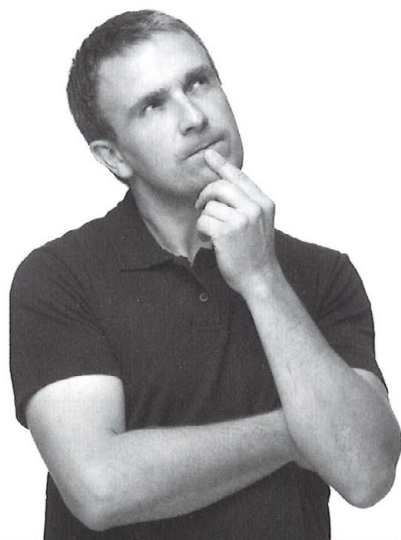


Thinking About Retirement?

Many MCERA members choose to retire on or before March 31 so that they will be eligible for an April 1st cost-of-living adjustment (COLA). However, the COLA is just one of several factors you should consider when choosing your retirement date.



Birthday and Age

Age is one of the factors in the benefit formula, so you may want to consider choosing a retirement date based upon your date of birth. Until you reach the maximum age specified in your Tier, you will continue to receive an increase in your benefit amount each time you reach an additional quarter year of age. For example, say you are a 57-year-old County of Marin Tier 2 miscellaneous member considering retiring on your birthday, March 6, 2009. If you retire on June 6, 2009, one quarter year later, your age factor in the retirement formula will be higher, resulting in a higher benefit over your lifetime. If you retire on June 5, you will miss out on that increase in benefit. Be sure to consider these quarter-age days when choosing your retirement date.

Cost of Living Adjustment (COLA)

The April COLA is calculated each year based on the Consumer Price Index (CPI) for the San Francisco Bay Area, in accordance with the County Employees Retirement Law of 1937. The maximum COLA you can receive is determined by the Tier to which you belong. For example, County of Marin Tier 2 safety members (those who entered the retirement system

after to July 1, 1980) can receive a positive or negative COLA not to exceed 2% each year. All City of San Rafael members can receive a positive or negative COLA not to exceed 3% each year. Although cost-of-living adjustments can be either positive or negative, they cannot reduce your retirement allowance below the amount a member or beneficiary received on the effective date of the allowance.

The COLA is posted on April 1 of each year. If you retire on March 1, December 18, or any other day of the year, you will receive the same COLA on the next April 1 as another member in the same Tier who retires precisely on March 31. However, if you retire on April 1, you won't receive a COLA until the following April. In years where the COLA exceeds the COLA cap for your Tier, a "deposit" will be made to your "COLA bank".

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Reciprocity: Link Your Service p.3

Uncovering the Medicare Mystery p.5

Will a Divorce Impact My Pension? p.6

Portfolio Pie p.7

Standard Documents* Needed for Retirement

- ✓ Certified copy of birth certificate, baptismal certificate, passport or naturalization papers
- ✓ Certified copy of a government-issued marriage license or state-registered domestic partnership certificate (if applicable)
- ✓ Certified copy of spouse's or domestic partner's birth certificate (if applicable)
- ✓ Copy of Beneficiary's social security card
- ✓ Copy of Medicare card(s) if you or your spouse/domestic partner have Medicare
- ✓ Health insurance enrollment form(s) (if applicable)

* Other documents may also be required depending on your personal situation.

Retirement Board Members

Peter Arrigoni

Appointed by Board of Supervisors

Bernadette Bolger

Appointed by Board of Supervisors

Roy Given

Alternate
Ex-Officio Member

Maya Gladstern

Vice Chair
Elected by Miscellaneous Members

Allen Haim

Elected by Retiree Members

James Hufford

Elected by Safety Members

James Phillips

Chair
Appointed by Board of Supervisors

Gerald Richardson

Appointed by Board of Supervisors

Michael J. Smith

Secretary
Ex-Officio Member

Sherry Sweet

Elected by Miscellaneous Members

Sean Webb

Alternate
Elected by Retiree Members

Karen Wofford

Alternate
Elected by Safety Members

Executive Staff

Acting Retirement Administrator
Tom Ford

Regular Retirement Board meetings are held on the second Wednesday of each month at 9:00 AM (unless otherwise noted)

MCERA Board Room
One McInnis Parkway
San Rafael

Season's Greetings

At the close of another year, the Marin County Employees' Retirement Association staff would like to wish all of our members and friends a warm and happy holiday season.



