

Annual Benefit Statements Mailed

Attention active, deferred, and reciprocal members!

Annual benefit statements for the fiscal year ending June 30, 2010 will be mailed this quarter to the address MCERA has on file.

If you do not receive your annual benefit statement this quarter, we recommend that you do the following:

1. Confirm that the address on file with your employer is correct. MCERA receives address information on active members through payroll downloads. Please update your address through your department/agency payroll specialist, if necessary.
2. Contact our office for a duplicate copy.



Going Through Some Changes?

MCERA needs to know!
Whether you are an active, retired or deferred member, certain changes to you or your family may require updates to our records.

There are many life-changing events that will impact us over the course of our lives, such as relocation, marriage or partnership, divorce, children, even death. What you may not realize is that your MCERA retirement account can be affected by these events.

Relocation

Did you know that MCERA can only send information related to your retirement account to the address we have on file for you? Whether you have “upsized” your home to accommodate your expanding family, or “downsized” after retirement, remember to make sure MCERA has your current mailing address. Keeping your address current will ensure that you continue to receive important information from MCERA such as your annual benefit statement, Retirement Board election materials, and 1099-Rs. For **active members**, MCERA receives address information from employers through the payroll information they report. If you have changed your address, please let your human resources specialist or payroll representative within your agency/department know. **Retired and deferred members** should complete MCERA’s Address Change form and return by mail your signed original.

Marriage/Domestic Partnership & Divorce/Dissolution of Partnership

Because your MCERA retirement benefit is a community property asset, if you get divorced or dissolve your domestic partnership while you are an MCERA member you should provide us with a copy of your court-filed property settlement addressing your MCERA account as soon as possible. If you marry or enter into



a domestic partnership MCERA will request a copy of your government-issued marriage license or state domestic partnership registration at the time you retire. Our staff will review your original documents, retain a photocopy for your file, and the originals will be returned to you. Also, after a change in your marital status you may want to consider completing an Address Change form if you’ve moved, a Name Change form to notify us that your name has changed, or a Beneficiary Change form to designate a new beneficiary for your MCERA account.

New Dependents

If you have added a dependent to your family through birth, adoption or guardianship you might consider completing a Beneficiary Change form to update your beneficiary designation.

Retirees with MCERA-Administered Health Insurance

For retirees enrolled in MCERA-administered group health and/or dental insurance plans life-changing events are also often “qualifying events.” A qualifying event is a change in

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Retirement Board Members

Bernadette Bolger

Appointed by Board of Supervisors

Greg Brenk

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

Howard McFarland

Elected by Miscellaneous Members

James Phillips

Chair

Appointed by Board of Supervisors

Gerald Richardson

Appointed by Board of Supervisors

Michael J. Smith

Secretary

Ex-Officio Member

Sean Webb

Alternate

Elected by Retiree Members

Karen Wofford

Elected by Safety Members

Executive Staff

Retirement Administrator

Jeff Wickman

Assistant Retirement Administrator

Helen Moody

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

Letter from the Administrator

Dear Members,

I am honored to have been chosen by the Board to be your new Retirement Administrator. Although I have been in the position for only a short time, the conversations I've had with you demonstrate how much each of you care about MCERA and the benefits we provide to our retirees, members and beneficiaries. My main focus these past months has been talking with board members, plan sponsors and MCERA staff to understand the goals, opportunities and challenges we face. Through these discussions I hope to learn ways to build on what MCERA already does well and identify what can be done to expand our capabilities to better serve our customers.

MCERA is a customer focused organization committed to improving the level of service we provide, and the entire team shares in the goal of providing services that meet and exceed your needs. In the future, we will develop ways to measure how well we are meeting our customer service objectives, such as how quickly we are able to respond to a benefit estimate request. As part of this project we will be reaching out to you, our customers, to find out what services you feel are the most important.

The implementation of the new CPAS system will provide an automated tool that we can use to better manage retirement accounts and provide direct service to you. You may have read recently that the implementation date for CPAS has been moved to April 1, 2011. The key to success for this effort is getting it right the first time. The new system will be handling our most important service, monthly retiree payroll, and in this area, there can be no room for error – benefit payments must always be accurate and timely. For further information on CPAS please see the article on page 3.

