

New Roads

A Newsletter for CCCERA Retiree Members

COST-OF-LIVING ADJUSTMENTS EFFECTIVE APRIL 1

Retirees and their survivors will receive a 2015 Cost-of-Living Adjustment (COLA) in their monthly benefit effective April 1, 2015. Your May 1, 2015 benefit payment will reflect the new amount.

The CCCERA Retirement Board voted to adopt the COLA presented by Segal Consulting, our system's actuary, at the February 11, 2015 board meeting. The COLA applies to every retirement allowance, optional death allowance and survivor allowance effective on or before March 31, 2015.

Your COLA increase is based on several factors:

- San Francisco-Oakland-San José 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 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 José area over the past two years (2014 and 2013), and rounding the change to the nearest one-half of one percent.

The COLA and COLA Bank amounts for each year since 1964 are available on the Retiree Page at cccera.org.

2015 COST-OF-LIVING ADJUSTMENTS

RETIREMENT TIER	COLA
Tier 1¹	
Retired on or after April 1, 1985	2.5%
Retired before April 1, 1985	3.0%
Tier 2²	2.5%
Tier 3 (Disability Only)²	2.5%
Tier 3 (Service Retirement Only)¹	2.5%
Safety Tier A¹	
Retired on or after April 1, 1985	2.5%
Retired before April 1, 1985	3.0%
Safety Tier C³	2.0%
Tier 4 (2% Maximum COLA)³	2.0%
Tier 4 (3% Maximum COLA)¹	2.5%
Tier 5 (Disability Only with 4% Maximum COLA)²	2.5%
Tier 5 (2% Maximum COLA)³	2.0%
Tier 5 (Service Retirement Only with 3% Maximum COLA)¹	2.5%
Safety Tier D¹	2.5%
Safety Tier E³	2.0%

COLA provisions in CERL are determined by the following Government Codes: ¹Gov. Code 31870.1; members retired before April 1, 1985, will have 0.5% applied from COLA Bank; ²Gov. Code 31870.3; ³Gov. Code 31870; members will have 0.5% applied to COLA Bank.



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1355 Willow Way, Suite 221, Concord, CA 94520
 Phone: (925) 521-3960 Fax: (925) 646-5747
 cccera.org

Business Hours:

Monday - Friday, 9 a.m. - 4 p.m.
 (Closed daily for lunch, Noon - 12:30 p.m.)

CCCERA's voicemail system is available 24 hours a day. Please note that verbal instructions cannot be accepted or acted upon for transactions, applications for benefits and disbursement requests.

Appointments can be made to discuss your specific situation. Group counseling is also available to all members but is particularly helpful for members planning to retire within five years. Sessions are held frequently throughout the year. Call CCCERA for more information.

ESTIMATE YOUR 2015 MONTHLY RETIREMENT BENEFIT

- 1 Enter your monthly allowance from 2014 (gross). \$ _____
- 2 Enter your COLA from 2015 (see table, right). _____

This percentage is expressed in decimal form. For example, a 3% COLA is calculated using .03.
- 3 **Multiply** line 1 by line 2 and enter the result here. \$ _____
- 4 **Add** line 1 and line 3 and enter the result here. This is your estimated 2015 monthly retirement benefit. \$ _____

The COLA will be effective April 1, 2015 and will be reflected on your May 1, 2015 retirement benefit.

RETIREMENT TIER	COLA
Tier 1	
Retired on or after April 1, 1985	2.5%
Retired before April 1, 1985	3.0%
Tier 2	2.5%
Tier 3 (Disability Only)	2.5%
Tier 3 (Service Retirement Only)	2.5%
Safety Tier A	
Retired on or after April 1, 1985	2.5%
Retired before April 1, 1985	3.0%
Safety Tier C	2.0%
Tier 4 (2% Maximum COLA)	2.0%
Tier 4 (3% Maximum COLA)	2.5%
Tier 5 (Disability Only with 4% Maximum COLA)	2.5%
Tier 5 (2% Maximum COLA)	2.0%
Tier 5 (Service Retirement Only with 3% Maximum COLA)	2.5%
Safety Tier D	2.5%
Safety Tier E	2.0%