

# QUARTERLY *review*

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 Employees' Retirement Association

## Need Answers? visit MemberDirect

Want to get a Benefit Estimate? Need to see who your beneficiary is? By far one of the most convenient and useful resources SBCERA provides is your secure member account portal, MemberDirect.

Within your MemberDirect account is a blend of personalized membership and benefit information that provides you with access to the information 24 hours a day, 365 days a year. Having that information current and accurate is vitally important. If you haven't done so already, sign up for a MemberDirect account by going to [www.SBCERA.org/MD](http://www.SBCERA.org/MD). You can also login from the website using the MemberDirect login button.

**The first page that greets you upon login is your Account or Benefit Summary Page.** The information on this page is accurate at the time it was posted, and is provided in part by you. As you review the Summary, please ensure the information is accurate and up-to-date.

Depending on your status, you will see different information and menus to the right and at the bottom. No matter what your status is with SBCERA, you will see two menu items: Forms and Communications.

**To update information in your account, you'll need to submit a form.** Under the Forms menu, you will find both pre-filled downloadable forms that you can print and mail in, as well as electronic forms that can be sent directly to SBCERA from MemberDirect (including the Request for a Service Purchase Estimate). Under the Demographics section for Active Members, your address, phone and email are likely provided by your employer, so if these need to be updated, start with your Human Resources

or Payroll Department. If you are a Retired or Deferred Member, you may update your email and phone number using MemberDirect; however, your address and other information can only be changed using a form. SBCERA requires a hard copy form with an original signature for verification purposes.

**Under Communications there is a Correspondence menu and a Member Statement menu.** Under Correspondence is any interaction you have had with SBCERA as it relates to forms, appointment requests, or eCorrespondence notifications. If you are an Active Member, you will also see Member Information and Seminars. Retired Members will see Benefit Information. Make sure the appropriate beneficiaries are listed under the Nominated Beneficiaries or Beneficiary section. If you need to make a change, refer to the Forms section mentioned above.

**What is eCorrespondence?** Rather than mailing you paper, SBCERA can notify you electronically when certain information is available including your Member Statement or Payroll Advice. To choose this option, go to the bottom menu and click Communication Preferences. There you can

select which documents you receive via email or regular mail.

**Lastly, access our custom calculators** to get an idea of how much you might receive in retirement (Estimate a Benefit) or how certain deductions may affect your benefit (Gross to Net Benefit Estimator).

The next time you have questions, start with your MemberDirect; you might be surprised how many answers you will find.



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# *your* Easy Button for Retirement

As the go-to-guide for information relating to your retirement benefits, SBCERA offers an enhanced digital version of our complete plan description, "The Compass: Navigating Your Retirement Benefit Plan."

The interactive digital format makes it easier to navigate and find the information you need. Features include the ability to bookmark pages, create notes, search the text, link directly to forms and print pages of "The Compass."

Last updated in 2013, every effort is made to ensure the accuracy and timeliness of "The Compass." The latest version can always be found and accessed online. You can view "The Compass" as a PDF or in the enhanced digital format at [www.SBCERA.org/TheCompass](http://www.SBCERA.org/TheCompass).

*CEO Column* by Gary Amelio

## *the* Busy Season

Once upon a time SBCERA experienced a phenomenon called, "The Busy Season." That season generally ran from January through April, when we experience the largest number of retirements. However, around the halls and in meetings dubious scoffs arise when the phrase comes up. While indeed, the first quarter will almost always be busiest, no longer is there a slow season to be found in the other nine months of the year. The number of retirements, consultations, and new members continues to rise year after year.

