

Published for Active Members of the  
Contra Costa County Employees'  
Retirement Association.

*Spring 2009*

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

## Investing In Knowledge: Trustee Education Benefits the Fund. . . and You

You know how complicated personal finances are: taxes, bills, mortgage interest, credit, getting the best deal you can. You handle it every day. Can you imagine how difficult it would be to make prudent decisions about how to invest someone else's money with no knowledge of what you were doing?

In some venues, the media has inferred that money spent for trustee education and "due diligence" is not worth the expenditure. In reality, how can a board member assess the value of an investment without the knowledge to understand its complexities?

Due diligence is defined as "the careful investigation necessary to ensure that all material information pertinent to an issue has been disclosed." Board trustees use the knowledge and the expertise gained from professional classes and seminars to assess the value of CCCERA's investments by performing "due diligence" on investments.



*Marketing materials can be glossy and glowing, and totally misleading. That's why board trustees visit investment managers on their own turf, to verify marketing claims, compliance procedures, fee structures, investment processes and personnel assigned to CCCERA.*

The County Employees' Retirement Law of 1937 states under section 31595:

"The board has exclusive control of the investment of the employees retirement fund. The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system . . .and defraying reasonable expenses of administering the system.

[Board members shall] . . . discharge their duties with care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and *familiar with these matters* would use in the conduct of an enterprise of a like character and with like aims."

It's part of institutional investing, and yes, there's big money involved in these decisions. But *all* of the benefit goes into your retirement fund. In terms of administration, the cost of trustee education and travel to explore the merits of investments is less than .000025 of the fund.

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We have received calls from concerned members who wonder if CCCERA is likely to be victimized by scams like the Madoff or Stanford Financial Group scandals. The answer is “no,” because CCCERA diversifies its portfolio across a wide range of carefully considered investments, according to a policy that places limits on the compositional mix of cash, fixed income, equity securities, alternative investments and real estate investments. Board members study and consider investment strategies at open meetings, where no specific interest group has more voting power than any other.

It’s a time of uncertainty and cynicism as we hear news about corporate greed and mismanagement. However, your Board of Retirement is made up of public-spirited men and women who are dedicated to making decisions in the best interests of the fund. Many times those decisions aren’t easy, but they administer the system fairly, ethically, and with good intentions. All Board meetings are open to the public, which furthers transparency in CCCERA’s investment process.

## Retirement Planning: Explore All The Issues

The current economy may cause a lot of us to reconsider our retirement plans. Investment funds have declined and no one is sure how long it will take before the markets recover. Historically, CCCERA members often retire on or before March 31, in order to receive the COLA, a cost-of-living adjustment to their pension benefit. This amount was usually an increase; for new retirees this year, it’s zero, since the Consumer Price Index has not changed.

Fortunately, CCCERA members can rely on their pensions, regardless of investment turmoil, since we are a defined benefit plan. Retirement counselors are experienced in helping you with the retirement process, but we also encourage consultation with a professional financial advisor about your future security.

### Some questions to ask yourself prior to retirement:

- How much will I **really** need to live on?
- If I am retiring early, are there any potential taxes or penalties I might incur? (Generally, pension benefits are taxable, although some portions of service-connected disability pensions are not.)
- If I retire before my normal retirement age, and go back to work later, will that affect my social security benefit?
- Do I have any Tier 2 service? (If you have any Tier 2 service, you must submit an estimate from the Social Security Administration before your final benefit calculation is completed.)
- Are my health insurance needs covered?
- Is my beneficiary information up to date?
- Are there any service purchases I should make to increase my benefit?
- How will my vacation or sick leave accruals affect my benefit?

Retirement applications should be filed no earlier than 60 days before your planned retirement date. During the year prior to your retirement, check CCCERA’s web site for general information. We also offer group counseling, individual appointments, and benefit estimates to help you plan for your future financial security.



