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FUNDamentals



New Retirement Workshops: Designed With *You* in Mind

MCERA's new interactive workshop series encourages dialog and spotlights the most important topics for members at every stage of their career.

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We began our pre-retirement seminar program in February 2009. Our initial feedback was positive, but after four years the comments we received about the seminars changed. The sessions were too long, there was too much information to absorb, and the lecture-style format wasn't engaging. This feedback meant it was time to redesign the program into something that would better meet the expectations of our members.

Goal #1: The material should be relevant.

In our new workshop series, retirement information is broken down into two workshops (one for early/midcareer and one for late career) so that we can focus on what members really want to know, when they want to know it.

Members who are five to twenty years away from retirement should get more information on service purchases, reciprocity, and their options if they terminate their MCERA-covered employment. Members who are within five years of retiring need to know what decisions to make, when to get a benefit estimate and how to start the retirement application process.

Goal #2: The sessions should be interactive.

Rather than a lecture style seminar the workshops should encourage questions and discussion with the presenters.

The new workshop series has multiple presenters—subject matter experts—who can speak about the issues they handle on a daily basis. Workshops are still held in the Board room but the presenters are closer to the audience and seating is arranged around tables, making it easier for attendees to take notes and hear the questions of others. Before we even begin the workshop we ask attendees the main questions they want answered and the issues they want us to highlight so we can make sure everyone gets the most out of the program.

Goal #3: We want it to be fresh.

We established a theme for each workshop to give them more dimension and created a dynamic visual presentation that guides the discussion without replacing it. We also created "Meet Martin," a new set of educational handouts that use real life examples to illustrate how your retirement

THANK YOU!

We'd like to extend a sincere thank you to everyone who completed our workshop survey. We received feedback from 66% of attendees and we're already revising the workshops based on your suggestions. Your help is invaluable and we really appreciate it!

RETIREES: Did you know?

Continued on page 5 

Senate Bill 1382 requires a retirement system like MCERA to assist with distributing communications to retirees regarding membership and benefit programs available through recognized retiree organizations at those organizations' cost.

The Marin County Association of Retired Employees (MCARE) has asked MCERA to help it deliver information to retirees by mail this fall. The content of the mailing will be wholly the responsibility of MCARE, and MCERA will maintain the confidentiality of all retiree address information.

Retirement Board Members

Jeffrey Bartfeld

Appointed by Board of Supervisors

Bernadette Bolger

Chair
Appointed by Board of Supervisors

Greg Brenk

Vice Chair
Appointed by Board of Supervisors

Chris Cooper

Elected by Safety Members

Roy Given

Ex-Officio Member
County of Marin Director of Finance

Maya Gladstern

Elected by General Members

Howard McFarland

Elected by General Members

Alan Piombo

Alternate
Elected by Safety Members

Karen Shaw

Alternate Ex-Officio Member

David Shore

Appointed by Board of Supervisors

Michael Smith

Elected by Retiree Members

Sean Webb

Alternate
Elected by Retiree Members

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FUNDamentals is published for members of the Marin County Employees' Retirement Association (MCERA). It is written and designed by MCERA's Communications Associate unless noted otherwise.

Member comments and suggestions should be directed to:

Email: sfowler@marincounty.org
Phone: (415) 473-6147

Retirement Board Member Appointments, Elections

In July, the Board of Supervisors appointed Jeffrey Bartfeld and David Shore to the Retirement Board to complete the terms of Gerald Richardson (Fifth Member) and Kim Stevens (Sixth Member), both of whom resigned in July. Mr. Bartfeld's term expires October 31, 2014 and Mr. Shore's term expires October 31, 2013.

One nomination was received for the position of Second General Member. As a result, no election was held and the candidate nominated, Maya Gladstern, will begin another three-year term beginning November 1, 2013.

In the July 26 Safety member election, Alan Piombo was elected to the Seventh Safety Member seat on the Retirement Board. As the runner-up, Chris Cooper will serve as the Alternate Seventh Safety Member. Mr. Piombo and Mr. Cooper will begin their new three-year terms on November 1, 2013.

Did you know?

The Retirement Board is MCERA's governing body with the fiduciary responsibility to invest money and administer benefits of the retirement system for members and beneficiaries. All members of the Board are volunteers who bring their energy, commitment and expertise to the task of managing the fund and setting policy related to all aspects of the plan's operation with the assistance and support of MCERA's staff, professional advisors and investment managers, serving for the benefit of our membership.

Attention Active, Deferred and Reciprocal Members!

Annual Benefit Statements Mailed This Fall

Keep an eye on your mailbox for your Annual Benefit Statement for the fiscal year ending June 30, 2013.

Annual Benefit Statements provide a valuable summary of your MCERA member account and potential retirement benefit. This information can be used as a tool to help you plan your financial future. We recommend keeping this document in a safe place where you can access it easily.

What is on my Annual Benefit Statement?

Your statement includes demographic information like your membership entry date, reciprocal status, years of service credit, and your highest average compensation as of the end of the fiscal year. It also includes your total career employee contributions and your designated beneficiary(ies). If you need to update your beneficiary, the Beneficiary Change form is available on our website or upon request.



