



# New Roads

Spring 2009

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[www.cccera.org](http://www.cccera.org)

*Inflation is Down . . . and so is the COLA*

## 2009 COLA Mixed due to Economic News

Traditionally, many members have chosen Spring as a good time to retire, since May 1st marks the pension payment that includes the new COLA amounts for the year.

The COLA is a **Cost Of Living Adjustment** used by CCCERA to help maintain the value of pension payments in relation to economic conditions. If the annual cost of living goes up, retirees see an increase in the COLA portion of their retirement benefit. However, if the cost of living goes down, the COLA portion of the benefit can decrease to reflect lower marketplace conditions.

## How is the Cost of Living Factor Determined?

The cost of living factor used by CCCERA is determined by comparing the December CPI (Consumer Price Index) for the San Francisco-Oakland-San Jose Area, for the past two years. Actuaries compute the resulting percentage change and recommend an annual adjustment figure. The actual cost of living adjustment is dependent on your previous employment tier and your retirement date. The 1937 Act "caps" the maximum percentage CCCERA can increase the COLA portion of your benefit in any one year. If the inflation rate (measured by the CPI) is higher than this statutory limit, the unused portion is "banked" for future years, and applied if the CPI is lower than the annual maximum. This helps stabilize the COLA figure from year to year.

2008 was a very tough year for the economy, with sagging prices and productivity, job losses and business downturns. Over the two year comparison span, the cost of living has not increased. CCCERA is not allowed to take only the *good* years into consideration. CCCERA is required by law to adjust the COLA portion **only** of retiree benefits to reflect actual inflation rates.



**Remember, while annual COLAs can increase or decrease, your Basic Retirement Benefits are guaranteed by CCCERA's Retirement Board. Your pension will never go below the Retirement Allowance you were entitled to when you retired.**

*Please turn to Page 2 . . .*

*Good news for some retirees and not such good news for others*

## The COLA Adjustments for 2009

At the March 11 meeting the Retirement Board voted to adopt the cost of living adjustments recommended by CCCERA's actuary.

According to our Actuary, there was a 0.02% change between the last two years' CPI. The 1937 Act requires this percentage to be "rounded" to the nearest one-half percent, which is 0.00%. This means if you are a retiree who does not have any COLA amount "banked" from past years, you will not have any COLA adjustment to your benefit for 2009.

Essentially, there was no change in the cost of living for 2008. The COLA can increase, decrease, or stay the same; the 1937 Act requires that CCCERA follow the inflation rate when setting adjustments.



### Here are The Numbers:

If you are a Tier 1, 3, or Safety service retiree, who retired **between April 1, 2008 and March 31, 2009**, you will **not receive a COLA adjustment** to your benefit, since there is no COLA amount "banked" to draw from.

**0%  
Increase**

If you are a Tier 1, 3, or Safety service retiree, who retired **between April 1, 2007 and March 31, 2008**, you **will receive a COLA increase**, since your COLA bank still contains some unused increases from previous years.

**1%  
Increase**

If you are a Tier 1, 3, or Safety service retiree, who retired **between April 1, 1989 and March 31, 2007**, you **will receive a COLA increase**, since your COLA bank still contains some unused increases from previous years. (Remember, COLA increases are "capped" by the 1937 Act, and any excess cost of living is "banked" to be used in years when the cost of living is less than the annual maximum.)

**1.5%  
Increase**

If you are a Tier 1, 3, or Safety service retiree, who retired **prior to April 1, 1989**, you **will receive a COLA increase**, since your COLA bank still contains some unused increases from previous years.

**3%  
Increase**

If you are a Tier 2 service retiree, Tier 2 or Tier 3 disability retiree, your COLA bank is empty, meaning there are no unused amounts to apply to the cost of living. Since the cost of living for 2008 is 0%, you will **not receive an increase**.

**0%  
Increase**

The cost of living adjustment is separate from other benefit enhancements. While some enhancements, such as "New Dollar Power," for members retired prior to 4/1/1982, affect specific groups, all retirees are eligible for the COLA.

To see a sample calculation of how the COLA will affect your benefit, please turn to the last page.



*Save Your Life . . . for FREE!*

## Contra Costa County Fire Protection District Offers FREE Smoke Detectors to Retired Homeowners

You may be eligible for a free smoke detector (including installation!) if you are a Contra Costa County homeowner and 60 years of age or older, or physically challenged at any age.

Contra Costa County Fire Protection District will provide smoke alarms if you do not have a working smoke detector, or if your existing smoke detector is more than 10 years old, absolutely free of charge. Staff from the Fire Prevention office will come to your home and install the device.

You must be a homeowner living within the Fire District, including the communities of Antioch, Bay Point, Bethel Island, Brentwood, Byron, Clayton, Clyde, Concord, Discovery Bay, El Sobrante, Knightsen, Lafayette, Martinez, Oakley, Pacheco, Pinole (County area), Pittsburg, Pleasant Hill, Port Chicago, Richmond (North), San Pablo, and Walnut Creek.

The program continues indefinitely.

For more information, call the Contra Costa County Fire Protection District at 925.941.3327. You can't get a better deal than FREE.

## *New Roads*

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### **Board of Retirement 2009:**

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**Chief Executive Officer**  
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**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. Below are meeting dates for 2009. (Meeting dates and times may be subject to change).

### **2009**

January 14, 28  
February 11, 25  
March 11, 25  
April 8, 29  
May 6, 27  
June 10, 24  
July 8, 29  
August 12  
September 2, 9  
October 14, 22, 28  
November 4, 24  
December 9

## An Example:

### Calculate your Cost of Living Adjustment (COLA) for 2009

Start with your figures from 2008:

Monthly Basic Allowance	=	\$1,000
New Dollar Power	=	\$ +80
		\$1,080

2008 COLA was 3%

$$(\$1080 \times .03) = \$ + 32.40 \leftarrow$$

Add COLA amount to benefits

$$\text{2008 Total Monthly Income} = \$1,112.40$$

2009 COLA is figured on 2008 monthly total shown above: **\$1112.40**

2009 COLA is 1.5%

$$(\$1,112.40 \times .015) = \$16.69 \leftarrow$$

Add COLA amount to benefits

$$\$1,112.40 + \$16.69 = \$1,129.09$$

**\$1129.09 is the 2009 monthly pension payment.**

Remember, this is an example. Use your own benefit and COLA amounts to figure your personal estimate. Retirees who are not receiving any COLA for 2009 will receive the same monthly benefit as 2008.

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



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