I want to personally thank former administrator Tom Ford for the tireless support he has provided to me, and his complete commitment and dedication to MCERA. I also want to thank Chair Phillips and the MCERA Board for their support and patience during my transition.

Integrity, transparency and diligent professional management are hallmarks of MCERA and it is my privilege to join this team. I truly believe that through hard work, cooperation, and open dialogue we can achieve any goal that we set out for ourselves. I look forward to being a part of MCERA's future successes and I hope to meet many of you personally over the coming weeks, months and years.

Sincerely,



Jeff Wickman
Retirement Administrator

Pension Administration Software System Project Update

The CPAS system is expected to change the way MCERA conducts business considerably, automating many procedures that must currently be performed manually. The most significant benefits of the CPAS system are its ability to store more detailed information, perform membership calculations, process retiree payroll, and integrate with other software systems. The success of CPAS is dependent upon the configuration of the core program and the quality of its data converted from the old to the new system.

To assess the project's progress, the MCERA board formed an Ad Hoc CPAS Committee in August. The Committee tasked MCERA staff and contractors with evaluating the system's readiness for going live in October as originally planned. The result of the analysis was a recommendation to the Board to extend the software system's "go live" date by six months. The most important findings in the Committee's report:

- The current system for managing member data and producing retiree payroll is not broken and can continue to support these processes. This reduces the pressure to implement early.
- MCERA has a fixed-cost contract with the software vendor regardless of when the implementation is finalized.
- The vendors will benefit from the additional time to configure the new system and accurately convert data from the current system.

- MCERA staff will benefit from the additional time to test the system's functionality and cleanse and convert membership data. Staff will also be better trained to exercise the new system.
- Plan sponsors will benefit from the additional time to configure their active member payroll reporting to comply with MCERA requirements.
- Extending the system's launch date has no additional staffing cost for MCERA. Existing staff are working on the CPAS project in addition to their regular business activities.
- Although implementing in January 2011 may be feasible, plan sponsors could be negatively impacted due to end-of-year activities such as W-2s and 1099s.

After discussion the Retirement Board determined that, since MCERA's primary function is as a benefits administration organization, additional staff time dedicated to the maintenance of a flawed benefit system could easily be more costly than extending the project timeline. Following the recommendation of the ad hoc CPAS Committee, the Board authorized an April 1, 2011 implementation of the new system. ■

Measure twice, cut once.
Just as in carpentry, making
sure that program data is complete and
sound is essential to the success of
MCERA's software project.



You're invited to attend...



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

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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**

October. This is one of the peculiarly dangerous months to speculate in stocks. The others are July, January, September, April, November, May, March, June, December, August and February.

Mark Twain

Balancing Member Privacy in a Public Business

Recent events in the public sector have highlighted the importance of transparency, openness and disclosure in government operations. Many public agencies within California have received requests for information under the Public Records Act, some of which require the release of certain information related to groups and/or specific individuals. MCERA is committed to protecting member confidentiality while at the same time balancing the right to privacy with the public's right to information regarding public business.

What is the Public Records Act?

The California Public Records Act (Government Code 6250-6276.48) was enacted in 1968 and is designed to give the public access to information in the possession of public agencies. It requires public agencies to disclose information regarding the public's business when a lawful, valid request is made by an individual or an agency, such as a newspaper.

Why is it important to me as an MCERA member?

As a government agency MCERA is required to respond to requests made under the Public Records Act. The Accessibility of Records Policy adopted by the MCERA Board in 2007 provides clear direction as to what information may be disclosed in response to a Public Records Act request. The policy also provides that if requested records relate to a particular member, but are not confidential (and therefore may be disclosed), a copy of MCERA's response will be sent to such individual member(s) notifying them that the records will be disclosed within ten days, allowing the member(s) a fair opportunity to seek a court order preventing the production of the records.

What information may be disclosed?

- The gross amount of any benefit or contribution refund
- Member and benefit recipient names
- Member's date of hire
- Service category (miscellaneous or safety)
- Employment tier
- Applicable benefit formula
- Member's retirement date
- Retirement allowance type



- Credited years of service
- Benefit calculation age factor
- Final average compensation including "compensation earnable"
- Total retirement allowance

What information may **not** be disclosed?

