Leedom

### Deputy Chief Executive Officer

Silvina Leroux

### 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. (Meeting dates and times are subject to change)

### 2010

January 11, 13, 27  
February 10, 24  
March 10, 24  
April 14, 28  
May 5, 26  
June 9, 23  
July 14, 28  
August 11  
September 1, 8  
October 13, 21, 27  
November 3, 23  
December 8

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 SEE DEPOSIT DATES for 2010 →

Find out why thousands of your fellow retirees use Electronic Funds Transfer to receive their monthly pension benefit. There are no security risks, since EFT uses the same personal information your bank already has.

Call the Retirement Office at 925.521.3960 for more information. You can request the form you need to sign up for EFT. You can also go to our website and download the form, plus more information about Electronic Funds Transfer. Why not give it a try?

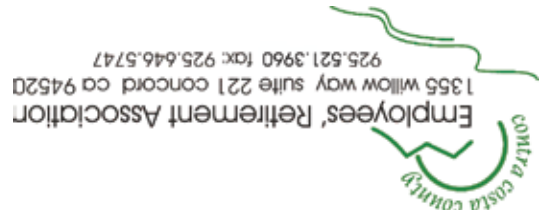
On the last working day of the month, CCCERA will electronically deposit your check into the financial institution of your choice. Keep in mind your bank may not post these funds until the next banking day. Contact your bank to determine when the funds are available.

January	→	February 1st
February		March 1st
March		April 1st
April		May 3rd
May		June 1st
June		July 1st
July		August 2nd
August		September 1st
September		October 1st
October		November 1st
November		December 1st
December	→	January 3, 2011

2010 PAYDATES

After business hours,  
 voicemail is available  
 to take your messages  
 24 hours a day at  
 925.521.3960.

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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