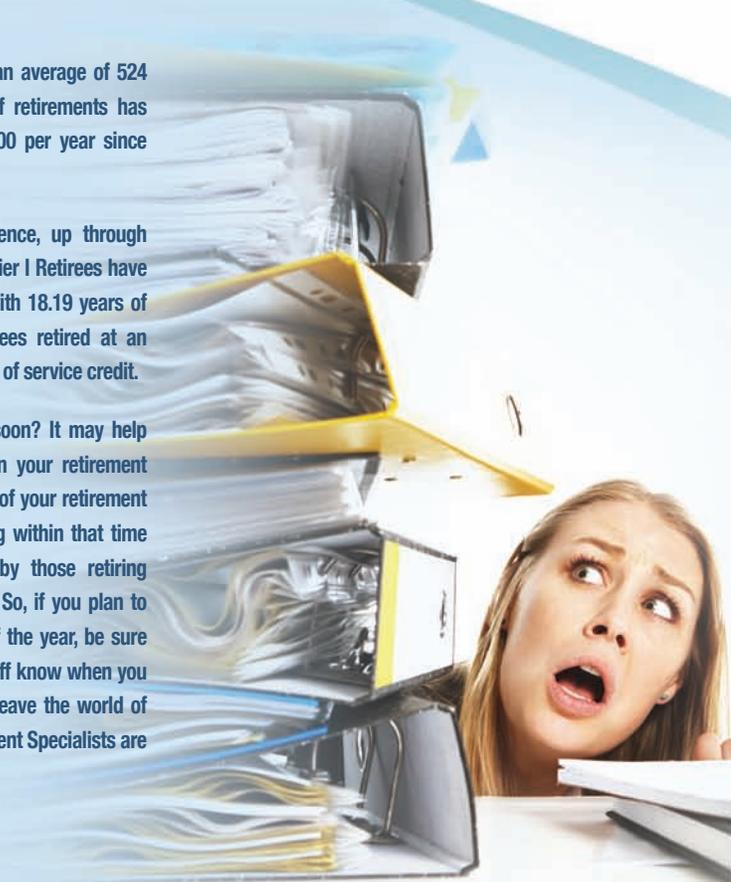
The average number of consultations just three years ago, in 2011, was 79 per month. This includes appointments for general consults, service retirements and disability retirements. However, at the time this article was written (November 2014) the average for 2014 was on course to reach no less than an average 155 per month, nearly double what we saw in 2011.

Delving deeper into the past, in the decade between 1984-1993, SBCERA facilitated approximately 169 retirements per year. The following decade (1994-2003), that number grew to an average 307 per year and

rose again from 2004 to 2013 with an average of 524 retirements per year. The number of retirements has actually been hovering at or near 600 per year since 2009.

Over the course of SBCERA's existence, up through November 2014, our 10,020 General Tier I Retirees have retired at an average age of 59.78 with 18.19 years of service credit. Our 940 Safety Retirees retired at an average age of 54.51 with 23.67 years of service credit.

Have you been thinking of retiring soon? It may help you to know that you can only sign your retirement application up to 60 days in advance of your retirement effective date. Those who are retiring within that time frame are given priority, followed by those retiring in the next six months and so forth. So, if you plan to retire during "the Busiest Season" of the year, be sure to call well in advance and let our staff know when you plan to retire. While you prepare to leave the world of work, remember our SBCERA Retirement Specialists are working hard to serve you.



# retirement Options



When you retire you will be given the following retirement options. The option you choose will determine the benefits you will receive and how much your beneficiary is paid after your death. Once your first benefit is paid, the option you choose is irrevocable, and under most options and circumstances you will not be able to change your beneficiary once you have retired. You are encouraged to weigh this decision carefully. There are several choices so that you may select the retirement option that works best for you and your beneficiary.

Option	Benefits to You	Benefits to Your Beneficiary	Eligible Beneficiaries	Ability to Change Beneficiaries
<b>Unmodified Option</b>	The maximum lifetime retirement benefit for which you are eligible	Lifetime monthly continuance of 60% of the amount you were receiving to your eligible spouse or registered domestic partner. A minor child receives the benefit until age 18 or marriage; or up to age 22 if they are an unmarried full time student at an accredited school. If there is more than one minor child the benefit may be split between them.	If there is no eligible beneficiary, then a lump sum of undistributed refundable contributions, if any, can be given to your designated beneficiary. If your spouse/ domestic partner was receiving a benefit then dies, payments will stop and no further benefits will be paid.	ONLY circumstance under which you may change your beneficiary after you retire: you are married, remarried or registered for at least two years to a partner age 55 or older at the time of your death and no other beneficiary is entitled to a benefit.
<b>Option 1</b>	A reduced lifetime retirement benefit based on your life expectancy	Any undistributed refundable contributions will be paid to your designated beneficiary or estate in a lump sum		Only option that allows you to change your beneficiary after retirement
<b>Option 2</b>	A reduced lifetime retirement benefit based on your age and the age of your beneficiary	Lifetime monthly continuance of 100% of the amount you were receiving	Your designated beneficiary must have an insurable interest in your life and cannot be your estate. When your beneficiary dies, payments stop and no further benefits are paid.	You cannot change your beneficiary after you retire, even if your beneficiary predeceases you.
<b>Option 3</b>	A reduced lifetime retirement benefit based on your age and the age of your beneficiary	Lifetime monthly continuance of 50% of the amount you were receiving	Your designated beneficiary must have an insurable interest in your life and cannot be your estate. When your beneficiary dies, payments stop and no further benefits are paid.	You cannot change your beneficiary after you retire, even if your beneficiary predeceases you.
<b>Option 4</b>	A reduced lifetime retirement benefit based on your age and the age of your beneficiary(ies)	Custom continuance to one or more beneficiaries	This option requires that you pay for an actuary study conducted by SBCERA's actuary.	You cannot change beneficiary(ies) after you retire, even if your beneficiary predeceases you.