Rosemary



Keith



Dale



Denise



Christine



Lenora



Nancy



Jackie



Cookie



David



Suzanne



Alex



Lisa



Helen



Sharika



George



Syd



Lori



Rachel



Todd



Anne

Reciprocity: Link Your Qualifying Public Service for Maximum Benefits

Were you previously employed by another government agency in California before you joined MCERA? Do you plan on terminating your service with your current MCERA employer and joining another government agency in California prior to retirement? If you answered 'yes' to either of these questions, establishing reciprocity between your public service employers may be beneficial for you.

A reciprocal arrangement can be made between California public employee retirement systems when a member terminates employment with one system, leaves contributions on deposit, and within six months enters membership with a reciprocal retirement system. For MCERA members, reciprocity may be established with other 1937 Act retirement systems, with CalPERS, with many public agencies that have reciprocity with CalPERS, or with the California State Teachers' Retirement System. You cannot transfer any contributions ("roll them over") from your prior employer to MCERA's plan; however, you may be able to link your previous service to your current service and obtain a number of additional benefits.

What are the benefits?

When you establish reciprocity, your membership date reverts to the date you joined your previous employer's retirement system. Since your contribution rate at MCERA is based on your age when you entered membership, the rate at which you currently contribute may be reduced.

Also, if reciprocity has been established, your years of service at the previous agency will count toward meeting the 10-year service time requirement for retirement eligibility. For example, if you had 6 years of service with the County of Alameda, and only 4 years of service with the City of San Rafael, you would be eligible to retire from both plans because your years of service would be combined. Keep in mind that your years of service can be combined to meet retirement eligibility requirements only. Only your actual years of service worked will be used by each agency to calculate your benefit.

Plus, if you have the same retirement date for both plans, benefits from both plans would be based on your highest average final compensation under either plan. This means that if you left a supervisory position with one employer to take a position with less pay and less responsibility at a different agency, your higher compensation during the time you served as a supervisor could be used to calculate your retirement benefit.

It is important to note that if you make this choice, you cannot later change your mind and withdraw your contributions and interest and maintain reciprocity. That restriction will be in place as long as you are covered by a reciprocal arrangement.

How do I know if I'm eligible?

Here are some of the requirements for reciprocity:

- Your previous employer must have been a public agency in the state of California,
- You must have become a member of MCERA within six months (180 days) of terminating your employment with the reciprocal agency,
- MCERA must have a reciprocal arrangement with your previous agency's pension plan prior to your change in employment,
- You must have left your contributions on deposit in your previous agency's plan.
- You do not need to be vested to be eligible.

How do I establish reciprocity?

Please notify MCERA if you believe you may be eligible for reciprocal benefits or if you have prior service with another public employer in California. MCERA will contact your previous employer and work with them to determine if you can link your service, but we strongly recommend that you contact your prior or contemplated employer as soon as possible and request a letter from them confirming whether or not you may qualify for reciprocal benefits based on your particular circumstances.

Do I need to do anything differently when I retire?

You must file a separate retirement application with each reciprocal agency using the same retirement date. The date of retirement must be the same with each system. We will not notify the other agency of your retirement application, but we do exchange/request final average compensation information. If you fail to file an application with your other agency with the same effective date of retirement, you will break reciprocity and your salary will not be linked.

Your member handbook and the pre-retirement seminar presentation each contain a list of agencies with whom MCERA has a reciprocal arrangement. To view these documents online, go to www.mcera.org and click Publications. ■

You're invited to attend...

mcera

MCERA's PRE-RETIREMENT SEMINAR



When can I retire?

How will my retirement benefit be calculated?

What if I have prior public service?

Attendees will receive answers to these questions plus valuable information on a number of retirement-related issues.