Please review the information on your Statement carefully and notify MCERA of any potential discrepancies as soon as possible.

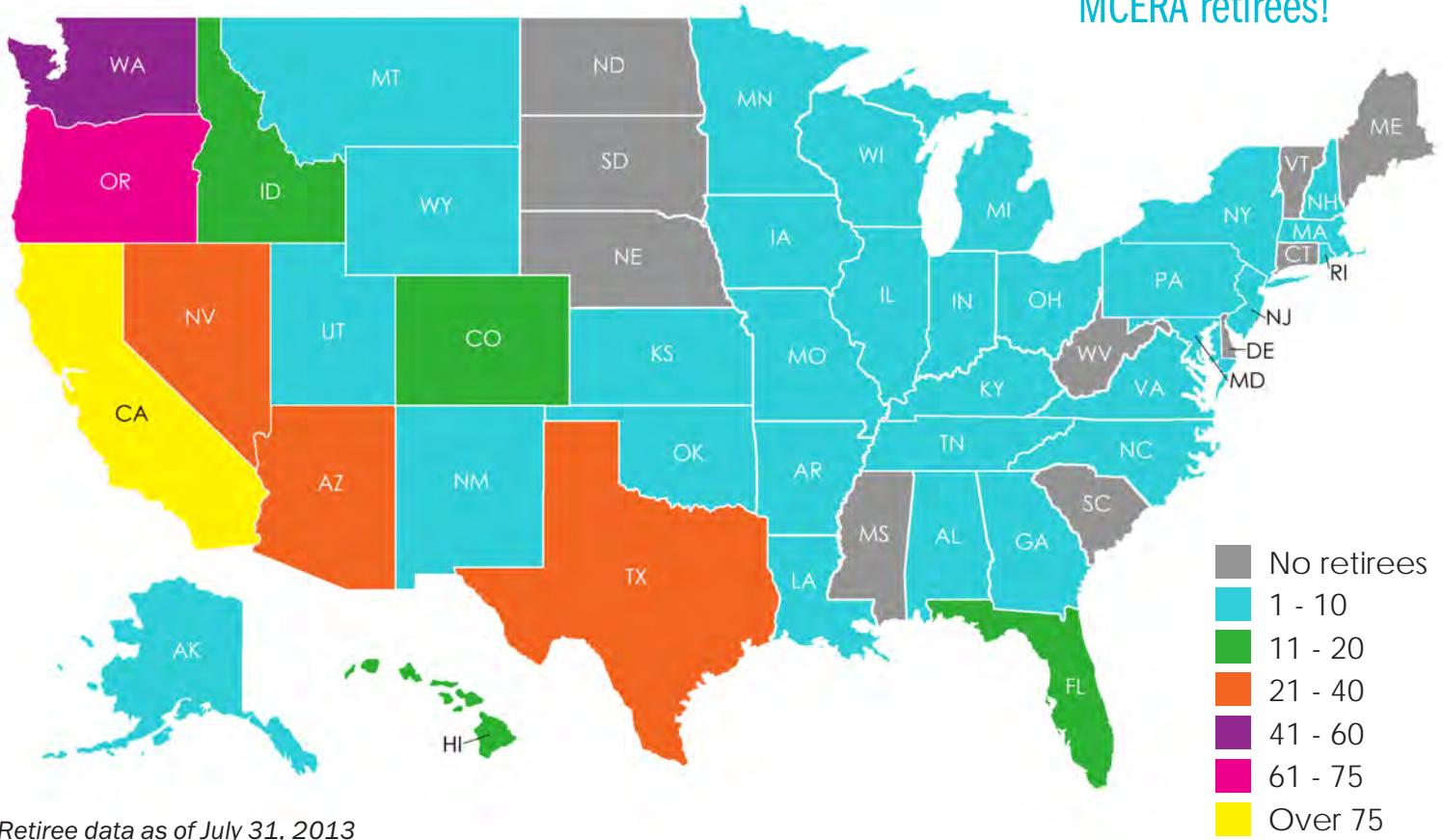
If you don't receive your Annual Benefit Statement by the end of October, do the following:

- 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. Deferred and reciprocal members should fill out the Address Change form, which is available on our website or upon request.
- Contact our office for a duplicate copy.

Where Are Our Retirees?

MCERA retirees are represented on five continents but most stay close to home. Out of 2683 retirees and beneficiaries, 2320 live in California and 1016 are still in Marin County. You can see how far our retired members stretch across the nation in the map below.

Argentina, Australia, England and Israel are homes to four MCERA retirees!



Retiree data as of July 31, 2013

Retirees Can Adjust Withholding Elections at Any Time

As a retiree, you have the option to elect whether to have Federal or State tax withheld from your MCERA benefit and at whatever rate you choose. You may elect NOT to have a withholding applied to your benefit, choose an amount based on the tax withholding tables, or request a specific dollar amount. For those who have elected to have taxes withheld using the tax withholding tables, please keep in mind that these tables can change annually or during the year.

