

QUARTERLY REVIEW

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SUMMER
2006

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ELECTION YEAR IN GEAR

The Board of Retirement consists of nine members – a combination of SBCERA members and non-members. Two active General members are elected by the active General membership; one Safety member is elected by the Safety members; and one Retired member is elected by the Retired membership. Four more trustees are appointed by the Board of Supervisors, and the incumbent County Treasurer-Tax Collector is mandated by law to sit on the Board of Retirement. Board members are elected or appointed for three-year terms.

In addition to these nine trustees, an Alternate Safety member may also be elected and can vote as a Member of the Board of Retirement in the absence or vacancy in office of the active Safety or General Member representative. (continued on page 2)



NEWS FLASH

Retire With Confidence

The annual Pre-Retirement Seminars are coming soon. Active members who are 48 years or older with a minimum of eight years of service credit will receive an invitation letter soon to one of the Fall events. Participants will hear important retirement facts, tips and instructions from SBCERA, San Bernardino County Employee Benefits & Services Division, ING and (on some select dates) the Social Security Administration. Don't miss this opportunity to boost your retirement confidence level. The three-hour seminars will be held during the month of October and early November at a variety of times and locations throughout the County.

Holiday Closure

SBCERA will be closed in observance of Labor Day on Monday, September 4th and on Monday, October 9, 2006 in observance of Columbus Day. The SBCERA Board and staff wish you all safe and enjoyable holidays.

Interest Posting

Employee refundable contributions earn interest. The interest is posted to accounts twice annually – June 30th and December 31st – for the previous six-month balance of your accumulated refundable contribution account.

Upcoming Benefit Pay Dates

July 31st

August 31st

September 29th

Election Year In Gear (continued)

An election will be conducted by the San Bernardino County Registrar of Voters to select three members for the San Bernardino County Employees' Retirement Association's Board of Retirement. The election will be held because the terms for one General member, the Safety member and the Alternate Safety member of the Board of Retirement will expire on December 31, 2006. The election schedule is as follows:

- Notices of the election will be posted at selected San Bernardino County facilities, and will also be provided to other SBCERA-covered employers from August 7, 2006 through September 9, 2006.
- The filing period for candidates will be from August 14, 2006 through September 8, 2006 at 5 p.m. Declarations of Candidacy and procedural information may be obtained from the office of the Registrar of Voters (see address below).
- The election will be conducted under Mail Ballot procedures. The Registrar of Voters will mail the official ballots to all SBCERA members that are eligible to vote between November 6, 2006 and November 27, 2006.
- Voted ballots must be returned to the Registrar of Voters Office no later than December 5, 2006 at 5:00 p.m. The ballots will be counted on December 6, 2006. The certified results of the election will be declared by the San Bernardino County Board of Supervisors at its December 19, 2006 meeting.

The newly-elected General, Safety and Alternate Safety members will take office on January 1, 2007 for a three-year term.

Registrar of Voters

777 E. Rialto Avenue
San Bernardino, CA 92415-0770

GENERAL SUBSIDY UPDATE

By Timothy B. Barrett, CFA – SBCERA Executive Director/CIO

The General Subsidy is a temporary ad hoc benefit granted to members with more than 10 years of service within the retirement plan, and to their eligible beneficiaries. This subsidy is based on the excess earnings of the plan. It is not a guaranteed or vested benefit to retirees or eligible spouses, but a direct outcome of the plan's performance. It is not linked in any way to subsidizing retiree healthcare costs.

Currently, the Board of Retirement is conducting a review of the General Subsidy, which may result in a change to the amount being granted, or to the structure of the subsidy itself. The Board has sole discretion to increase, decrease, discontinue or change the structure of the subsidy with a simple notification to those impacted. However, the Board believed it was important to gather input from those who may be impacted by any change to the subsidy.

I applaud this decision, and the Board's recognition of the subsidy's importance to many of our members. In addition, I want to personally thank each and every one of you that provided written comments and concerns related to the subsidy. Your active involvement is a critical component that provides insight to the staff and the Board in managing the Retirement Association.