The modified options reduce your monthly benefit in order to provide a lifetime monthly continuance for your beneficiary. If you select one of the modified benefit options and your designated beneficiary predeceases you, your monthly benefit cannot be changed and will remain reduced. Somebody with an "insurable interest" is a person who would suffer a financial loss by your death and you can prove the individual is of personal value to you such as a spouse, parent, child or business partner.

While you only have five options when it comes to your benefit, we hope your options in retirement are endless. Your SBCERA Retirement Specialist is available to answer any questions you may have and guide you through the process. Reach us toll free at **(877) 722-3721** or online at [www.SBCERA.org](http://www.SBCERA.org).

# NEWS *flash*

## Webinars

If you're unable to attend our various seminars, consider attending a webinar. Starting in 2015, SBCERA will begin holding interactive webinars online. Just like an in-person seminar you'll have access to the presentation, handouts, and an SBCERA staff person to answer your questions. Keep an eye on our Events Calendar at [www.SBCERA.org/Events](http://www.SBCERA.org/Events) to find out when the next webinar is scheduled.

## Mid-Career Seminars

In partnership with VOYA (deferred compensation), SBCERA offers a series of mid-career seminars to help members just like you plan for tomorrow while you live for today!

Conveniently offered in the evening, this seminar will inform you about:

- When to Retire
- Purchasing Service Credit
- Deferring Income for Retirement
- Termination Options
- Death Benefits

To access the full schedule and reserve your spot, please log in to your MemberDirect Account at [www.SBCERA.org/MD](http://www.SBCERA.org/MD). Seminars are generally held weekday evenings from 5:15 p.m. to 7 p.m.

SBCERA Board Chambers  
348 W. Hospitality Lane, First Floor  
San Bernardino, CA 92415

### Eligibility for Attendance:

Vested members who have five or more years of work before retirement are encouraged to attend. Space is limited to the first 50 respondents. Guests are welcome

## *the* **Big** *picture*

In investments, as in life, it helps to look at the big picture. In late summer and early fall 2014, the markets experienced some volatility and downward trends that had been absent for an extensive period. While the gradual upward movement in the market is reflective of, and good for, the broader economy, SBCERA must also be prepared to manage those periods when there's a low point. We have done that by crafting a portfolio with low volatility.

While a global diversified portfolio lost money during the quarter, SBCERA actually experienced a gain of approximately \$40 million through careful asset management. How do we know where to invest, when and how much? With the best advisors, a top-notch Board, and the artistic direction provided by our team of investment professionals led by Chief Investment Officer Donald Pierce. Not only has Mr. Pierce painted the big picture that allowed us to weather some market volatility, he was also recently named as #61 out of the top "100 most influential and powerful asset owners on earth" by Asset International's Chief Investment Officer (aiCIO) Magazine.

The net asset value of the SBCERA portfolio has now exceeded \$8 billion with a net gain of \$650 million over the previous year.

# Protect *your* Pocket Book

The following is an excerpt from an ElderCare Locator educational brochure

Financial exploitation targeting older adults is a major problem that is growing across the United States. Research shows that as many as five million older adults are victims of elder abuse each year. Financial exploitation, also known as financial abuse, is believed to cost seniors an estimated \$3 billion annually. It is a threat to the health, safety, dignity and independence of vulnerable older adults, but you can help prevent it from happening.

## What is considered financial exploitation (abuse)?

Financial exploitation happens when someone illegally or improperly uses your money or property for their own benefit. This type of exploitation can be committed by someone you know or a complete stranger.

