

# New Roads

January 2006

Published by the Contra Costa County Employees' Retirement Association

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

## A Technological Success

### Electronic Funds Transfer

The *Information Age* has changed much of the way we conduct business in everyday life, from internet commerce to inventory control in our favorite stores. Sometimes we wonder if all these new "improvements" are as good as the traditional ways of functioning. But one aspect that has definitely been a change for the better is EFT.

Electronic Funds Transfer deposits your pension benefit at the same time monthly, the **last working day of each month**. Your bank **credits your account the next banking day**.

- **Your check will never be "lost in the mail."**
- **You don't have to wait in line at the bank to deposit your check.**
- **There are no security risks, since EFT uses the same personal information your bank already has.**
- **EFT is mandatory for all new retirees; there are less than 300 "live" checks mailed from CCCERA.**

CCCERA **deposits to your bank** on the last working day of the month; your bank may not post funds to your account until the next **banking** day. *Check with your bank to verify when funds are available.*

January	February 1
February	March 1
March	April 3
April	May 1
May	June 1
June	July 3
July	August 1
August	September 1
September	October 2
October	November 1
November	December 1
December	January 2, 2007

Call the Retirement Office at 925.646.5741 for more information. Request the form you need to sign up for EFT, or download the form from our website, [cccera.org](http://cccera.org). There's no risk: why not give it a try?

## Pension System Update: The Project Begins

In the previous edition of *New Roads*, we told you about CCCERA's new pension system project, which will take approximately two years to complete. December 2005 marks the formal project kick-off.

Retirees will be interested to know that one of the first tasks slated for modernization is the Retiree Payroll function.

Many of you have been frustrated with the lack of "deduction fields" in our current system. There was a limited number of items that could be deducted from one's pension amount (such as health care premiums).

Some retirees wrote payments each month, since the

system could not make these routine deductions automatically. The new system will be flexible, to allow any changes that might occur in payroll delivery.

Retiree payroll is a vital element of CCCERA's service. Through careful analysis and data conversion, we hope to make the transition to the new system as seamless as possible.

The tentative schedule for the new payroll system to "go live" is late Summer 2006. The payroll system is just one of many improvements CCCERA will be making in the next two years.

# State and Federal Income Tax Reminder

You have a continuing right to **change, start, or stop federal and/or state tax withholding** from your monthly benefit payment. A change can be made at any time by filing a new withholding authorization with the Retirement Office. (Changes made before the 21st of each month are effective the following month.) Obtain this form by calling CCCERA at 925.646.5741. We will mail you the forms you need with instructions for filing. OR, you can print the form from our web site, [cccera.org](http://cccera.org).

You can also pick up the forms during regular business hours. See the address below. You are not required to have federal tax withheld from your monthly payments. However, if you choose to exempt yourself from withholding, you must pay any required taxes through other sources, or quarterly estimates and deposits. You *may* incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient to meet your tax liabilities.

## What About State Taxes?

Monthly payments to CCCERA retirees **living in California are subject to California income tax.** (*Certain amounts may be exempt from tax, depending on individual filing status and adjusted gross income.*) CCCERA payments to retirees **living outside California are not subject to California income tax**, but benefits may be subject to other state taxes. Consult your tax specialist or state Department of Revenue for complete information on your specific tax status.

*If your current withholding arrangements are appropriate, they will remain in effect. No action is required.*

CCCERA office hours are  
8a.m.-12 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  
925.646.5741.

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