# Benefit Statements

## Scheduled for Early Summer Mailing

Your annual benefit statement is a helpful retirement planning tool that includes your account balance, beneficiary on record, service credit and pension estimates. The information applies through **12/31/2008 (12/10 County payroll). Any changes made after that date are NOT reflected on this statement.)**

**The Benefit Statement contains information from CCCERA only.** Your employer provides other benefit details, such as health and life insurance data, on your paycheck stub.

If you find errors, or if you have questions, the last page of the statement is designed as a pre-addressed return mailer to make your corrections or comments. **Benefit statement corrections must be made in writing, and accompanied by your signature, to protect your information.** Directions for using the mail-in form are on the same page.

## Members Ask: How are Benefit Statement Estimated Retirement Ages Chosen?

The process uses calculations based on your current age and *estimated* years until you are eligible to retire. The ages are projected for **three** possible retirement dates (one date, if you are over 62).

### For General and Safety Members--

The **first** projected age is either:

- 50,
- the member's current age, **OR**
- the age when the member is first eligible to retire.

The **second** projected age is:

- based on the average of the first and third projection age,  
... rounded to the next whole age.

The **third** projected age differs between General and Safety:

For **General** members, the third projected age is: **62**.  
If a General member is **older than 62**, only one benefit estimate is calculated, based on current age plus 1 year (i.e., if your current age is 63, your projection will be for age 64).

For **Safety** members, the **third** projection age is: **55**.  
If the Safety member is **older than 55**, only one benefit estimate is calculated, based on current age plus 1 year (i.e., if your current age is 55, your projection will be for age 56).

FY09

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### Board of Retirement 2009:

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

### Chief Executive Officer

Marilyn Leedom

### 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.)

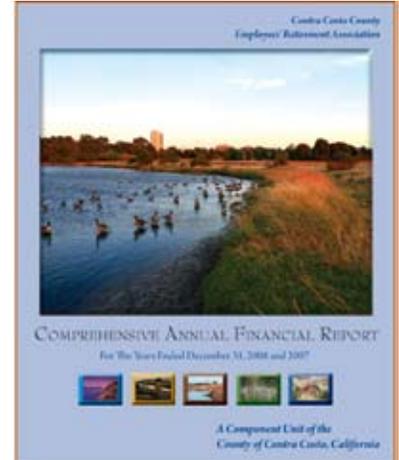
### 2009

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

# CCCERA CAFR: A Comprehensive Look Inside The Association

The 2008 Comprehensive Annual Financial Report (CAFR) will be available on our web site in late June.

This is an important publication for anyone interested in discovering information about CCCERA. There are five sections to the report, covering financial, investment, actuarial, statistical, and general subjects for the years 2007 and 2008. In accordance with GFOA (Government Finance Officers Association) standards, many charts have comparable figures from previous years. All CAFRs since 2003 have been posted on the web site, making excellent resource material for members and the public, who want to know accurate, in-depth information about the retirement system.



Some examples of the content: Investment Managers and Fees, Asset Allocation, Average Benefit Payments and Number of Retirees by Year, Membership Tables, Additions and Deductions from Plan Net Assets, Funding Ratios, Notes To The Financial Statements, and Contributions, from both employees and employers.

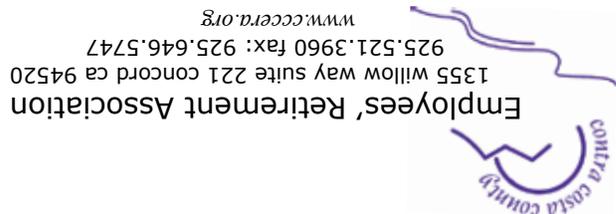
To find the CAFR, go to our web site, [cccera.org](http://cccera.org), click on the *Publications* button, and start with any year you like. Remember, these Adobe .pdf files (download the free program from a link on the page: Get Adobe Reader) are quite large, and may take some time to open.



## OFFICE HOURS

CCCERA office hours are  
8:00 a.m.-12:00 p.m.,  
12:30 p.m.-5:00 p.m.,  
Monday through Friday.

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



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