TO REGISTER FOR A CLASS, HEAR UPCOMING DATES, OR ADD YOURSELF TO A WAITLIST, CALL US AT (415) 473-6147

Marin County Employees' Retirement Association

One McInnis Parkway, First Floor - San Rafael, CA 94903

Phone: 415-473-6147 - Fax: 415-473-3612

Office Hours: Monday - Friday 8:00 AM to 5:00 PM

<http://www.mcera.org>

**Quarterly
Quote**

If people concentrated on the really important things in life, there'd be a shortage of fishing poles.

Doug Larson, American Newspaper Columnist

Uncovering the Medicare Mystery

Do you have questions about Medicare? You're not alone. Here is a brief overview of Medicare, what it means to MCERA members, and where to find more information.

What is Medicare?

Medicare is health insurance for people age 65 or older, under age 65 with certain disabilities, and any age with End-Stage Renal Disease (ESRD requiring dialysis or a kidney transplant). The different parts of Medicare help cover specific services if you meet certain conditions. Medicare has the following parts:

Medicare Part A (Hospital Insurance)

- Helps cover inpatient care in hospitals (includes critical access hospitals, inpatient rehabilitation facilities, and long-term care hospitals).
- Helps cover skilled nursing facility (not custodial or long-term care), hospice, and home health care services.

Medicare Part B (Medical Insurance)

- Helps cover doctor services and outpatient care.
- Helps cover some preventive services to help maintain a person's health and to keep certain illnesses from getting worse.
- Generally pays 80% of the Medicare-approved amount for covered services after the Part B deductible (\$135 for 2009) has been met.

Medicare Part C (Medicare Advantage Plans)

- A way to get Medicare benefits through private companies approved by and under contract with Medicare.
- Includes Part A, Part B, and usually other benefits Medicare doesn't cover. Most plans also provide prescription drug coverage.

Medicare Part D (Prescription Drug Coverage)

- Run by private companies approved by Medicare, which can either be Medicare Advantage Plans or separate Medicare Prescription Drug Plans.
- Helps cover the cost of prescription drugs.
- Each plan can vary in cost and drugs covered.

Do I have to sign up for Medicare when I turn 65?

Yes, if you are a retiree and are covered under an MCERA-administered health plan. Your employer's contracts with the healthcare providers require that all Medicare-eligible retirees sign up for Medicare when they turn 65. If you are not eligible for Medicare, you must obtain a letter from Social Security stating that you are ineligible and submit it to MCERA. If you continue to work full-

time beyond age 65, contact your employer's Human Resources office for information regarding Medicare.

If I'm covered under an MCERA-administered health plan, does my insurance automatically switch to the Medicare plan when I become Medicare-eligible?

No. Shortly before you turn 65, go to the Social Security office and apply for Medicare Parts A and B. You will receive a Medicare card shortly thereafter. Send a copy of the Medicare card to the Marin County Employees' Retirement Association which gives us your eligibility date for the premium reimbursement. When we receive a copy of the card we will send you a form to complete to put you either on Senior Advantage or the over 65 program for Blue Cross. Medicare will then become your primary payor with Blue Cross or Kaiser becoming the secondary payor. Any amount left to pay after Medicare and what your employer may cover is up to you. You must apply for Parts A and B, and you will automatically receive Part D, the prescription drug program. At the time you join Senior Advantage or Blue Cross' over-65 program your premium will decrease.

Will my health coverage change once I'm on a Medicare plan?

Generally, no. Your Medicare coverage will combine with your current coverage (Kaiser or Blue Cross) for a single comprehensive health plan. You will retain your current benefits, but your premiums will likely decrease. Please contact your health plan provider for more information specific to your individual situation.

Where can I find more information on Medicare?

To find out more about Medicare, how to get it, and how it relates to your specific situation, you can do any of the following:

- Visit www.medicare.gov/Publications/Pubs/pdf/10050.pdf to view the "Medicare & You" handbook.
- Call Social Security at 1-800-772-1213 for more information about Medicare eligibility and how to sign up for Part B. TTY users should call 1-800-325-0778.
- Visit www.medicare.gov, and select "Find Out if You Are Eligible for Medicare and When You Can Enroll."
- Visit www.medicare.gov, and select "Compare Health Plans and Medigap Policies in Your Area" to learn more about Medicare Advantage or other Medicare health plans, as well as Medigap policies. You will also be able to compare plans.