- Member or beneficiary social security numbers
- Date of birth
- Address, telephone and fax numbers
- Email addresses
- Age-at-entry into service
- Spouse, domestic partner, and beneficiary names (unless they are receiving a benefit)
- Disability applications
- Medical records
- Retirement option elections

Additional Resources

More information on the California Public Records Act is available at the Official California Legislative Information website, www.leginfo.ca.gov, and the website for the California Office of the Attorney General, www.ag.ca.gov.

MCERA's Accessibility of Records Policy is available in our office, upon request, and on our website, www.mcera.org. ■

FAQs

What does a “refund of contributions” mean?

A refund of your retirement contributions is a withdrawal of your entire retirement account. Your retirement account does not include any of your employer's contributions which have been paid into the retirement fund. The only way to realize the benefit of your employer's contributions is to actually retire from MCERA and receive a monthly retirement benefit.

Am I still a member of MCERA if I terminate employment and withdraw my accumulated contributions?

No. Once you withdraw your contributions for either a refund or rollover, you terminate all rights to membership in MCERA and are no longer entitled to any MCERA retirement benefits. If you are subsequently employed with an MCERA plan sponsor and re-join membership, you can re-pay your previously withdrawn contributions, with interest, and become a member retroactive to your original date of entry.

Am I required to withdraw my contributions if I terminate my employment?

No. If you terminate employment with an MCERA plan sponsor you have the option to leave your retirement contributions and interest on deposit and retire at a later date. If you have at least 5 years of contributing retirement service credit you are “vested” with MCERA. Under these circumstances you will become eligible for retirement when your funds have been on deposit long enough to meet the time and age requirements for your Tier. If you have less than 5 years of service you may still leave your funds on deposit with MCERA but you would not be eligible to retire until you reach age 70.

Will my monthly retirement allowance run out when I've received the total amount I contributed to my MCERA retirement account?

No. The MCERA plan is a defined benefit plan. “Defined benefit” means that your benefit is a guaranteed monthly allowance paid to you for the rest of your life, based on your final average salary, age at retirement, and years of service. Depending on which option you choose at the time of retirement your beneficiary may be entitled to a continuance for the rest of their lifetime should you predecease them. ■

Board Meeting Highlights

From Jim Phillips, Retirement Board Chair

Key Activities from July, August, and September

Pension Administration Software Project:

The Ad Hoc CPAS Committee announced to the board its recommendation to extend the “go live” date of the new pension administration software system until April 1, 2011. In order to limit any risks to the administration of members future benefits, the board voted to officially commence CPAS next April.

Budgets Approved:

Upon recommendation from the Finance and Risk Management Committee, who worked very closely with MCERA staff, the budgets for fiscal years 2009-2010 and 2010-2011 were approved by the full board.

Facility Use and Reservation Policy:

Upon recommendation from the Governance Committee, the full board approved amendments to the Facility Use and Reservation Policy which allow more opportunities for the membership to use select rooms in MCERA's building for minimal fees.

Strategic Workshop:

At the Board's Strategic Workshop session in September trustees received information on proposed changes to government laws which could potentially alter actuarial practices, received education on and updates to California's conflict of interest laws, and adopted the Retirement Administrator's business objectives for fiscal year 2010-2011. ■



Going Through Some Changes?

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your family that affects your health and dental insurance. This includes marriage, the registration of a domestic partnership, or the birth, adoption, or guardianship of a child. It is especially important for retirees to notify MCERA immediately after a "qualifying event". **Retirees in MCERA-administered health or dental insurance plans only have 30 days from the date of a qualifying event to contact MCERA to add a new dependent.** If the 30 days passes without the event being reported and acted on, your new dependent loses eligibility to ever participate in MCERA-administered retiree group health or dental plans. You may delete dependents from your medical coverage at any time.