## Who might commit financial exploitation?

Often financial exploitation is committed by a person you know and trust, such as a friend, caregiver or family member. But anyone who has access to your personal information may choose to misuse that information for their own benefit. Some predictors of potential abusers are: people with drug or alcohol issues; people with gambling problems; people with untreated mental health issues; people who are financially dependent.

## Are you at risk?

Everyone could potentially be the target of financial exploitation and everyone should be cautious with their financial matters, especially older adults. You might be particularly at risk if: you depend on others for meeting many personal needs; you recently lost a spouse or loved-one who handled your finances; family or friends regularly handle your finances; you feel isolated from society; you have difficulty understanding finances; and/or you live in a long-term care setting.

## What are some steps you could take to avoid being taken advantage of financially?

Plan: Talk with family members, friends and professionals who you trust to help plan for your financial future. Consider doing the following:

1. If managing your daily finances becomes too difficult, consider engaging a money manager. Only allow someone you trust to manage your finances.
2. Get your estate plan in place.
3. Talk with an attorney about creating the following, as appropriate:
  - a. Durable power of attorney for asset management.
  - b. A living will.
  - c. A revocable, or living, trust.
  - d. Health care advance directives.

# Upcoming Retiree Benefit Pay Dates

*Friday, January 30*

*Friday, February 27*

*Tuesday, March 31*

*Thursday, April 30*

## Be Cautious:

Be aware! Dishonest people could potentially take advantage of you. Consider doing the following:

- Get on the National Do Not Call Registry to reduce telemarketing calls. Visit [www.DoNotCall.gov](http://www.DoNotCall.gov) or call (888) 382-1222 to register your phone number(s).
- Keep in touch with others; isolation can make you more vulnerable.
- Learn how to protect yourself from frauds and scams at [www.StopFraud.gov/Protect.html](http://www.StopFraud.gov/Protect.html).
- Do not send anyone personal information to collect a prize or reward.
- Consult with someone you trust before making a large purchase or investment. Don't be pressured or intimidated into quick decisions by a salesperson or contractor.
- Don't sign any documents that you don't completely understand without first talking it over with an attorney or a family member you trust
- Do not provide personal information (i.e. Social Security, credit card, ATM PIN number) over the phone unless you placed the call and know with whom you are speaking.
- Tear up or shred credit card receipts, bank statements, solicitations and financial records before disposing of them.
- If you hire someone to help you in your home, ensure that they have been properly screened with criminal background checks completed. Ask for certifications when appropriate.

Information courtesy of [www.ElderCare.gov](http://www.ElderCare.gov) and the San Bernardino County Department of Aging and Adult Services.



## Holidays

SBCERA will be closed for the following holidays:

Martin Luther King Day . . . . . **January 19**

President's Day . . . . . **February 16**

Regular office hours are Monday through Friday from 8 a.m. to 5 p.m.

## Board of Retirement Meetings

SBCERA Board meetings are held at 9 a.m. the first Thursday of every month in the Board Chambers. All meetings are open to the public.

View agendas and minutes at [www.SBCERA.org/Meetings](http://www.SBCERA.org/Meetings).

**January 8**

**February 5**

**March 5**

**April 2**

# Important Notice to Retirees and Payees

Have you moved or changed addresses recently? If so, you must inform SBCERA about your new mailing address. If you live in the United States and have a P.O. Box we must have your physical address on file, otherwise the IRS Code requires your withholding election to be equal to a scenario of married claiming three (3) exemptions. We will send out 2014 1099-R tax statements by January 30, 2015 and need your current address updates by January 9, 2015. Changes must be submitted in writing using our Address/Name Change Request form, available at [www.SBCERA.org/Forms](http://www.SBCERA.org/Forms) or by request at (909) 885-7980.

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Gary Amelio

### Chief Investment Officer

Donald Pierce, CFA

Quarterly Review is published for members of the San Bernardino County Employees' Retirement Association. It is written by SBCERA Communications Officers Sierra Orr (unless noted otherwise) and designed by Spencer Lewis Group.

Member comments and suggestions should be directed to SBCERA's Communications Officer:

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Call: (909) 885-7980 / Toll Free: (877) 722-3721 or (877) SBCERA-1  
Visit: [www.SBCERA.org](http://www.SBCERA.org)