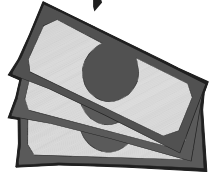


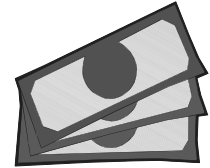
# New Roads

Summer 2002

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## Special \$200 Edition



*Compromise Agreement Reached*

### \$200 Retiree Benefit Passes:

#### **Eligible Members Retired PRIOR to 1/1/83**

The Board of Retirement accepted a Board of Supervisors/labor coalition compromise solution to the complex task of balancing enhanced benefit options for retired and active members against budget uncertainties and volatile investment returns.

As reported in *New Roads*, the Retirement Board originally established December 31, 2001, as the retirement date cutoff for retirees eligible to receive the new benefit. This date would have created a substantially larger eligible group (and required an exponentially larger benefit funding base). **By law, the date had to be accepted by the County Board of Supervisors for enactment of the benefit.**

*See back page  
for more  
information and an  
example of how  
benefits might be  
computed.*

After months of intense negotiation between all interested parties, the County Board of Supervisors endorsed January 1, 1983, as the \$200 benefit eligibility date, along with other important components, including a request that CCCERA provide funding for health insurance for all pre-1981 retirees who are not currently covered, and transfer \$100 million to the Employer Advance Reserve to help fund the UAAL of the recently enacted 2% @ 55/3% @ 50 benefit legislation.

### When Will You Show Me The Money?

The Board of Retirement adopted the benefits package as developed (bargained) by the County Board of Supervisors and the labor coalition. However, SB795, (the original legislation creating the \$200) *must still be formally adopted by the Board of Supervisors*, for the benefit to become effective. While the Retirement Board voted to accept a different effective retirement date than they intended, SB795 still specifies how the timing of payments commences.

The first payment will be effective on the **first day** of the **first full month** that occurs **AFTER adoption** by the Board of Supervisors. For example, if the Board of Supervisors adopts the \$200 benefit during the month of June, the payment “will be effective” in July (the first full month following adoption). Therefore, your new benefit would show as a new line item coded **PRE-83** on your August 1 pension check. Remember, this is just an example; the timing of your first additional benefit is strictly dependent on the Board of Supervisor’s action.

ONE IMPORTANT NOTE: This benefit is NOT retroactive: meaning your benefit starts as stated above, with no “back dating,” prior to Board of Supervisor’s adoption.

# The Benefit is In The Details. . .

The \$200 monthly benefit increase will become a **permanent part of your retirement pension**. Beneficiaries receiving a survivor continuance for the Unmodified and Option 2 benefit, or who elected a combined benefit, will receive \$120 more each month. Beneficiaries of members who elected Optional settlement 3 at time of retirement will find their pensions increased by \$100 a month.

Because the new benefit is a permanent addition to your pension, annual COLA (cost-of-living-adjustments) will be figured on the entire amount. (If your current benefit is non-taxable, remember that even though the new benefit is “included” as a permanent part of your pension, the new portion is still considered a “supplement,” and therefore taxable. You will receive an IRS 1099 form.)

## How the new benefit will affect your monthly pension: An Example


Monthly Basic Allowance	\$1,000
<u>New \$200 Benefit (those retired prior to 1/1/83)</u>	<u>200</u>
New \$ Power (those retired prior to 4/1/82)	<u>80</u>
<b>Sub-Total:</b>	<b>\$1280*</b>

*\*This subtotal is the amount on which the annual COLA is figured.*

Basic Benefit (Supplements Included)	\$1,280
Current COLA (carried from previous years)	<u>300</u>
<b>Total Monthly Income AFTER NEW \$200 BENEFIT</b>	<b>\$1580</b>

Future COLA is computed on the Basic Benefit + Supplemental Benefit(s) + Current COLA.

**CCERA** office hours are  
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