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FAQs

How can I find out what my current retirement account balance is?

Your account balance through June 30 of the most recent year will be shown on your annual benefit statement. If you need to know your balance between statements, you can request that information from our office. To ensure confidentiality, MCERA staff cannot tell you your balance over the phone.

What happens if I take a leave of absence?

If it's a paid leave of absence, it will not affect your participation in the retirement plan since contributions will continue to be taken from your paycheck, and you'll continue to accumulate service time. If it's an unpaid leave of absence, contributions cannot be taken since you are not receiving paychecks. Consequently, you will not accumulate any service time for the time you are on leave. When you return, contributions and accumulation of service time will resume. If you take an unpaid leave of absence because of illness, you may be eligible to purchase service for the time you are out. Contact our office for more information.

Are investment earnings credited to my account?

Your account receives interest credit rather than actual investment returns. Interest is credited twice annually on June 30 and December 31 on the previous six months' balance, as prescribed by the law governing the plan (the County Employees' Retirement Law of 1937). The current interest rate and the amount paid will be shown on your annual benefit statement. Remember that investment returns do not change the vested retirement allowances provided by a defined benefit plan – retirement allowances are paid according to a formula set by law, not according to how well or how poorly the financial markets are doing.

Will a Divorce Impact My Pension?



Upon a divorce or divorce filing, it is essential that all members notify MCERA as soon as possible. If not, you could face long delays in the payment of your future or current retirement benefits, including contribution refunds upon termination of employment. Pursuant to California law, if you are a member of MCERA while you are married or partnered, your retirement benefits may be considered community property and your spouse/partner may be entitled to an interest in the community property portion of your retirement benefit. To avoid any potential delays and nonpayment, take the following steps:

1. Submit a copy of your judgment of dissolution of marriage and property settlement agreement.

As soon as you receive a completed judgment of dissolution of marriage and/or property settlement agreement from your divorce proceedings, please submit a copy to MCERA. The judgment will undergo a detailed internal review by MCERA legal counsel to assess whether you are entitled to your retirement, including the community property portion, as your separate property, or whether your spouse is entitled to an interest in the community property portion of your retirement benefit as determined by the court. All pages of this document, including any attachments, will be required and it must contain a court's file stamp and the judge's signature. Please note: it is extremely important that the language in your judgment is clear. It is best if the judgment specifically mentions MCERA and clearly states what you and your former spouse are entitled to.

2. File a joinder.

Joinder means that MCERA is joined in the divorce proceeding and will require a court-filed order before dividing and

distributing any of your retirement benefits to you and/or your former spouse or partner.

3. Obtain a domestic relations order (DRO).

After filing a joinder, you may also be required to file a DRO. This is a court order that provides MCERA with detailed instructions regarding how the retirement benefits are to be divided. In order for MCERA to honor the orders of a DRO, it must be compliant with the 1937 Act and other applicable laws pertaining to pensions.

4. Inform MCERA of any other orders.

Please be sure to provide MCERA with any additional orders or documents pertaining to your divorce case that may affect your retirement benefits.

5. Change your beneficiary.

Upon completion of your divorce, please be sure to complete and submit a Change of Beneficiary Designation form. If you are adding a new spouse or partner, MCERA will require you to submit a copy of your government-issued marriage license. If you will no longer be nominating a spouse, you will also need to complete a Justification for Non-Signature of Spouse form. Both forms should be returned to MCERA as soon as possible.

Please remember that you should not rely solely on this information. In the event of any discrepancy between the information provided in this article, or any other article in this newsletter, and state and federal law, the state and federal law will govern. MCERA staff is unable to address specific legal questions. If you have legal questions about your retirement, you should consult your own legal counsel. ■

Thinking About Retirement?

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If the COLA is lower than the cap in any year, and you have credits in your COLA bank, a "withdrawal" will be made to provide an adjustment up to the percentage cap for your Tier.

Service Credit

Service credit is another factor in the retirement benefit formula. In general, you earn an hour of credited service for each hour of full time work while in membership. Overtime hours do not provide additional service credit.

