



## Income Tax Reminders For 2016 Filing Year

---

As we enter tax filing season, CCCERA wants to remind retirees about their right to increase, decrease, start or stop federal and/or state income tax withholding from their monthly retirement benefit.

If you reside in the United States, you are not required to have federal tax withheld from your monthly payments; however, if you choose to exempt yourself from withholding, you may need to pay any required taxes through other methods, such as quarterly installments. However, there is mandatory withholding on pension payments delivered outside the United States.

Changes can be made at any time by submitting the *Withholding Certificates for Pension Payments Form* (Form 210), available at [cccera.org/forms](http://cccera.org/forms). This form allows you to:

- Discontinue federal/state income tax withholding from your monthly retirement allowance.
- Withhold federal/state income tax based on a set number of allowances, a specific marital status.
- Withhold a specific amount from your monthly pension payment (state filing only).
- Withhold an additional amount from each monthly pension payment.

Changes received before the 20<sup>th</sup> of each month will be effective the following month. If your current withholding elections are good, they will remain in effect and no action is required. 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 may not be subject to California income tax, but benefits may be subject to other state taxes. Check with a tax professional, the State of California Franchise Tax Board or your state department of revenue for information on your individual tax situation as CCCERA cannot give personal tax advice to members.

### Did You Receive Two 1099-R Tax Forms?

There are two reasons why you may receive two 1099-R tax forms for the 2016 tax year:

- You turned 59½ during 2016 — one 1099-R reflects the payments to you for part of the year that you were under 59½ and the second 1099-R reflects the payments to you for part of the year that you were over 59½.
- You retired under the age of 59½ and returned to work for your employer within 90 days of your retirement date for part of the year.

# Deposit Your Retirement Benefit Faster

Set up a direct deposit for your monthly retirement benefit to be automatically deposited into a checking, savings or loan account on the first working day of the next month (see below).

To set up a direct deposit, print the *Electronic Funds Transfer (EFT) Form* at [cccera.org/forms](http://cccera.org/forms) and return it to CCCERA by the 20<sup>th</sup> of the month. If depositing your funds to a checking account, a voided check or confirmation of the account information from your bank must be included.

On the pay date following the receipt of your completed *EFT Form*, a test deposit will be sent to your bank. If there are no issues, your benefits will be deposited into your account the next month and each month thereafter. A *Deposit Advice Form* will then be mailed every month notifying you of each deposit.

To make changes to your direct deposit, submit a new *EFT Form*. To stop your direct deposit, you will need to notify CCCERA in writing.

## Retiree Payroll Dates

Month	Pay Date	Month	Pay Date
January	February 1	July	August 1
February	March 1	August	September 1
March	April 3	September	October 2
April	May 1	October	November 1
May	June 1	November	December 1
June	July 3	December	January 2

# Update Your Beneficiary

Have you updated your beneficiary since a recent life change, such as a marriage or divorce? You can update your beneficiary by filing the *Beneficiary Designation Form* (Form 102). This form can be found at [cccera.org/forms](http://cccera.org/forms). Forms cannot be submitted electronically and must be mailed. CCCERA must verify your signature to approve changes or requests.

# COLA Effective April 1

CCCERA retirees and their survivors will receive a 2017 cost-of-living adjustment (COLA) in their monthly benefit effective April 1, 2017. The new amount will be reflected in May 1, 2017 benefit payments.

The Retirement Board voted to adopt the COLA presented by Segal Consulting, CCCERA's actuary, at the February 8, 2017 board meeting. The COLA applies to every retirement allowance, optional death allowance and survivor allowance effective on or before March 31, 2017.

Your COLA increase is based on several factors:

- San Francisco-Oakland-San Jose area CPI (Consumer Price Index)
- Your COLA Bank
- Your retirement tier
- Your date of retirement

Under the County Employees Retirement Law (CERL), there is a cap on the amount CCCERA may increase your benefit. If the inflation rate (measured by the change in CPI) is higher than this cap, the remainder is banked, then applied if the change in a future CPI is lower than the cap. This helps stabilize the COLA from year to year. The percentage CCCERA can increase your benefit is determined by the law that applies to your retirement tier.

The COLA helps maintain the value of pension payments in terms of purchasing power. If the annual cost of living goes up, retirees see an increase in their benefit. However, if the cost of living goes down, the COLA may decrease your benefit payment. The cost-of-living factor used by CCCERA is determined by comparing the December CPI for the San Francisco-Oakland-San Jose area over the past two years (2016 and 2015), and rounding the change to the nearest one-half of one percent.