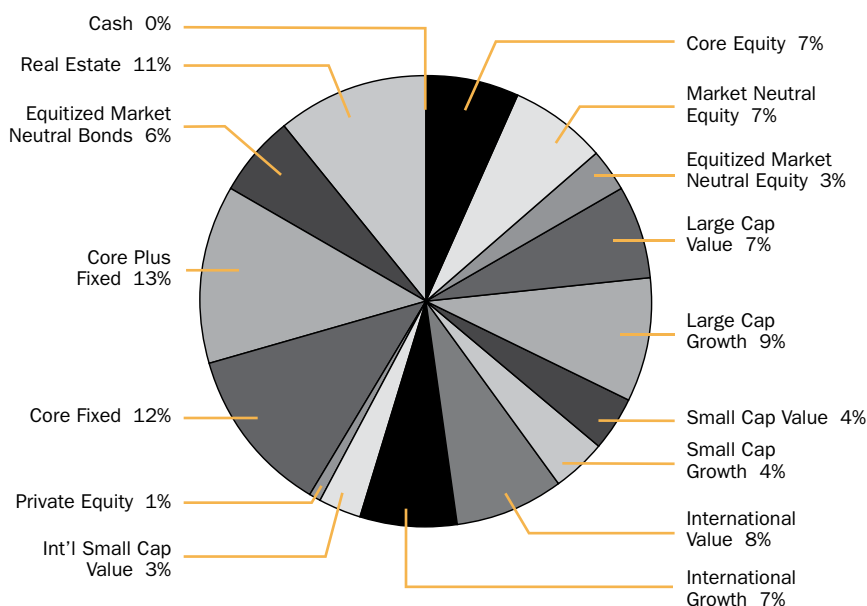
Death

If you are an active or deferred member and your beneficiary predeceases you, you should complete and submit

a Beneficiary Change form designating a new beneficiary for your account. If you are a retired member and your beneficiary predeceases you, please contact our office for more information. In certain situations, such as the passing of the MCERA member, a death certificate must also be submitted. Another consideration would be removing the decedent from your health or dental plan. We understand that the loss of a family member is never an easy time and our staff will graciously help you make the proper changes to your account information.

Safeguarding your personal information is important to us. For added protection, MCERA requires all Name Change, Beneficiary Change, and Address Change requests be submitted in writing with the member's original signature. Forms are available on our website (www.mcera.org), in our office lobby, and can be sent upon request. ■

Portfolio Pie as of June 30, 2010



Core Equity	\$	76,788,000
Market Neutral Equity	\$	82,286,000
Equitized Market Neutral Equity	\$	29,553,000
Large Cap Value	\$	86,977,000
Large Cap Growth	\$	102,958,000
Small Cap Value	\$	52,762,000
Small Cap Growth	\$	41,487,000
International Value	\$	97,040,000
International Growth	\$	85,572,000
International Small Cap Value	\$	32,904,000
Private Equity	\$	8,443,000
Core Fixed	\$	139,254,000
Core Plus Fixed	\$	149,855,000
Equitized Market Neutral Bonds	\$	68,640,000
Real Estate	\$	126,062,000
Cash	\$	3,000
TOTAL	\$	1,180,584,000

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Marin Superior Court

Novato Fire
Protection District

San Rafael Redevelopment

Southern Marin Fire
Protection District


Tamalpais Community
Services District

Upcoming Events

- ➔ **November 3, 2010**
Regular Board Meeting
- ➔ **November 4, 2010**
Investment Committee Meeting
- ➔ **November 11, 2010**
MCERA CLOSED (County Holiday)
- ➔ **November 25-26, 2010**
MCERA CLOSED (County Holiday)
- ➔ **December 8, 2010**
Regular Board Meeting
- ➔ **January 12, 2011**
Regular Board Meeting
- ➔ **January 13, 2011**
Investment Committee Meeting

FUNDamentals is published quarterly for members of the Marin County Employees Retirement Association. It is compiled and designed by MCERA Communications Associate Sydney Fowler (unless noted otherwise) and it is printed locally on recycled paper.

This newsletter was drafted by MCERA staff in order to help members understand issues surrounding many aspects of their retirement benefits. Every effort has been made to ensure the accuracy of the information offered. However, you should not rely solely on the information contained herein. In the event of any discrepancy between the information contained in this newsletter and State and Federal law, the State and Federal law will govern. MCERA staff is unable to address specific legal or tax-related questions. If you have legal or tax-related questions about your retirement, please consult competent legal or IRS counsel.

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