Quick Tips

- If you are planning to retire within the next five years, we highly recommend attending one of our pre-retirement seminars. To view upcoming seminar dates online, please visit www.mcera.org and click Calendar.
- You may submit your retirement application up to 60 days before your retirement date, but it must be submitted not later than one day prior to your retirement date.
- Notify your employer of your termination date. MCERA does not contact your employer.
- Contact your deferred compensation provider, if applicable.

- Contact Social Security if you are eligible for benefits.
- If you have gone through or are currently in the process of a divorce or domestic partnership dissolution, please see our article on page 6 for more information.
- For more information about age factors, service credit, and the retirement benefit formulae, check the MCERA member handbook or the pre-retirement seminar presentation. To view these documents online, visit www.mcera.org and click on Publications. ■

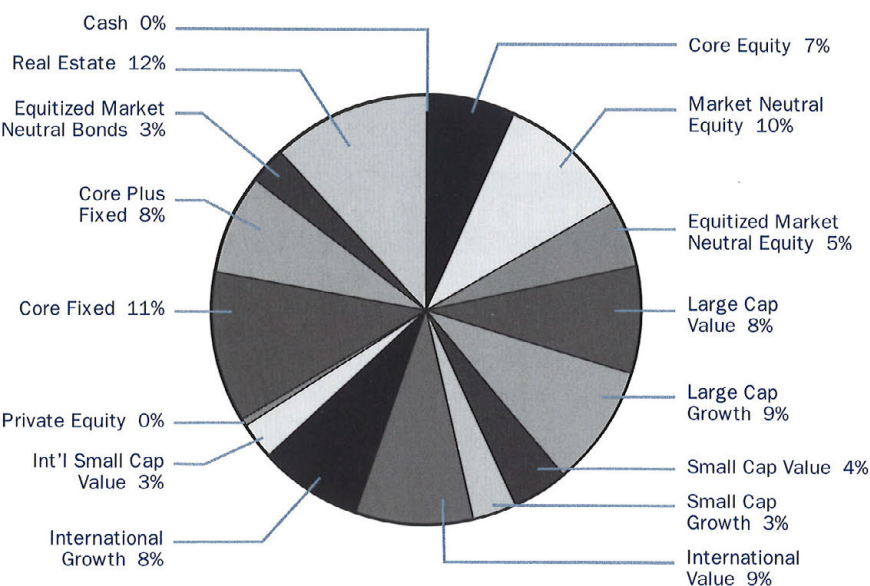
Uncovering the Medicare Mystery

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- Visit www.medicare.gov, and select "Compare Medicare Prescription Drug Plans" to learn more about Medicare drug plans and to compare plans.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. ■

Source: www.medicare.gov

Portfolio Pie as of September 30, 2009



Core Equity	\$	82,877,000
Market Neutral Equity	\$	122,448,000
Equitized Market Neutral Equity	\$	64,138,000
Large Cap Value	\$	95,988,000
Large Cap Growth	\$	112,917,000
Small Cap Value	\$	52,338,000
Small Cap Growth	\$	41,236,000
International Value	\$	107,766,000
International Growth	\$	96,370,000
International Small Cap Value	\$	35,596,000
Private Equity	\$	4,919,000
Core Fixed	\$	139,055,000
Core Plus Fixed	\$	94,886,000
Equitized Market Neutral Bonds	\$	32,310,000
Real Estate	\$	145,477,000
Cash	\$	0
TOTAL	\$	1,228,321,000



MCERA Participating Employers

City of San Rafael
County of Marin
LAFCO
Marin City Community
Services District
Marin/Sonoma Mosquito
Abatement District
Marin Superior Court
Novato Fire
Protection District
San Rafael Redevelopment
Southern Marin Fire
Protection District
Tamalpais Community
Services District

Upcoming Events

- ➔ **January 13, 2010**
Regular Board Meeting
- ➔ **January 14, 2010**
Investment Committee Meeting
- ➔ **January 18, 2010**
MCERA CLOSED (County Holiday)
- ➔ **February 10, 2010**
Regular Board Meeting
- ➔ **February 15, 2010**
MCERA CLOSED (County Holiday)
- ➔ **March 10, 2010**
Regular Board Meeting
- ➔ **March 11, 2010**
Investment Committee Meeting
- ➔ **April 14, 2010**
Regular Board Meeting