## 2017 COLA Adjustments

Retirement Tier	COLA
<b>Tier 1<sup>1</sup></b>	
Retired on or after April 1, 1985	3.0%
Retired before April 1, 1985	3.0%
<b>Tier 2<sup>2</sup></b>	3.5%
<b>Tier 3 (Disability Only)<sup>2</sup></b>	3.5%
<b>Tier 3 (Service Retirement Only)<sup>1</sup></b>	3.0%
<b>Safety Tier A<sup>1</sup></b>	
Retired on or after April 1, 1985	3.0%
Retired before April 1, 1985	3.0%
<b>Safety Tier C<sup>3</sup></b>	2.0%
<b>Tier 4 (2% Maximum COLA)<sup>3</sup></b>	2.0%
<b>Tier 4 (3% Maximum COLA)<sup>1</sup></b>	3.0%
<b>Tier 5 (Disability Only with 4% Maximum COLA)<sup>2</sup></b>	3.5%
<b>Tier 5 (2% Maximum COLA)<sup>3</sup></b>	2.0%
<b>Tier 5 (Service Retirement Only with 3% Maximum COLA)<sup>1</sup></b>	3.0%
<b>Safety Tier D<sup>1</sup></b>	3.0%
<b>Safety Tier E<sup>3</sup></b>	2.0%

COLA provisions in CERL are determined by the following Government Codes: <sup>1</sup>Gov. Code 31870.1; members retired before April 1, 1985; <sup>2</sup>Gov. Code 31870.3; <sup>3</sup>Gov. Code 31870.

## Estimate Your 2017 Monthly Retirement Benefit

The COLA will be effective April 1, 2017 and will be reflected on your May 1, 2017 retirement benefit. Use the chart below to calculate your new benefit for 2017.

- Enter your monthly allowance from 2016 (gross). \$ \_\_\_\_\_
- Enter your COLA percentage from 2017 (see table, above). \_\_\_\_\_  
  
This percentage is expressed in decimal form. For example, a 3% COLA is calculated using .03.
- Multiply** line 1 by line 2 and enter the result here. \$ \_\_\_\_\_
- Add** line 1 and line 3 and enter the result here. This is your estimated 2017 monthly retirement benefit. \$ \_\_\_\_\_

## Benefit Statements

CCCERA's annual benefit statement will be mailed in the coming months to active members. The benefit statement contains a summary of members accounts for the previous years.

This information includes members designated beneficiaries, address, date of birth and membership date. There is also a tally of contributions and interest, any service purchases completed, and estimates of projected retirement benefit at appropriate ages.

The statement is a general guideline to help keep members file current with CCCERA. After you review the document, you can submit a form enclosed with the statement, to indicate changes to your information (if needed).

## Board Elections

Three seats on the 12-member CCCERA Board of Retirement are up for an election June 13; one candidate will be elected by active general members and two candidates will be elected by active safety members. Ballots will be mailed to members on May 15.

## Streamline Processing By Having Documents On File Before Retirement

CCCERA needs copies of important documents that may affect retirement and survivor benefits. Having this information on file before you retire or terminate employment will simplify your application process.

These documents are not public; they are needed to process your benefit or lump sum payment at termination. Some examples include: marriage dissolutions, your beneficiary(ies) and your own birth certificate or passport, social security cards, and Secretary of State Domestic Partnership Certificates. Please do not send original documents; we need copies only on file.



PRESORTED STANDARD  
U.S. POSTAGE  
PAID  
OAKLAND, CA  
PERMIT # 3729

1355 Willow Way, Suite 221, Concord, CA 94520  
Phone: (925) 521-3960 Fax: (925) 521-3969  
cccera.org

## HOLIDAY SCHEDULE

---

May 29 - Memorial Day

## GROUP COUNSELING

---

March 23  
April 25  
May 23  
June 29

## UPCOMING BOARD MEETINGS

---

March 8  
March 22  
April 12  
April 26  
May 10  
May 24  
June 7  
June 21

## CCCERA BUSINESS HOURS

---

CCCERA's office is open Monday through Friday from 8 a.m. to 5 p.m.; counselors are available from 9 a.m. to 4 p.m. The office is closed daily for lunch, from Noon to 12:30 p.m.

## NOTICE

---

*This newsletter is intended to provide members with general information about the benefits available through CCCERA, but it does not describe every plan provision in detail. CCCERA is governed by the County Employees' Retirement Law of 1937 (CERL, Government Code Section 31450 et. seq.) and the California Public Employees' Pension Reform Act of 2013 (PEPRA). The laws governing public retirement systems are complex. If conflict arises between this newsletter and the law, the law shall govern.*