Do you have retirement resolutions for 2019? In the tradition of lists that greet us in the new year, SBCERA offers the following practical and simple steps to initiate your retirement planning. Without further ado, here are the Top 12 Actions You Can Take in 2019 to Secure Your Retirement Future:

1. **January: Create a MemberDirect account.** A MemberDirect account allows you to access your SBCERA information and so much more. Visit www.SBCERA.org/MD to get started while you are still in New Year's resolution mode.

2. **February: Enroll in eCorrespondence.** Within MemberDirect, you can sign-up for eCorrespondence, through which, you will receive an email notification when your Quarterly Review newsletter and annual member statements are available online.

3. **March: Attend a Group Consultation.** Are you within three years of retirement? As part of our commitment to service, SBCERA is introducing Group Consultations for 2019. Stay tuned for additional details!

4. **April: Run a Benefit Estimate.** Within MemberDirect you can run your own Benefit Estimate, which is essentially an unaudited retirement projection based on your information. As part of our “Do You Know” video series, we offer a video that walks you through the process of creating a Benefit Estimate.

5. **May: Watch Some Videos.** In addition to the “Do You Know” series, the SBCERA YouTube Channel offers a range of great content. Visit www.YouTube.com/SBCERA for market insights from our chief investment officer, retirement tips and other video tutorials.

6. **June: Attend a Seminar.** Throughout the year, SBCERA offers in-person seminars across San Bernardino County, as well as online webinars. Since you already created a MemberDirect account (hint, hint) you can login and find seminars listed, plus directly register for one online.

7. **July: Attend a Board of Retirement meeting.** SBCERA’s Board of Retirement meetings are open to the public and are generally held on the first Thursday of each month at 9:00 A.M.

8. **August: Review our Pre-Retirement Checklist.** SBCERA’s Pre-Retirement Checklist provides a series of tasks to complete within five years of retirement. It includes many actions you need to take and forms we need on file prior to retirement.

9. **September: Visit www.SBCERA.org.** The SBCERA website is a gateway for all information regarding Active, Deferred and Retired Members, as well as information for employers. It is filled with educational material that is simply a “search” from the home page away. Additionally, you can Chat with SBCERA, access MemberDirect and research any topic related to your retirement benefit.

10. **October: Review your Beneficiary.** Within MemberDirect, you can view your listed beneficiaries. We suggest that you review this to ensure that the individual(s) nominated accurately reflect your wishes.

11. **November: Consider a Special Durable Power of Attorney.** While it can be difficult to consider, an SBCERA Special Durable Power of Attorney authorizes someone you know and trust – known as your Attorney-in-Fact – to carry out specific SBCERA responsibilities according to your wishes in the event of your incapacity. For additional information, we encourage you to visit www.SBCERA.org/FAQPOA.

12. **December: Enjoy the season.** The holidays are a time for rest. Since you have done such an amazing job sticking to your resolutions and have diligently taken every action suggested in this list (right?), take the remainder of the year off from retirement planning, gather with loved ones and enjoy the holidays!

From all of us at SBCERA, we wish you and yours a Happy New Year! You can count on us to be here for you throughout 2019 as you take action to secure your retirement future.
On my first day at SBCERA, I played a TED Talk video for our staff by Terry Moore called, “How to tie your shoes.” In the presentation, Moore describes how, at age 50, he realized he had been tying his shoes incorrectly throughout his life. Sure, the old way got the job done, but with a simple, small adjustment in technique, he was able to greatly strengthen the knot.

While it is a little silly, I like the video because it provides a useful perspective for assessing one’s own work. The most subtle changes can yield remarkable results for any individual or organization, even successful ones like SBCERA.

Having been a part of SBCERA since August 20 of this year, my early efforts have focused on getting to know our staff and familiarizing myself with key initiatives and priorities. We have an amazing team of professionals, and I am enjoying rolling up my sleeves and working together with them to improve upon existing practices.

One area that always calls for continual improvement is our communication efforts to you. As the members of SBCERA, you are entitled to the very best communication and reporting. We embrace transparency and engagement, and plan to increasingly use technology to deliver better service and valuable information.

In my first column within the Quarterly Review, I am pleased to share both practical updates and positive headline numbers. Our Plan concluded Fiscal Year 2017-2018 up 8.8% net of fees, and has grown to over $10 billion since that time. Administratively, we implemented a number of important policy updates and additions, including the topic of retirees returning to work. We are also proud to claim that we now serve over 40,000 members and beneficiaries and 18 employers, as we welcomed Big Bear Fire Authority to SBCERA.

With those successes in mind, I also recognize that challenges lie ahead. Defined benefit plans are an important part of retirement security for the people who serve our communities. Yet, frankly, they are under siege from some groups who do not believe that defined benefit plans should be part of public employee compensation. It is important that we responsibly fund the SBCERA Plan, invest Plan assets and manage expenses so we can pay the benefits that you have earned and count upon. That is a message we will communicate openly and effectively.

We invite you to contact us with any suggestions you may have for improving our communications initiatives. We will continue to improve the way we tie our shoes and we look forward to providing even better service to you in the year ahead.