Staff is nearing completion of reading over 1,400 responses and classifying these responses into 11 categories for review by the Ad Hoc General Subsidy Committee.

The next meeting of the Ad Hoc General Subsidy Committee is scheduled for August 10, 2006 at 9:00 a.m. in the SBCERA Board Room. Once the Ad Hoc Committee reviews the materials, it has two options: The committee can request additional analysis or legal reviews to be presented at a future meeting. Or, the committee members can make a recommendation to the Board at the next regularly scheduled Board of Retirement meeting.

NOTE: The last day to submit written comments was May 15, 2006.

RETIREMENT 101: Keeping Your Beneficiary Info Current

NOTE: This is a new section that was created to give you quick tips and facts about your retirement benefit and related processes. We hope you will find it helpful; if you have topic ideas, please contact the Editor at ddepalma@bor.sbcounty.gov.

Life happens. There are births, marriages, deaths and divorces in all of our lives. When these life events occur, it is vital that you take time to update your beneficiary information on your retirement account. As an active employee, you may change your beneficiary information whenever necessary; there's no need to wait until open enrollment time. Also, a Beneficiary Change form is distributed annually with your Member Statement.

By taking the time to update your beneficiary information, you will ensure that in the event of your untimely death, your loved ones will receive your refundable account contributions in a timely, smooth fashion when they need it most. To change your beneficiary information, take the following steps:

- Obtain a Beneficiary Designation/Change form online at www.sbcera.org under "Communications". Or, you can call the SBCERA office at (909) 885-7980 or toll free at (877) 722-3721 to have a form sent to you.
- You may name one person or any number of persons as your primary or alternate beneficiary.
- Primary Beneficiary: A primary beneficiary is the person or persons who would receive a benefit from SBCERA.
- Alternate Beneficiary: An alternate beneficiary is the person or persons who would receive a benefit from SBCERA if you have no living primary beneficiaries on the date of your death.
- Per Government Code section 31760.3, your current spouse must be notified of

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- the change of beneficiary you are making.
- If you do not have a spousal signature on your Beneficiary Designation/Change form, then you must file a Justification for Non-Signature of Spouse form.
- You must return your completed form(s) to SBCERA with original signatures. Photocopies are not acceptable and the beneficiary change will not be in effect until the signed form is received.
- Also, please remember that just because you change your beneficiary information with SBCERA, it does not automatically change info for your life insurance policy through your employer, nor your salary savings plan. And, vice versa. Therefore, remember to ask yourself which other entities need to be updated due to this life event.
- As always, you are welcome to call to speak with an SBCERA Office Specialist for more information and guidance in this process.
- Not sure if your beneficiary information is current? Check your last annual Member Statement, or simply complete a new Beneficiary Designation/Change form. The new form will revoke any previous designation.

SBCERA PURPOSE STATEMENT

It is the purpose of the San Bernardino County Employees' Retirement Association to provide the members and their beneficiaries with those retirement and related benefits and services which they have earned and which are commensurate with their years of service and compensation.

It is the responsibility of those charged with administration of the Association to:

- effectively collect contributions to fund liabilities incurred;
- diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return;
- administer the benefits impartially, fairly and in accordance with the applicable law;
- deliver service to the membership in an accurate, courteous, prompt, professional and cost-effective manner;
- strategically plan for the future.

Board of Retirement

Chairman - Paul Russ

Vice Chair - Marvin Reiter

Allen Bulteman, Harry Hatch, Bret Henry, Dick Larsen,
Robert McDonald, Douglas Moreno, Dawn Stafford, Ellen Weisser

Executive Staff

Executive Director/CIO - Timothy B. Barrett, CFA

Chief, Member & Administrative Services - Christie L. Porter, PMP

Interim Chief, Fiscal Services - Dawn Peterson

Chief, Information Services - Mark Jolicoeur

Chief Counsel - Lance Kjeldgaard

Investment Officer - Donald Pierce, CFA

San Bernardino County Employees' Retirement Association

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<http://www.sbcera.org>

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