Sincerely,

Debby Cherney
Reciprocity is an agreement that allows you to link your retirement benefits between several California public retirement systems. It enables you to preserve and enhance your total retirement system benefits.

Benefits of establishing reciprocity

- Your contribution rate may be adjusted based on your benefit tier in the first system. Be aware that you may owe additional contributions or receive a refund for overpayment of contributions due to the change in your contribution rate.

- If you were a member of an eligible reciprocal public retirement system prior to January 1, 2013 and establish reciprocity, you may be eligible for the tier and benefit levels in place prior to January 1, 2013.

- The service credit earned in one system may be used to meet the minimum requirements for vesting and/or retirement eligibility in the other system. However, when calculating your benefit amount, each system will only use the years of service credit earned with its system.

- Your highest Final Average Compensation (FAC) from either system may be used by both systems to compute your benefit.

Requirements

- There must be no more than 180 days between leaving one system and establishing membership with the other system.

- There cannot be any overlapping service credit. You must have a clean break in service from the previous system before entering the new one.

- Upon establishing reciprocity between two or more retirement systems, you must retire concurrently (on the same date) from both (or all) systems.

- Your contributions from the previous system must be “on deposit” with that system, meaning you did not withdraw them when you terminated employment.

- You cannot be retired and currently receiving a retirement benefit payment from the other system.

Example

- Sally worked for the County of Riverside (CalPERS) full-time and earned three years of service credit before coming to the County of San Bernardino (SBCERA) where she established reciprocity. After earning two additional years of service credit, she is vested (five years total). She continues to work for the County of San Bernardino for twenty years. Upon her retirement she will retire concurrently (on the same date) from both systems and receive two benefits. One benefit will come from the CalPERS, based upon her benefit formula she had at the time of her employment and her three years of service credit. One benefit will also come from SBCERA, based upon her benefit formula with us, and her twenty years of service credit here.

You can also visit www.SBCERA.org/ReciprocityVideo to view an animated short illustrating how reciprocity works.
At SBCERA, our objective is to comfortably provide benefits to current members as well as ongoing generations to come. As such, we are long-term investors with an approach focused on value investing, contractual agreements, and income-producing assets, all of which allow us to better withstand market turbulence.

This approach has led to a well-constructed global portfolio that is less volatile than those of our peers while still exceeding our expected rate of return over the 1-year and 5-year periods. Though our focus is on the long-term, we are pleased to share annual success stories with you, and 2018 was no exception.

For the fiscal year ended June 30, 2018, our investment returns totaled 8.8%, a gain of $830 million which brought the Fund to $9.97 billion in assets.

The main drivers of that growth were:
- International emerging market equities - up 10.1%
- Private equity - up 14.8%, and
- Credit, which exemplifies our focus on value, contractual, income producing assets.
  - Both U.S. credit - up 9.1% and non-U.S. credit - up 10%, were strong performers for the portfolio.

Now in Fiscal Year 2019, we have continued to see positive results, with the Fund now over $10.3 billion as of September 30, 2018. We are cautiously optimistic about our outlook for the remainder of this fiscal year, and are poised to benefit in an environment of rising interest rates.

We will continue to keep you apprised of our investment performance. For more detailed information, we encourage you to read the latest report from our outside consultant, NEPC, available at www.SBCERA.org/QuarterlyInvestmentReports.
For retirees and other payees, your SBCERA benefit is generally considered taxable income for both federal and state income tax purposes. Similar to the W-2 forms you received while working, SBCERA will send you a Tax Form 1099-R each year reporting your SBCERA income for the year and the amount of federal and/or state taxes withheld, if any.

We will mail your 2018 Tax Form 1099-R by January 31, 2019, and you can also view, download and print 1099-Rs online in MemberDirect once mailed.

For those who have moved or changed addresses recently, you must update your address with SBCERA by January 4, 2019. Changes must be submitted in writing using our Address/Name Change Request form, available through MemberDirect, at www.SBCERA.org/Forms, or by request at (909) 885-7980.

Please note, if you have a P.O. Box, we must have your physical address on file, otherwise the Internal Revenue Service (IRS) Code requires your withholding election to be equal to a scenario of married claiming three (3) exemptions.

More information can be found in our 1099-R FAQ publication, available online at www.SBCERA.org/1099RFAQ.

Deductions
- Mileage Expense = $1,578,212
- Reindeer Food = $10,000
- Sleigh Maintenance = $156,089
- Toy Shop Tools = $86,002
- Meals = $85,204
- Gym Membership = $55
- Gifts = $788,342,125
- Utilities = $375,346
- Dependents = 1,874,201
Holiday Schedule
SBCERA will be closed in observance of the following holidays:
Christmas Eve .............. Dec. 24
Christmas Day .............. Dec. 25
New Year’s Eve ............. Dec. 31
New Year’s Day ............ Jan. 1
Martin Luther King, Jr. Day... Jan. 21
Presidents’ Day ........... Feb. 18

Regular office hours are Monday through Friday from 8:00 a.m. to 5:00 p.m.

Board of Retirement Meetings
SBCERA Board meetings are generally held at 9:00 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.

January 10* February 7 March 7

*Changed from regular schedule