If at any time you wish to change your tax election you may do so by completing new Federal or State tax withholding forms. These forms are available by contacting our office at (415) 473-6147.

If you have questions about tax withholding you should seek assistance from licensed professional advisors.

Consider Switching to a Debit Card if You Receive Your Monthly Allowance by Paper Check

In partnership with the Bank of America, MCERA has created a new program that allows you to receive your monthly retirement allowance on a prepaid debit card.

The prepaid debit card is an alternative to paper checks and allows you to receive your benefit payment electronically without the need for a checking or savings account. It also eliminates the need to make a trip to the bank to deposit your retirement check. Like direct deposit, funds are deposited to your card on the last business day of each month and are available the same day.

If you'd like more information on the debit card program, call our office at (415) 473-6147.

Customer Service Goal Achieved

Members receive their first retirement benefit payment the month after they retire.

One of our core customer service missions is to make sure that the benefits you've earned are paid to you as soon as possible after you've left employment. Our goal is to have your first monthly benefit delivered to you no later than the month after your retirement date. Our team has worked diligently to achieve this goal over the last two years and we are pleased to report that in the last year 97% of retiring members received their first check no later than the month after their retirement date. In some cases, if a member's retirement date was before the fifteenth of a month, they received their first check at the end of the same month.

March is always busy for MCERA staff since many members choose to retire before the end of the month in time to receive the April cost of living adjustment. Our team processed a record 47 retirements with dates in March 2013. Even with such a high workload, 100% of those members received their first benefit payment at the end of April.

We have made tremendous strides toward meeting all of our customer service goals and will continue to improve our processes so we can better serve our members.

Popular Annual Financial Report Available Online

The Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2012 illustrates the information contained in our annual audited financial statements and actuarial valuation reports in a way that our members, sponsors and the public can easily understand.

You can find the PAFR on the Reports page of our website, www.mcera.org.



Board Meeting Highlights

Actuarial Audit Completed

In February, Milliman reported on their audit of the triennial experience study and annual actuarial valuation conducted by EFI Actuaries for the period ending June 30, 2011. Milliman found that their calculations were in line with those produced by EFI for the Board of Retirement. They recommended changes to the calculation of liabilities related to active member deaths as well as the calculation of employee contributions required to fund post-retirement cost of living adjustments. Milliman also determined that MCERA's funding policy and the actuarial assumptions used in the 2011 valuation were reasonable and appropriate.

Cost of Living Adjustment (COLA)

In February, the Retirement Board affirmed the actuary's calculation of a 2.5% COLA. MCERA members with retirement dates on or before March 31, 2013 received the COLA (up to the maximum for their retirement tier) in their benefit payment received at the end of April.

Semi-annual Strategic Workshop

The Board convened for a two-day strategic workshop in March. Trustees had a panel discussion with public equity and fixed income managers, reviewed the economic and capital markets over the last ten years and discussed the current asset allocation model. The Board also received presentations on fiduciary considerations with regard to environmental and social governance, and Board member roles and meeting processes.

Upcoming Appointments

The terms of the Fourth Member and Sixth Member, who are both appointed by the Board of Supervisors, end October 31, 2013. Please see the article on page 2 for information on recent appointments and elections.

Policies Revised/Adopted/Reaffirmed

The following policies were revised, adopted or reaffirmed in 2013:

- Actuarial Equivalence Determinations for Modified Retirement and Survivor Allowances Policy
- Adoption of Actuarial Economic Assumptions Policy
- Conflict of Interest Code
- Due Diligence Policy
- Education Policy
- Facility Use and Reservation Policy
- Investment Policy Statement
- Key Service Provider Performance Evaluation Policy
- Portable Electronic Device Policy
- Statement of Investment Policy Regarding Divestment
- Travel and Expense Policy
- Whistleblower Policy

Actuarial Valuation Report Adopted

In May, the Retirement Board adopted the actuarial valuation report for the fiscal year ending June 30, 2012. This report contains the employer and employee contribution rates that went into effect July 1, 2013. Valuation summaries are available for the County of Marin and special districts, City of San Rafael, and Novato Fire Protection District that highlight key information from the complete report. To view the summaries and complete report online, visit the Reports section of our website.

Find it online!

All Retirement Board agendas, minutes and policies are posted on our website. Visit www.MCERA.org and click on Retirement Board for agendas and minutes; click on Governance for policies and bylaws.

Investment Insights

Investment portfolio achieves double-digit returns at end of fiscal year

Plan returns for the fiscal year ending June 30, 2013 have been reported and MCERA's portfolio delivered an investment return (after fees) of 14.7%. The portfolio ended the fiscal year with a market value of \$1.71 billion, up approximately \$240 million from the 2012 fiscal year-end market value of \$1.47 billion.

The duty of the Retirement Board is to manage investments with the highest standard of professional conduct for the benefit of fund beneficiaries. The Board's overall goal for MCERA investments is to build a portfolio that meets or exceeds the long-term actuarial assumption for return on net assets in order to provide our members with their promised benefits.

As the saying goes in the investment community, past performance cannot predict future results. However, the MCERA portfolio is well diversified, potentially lowering risk and volatility by holding a combination of different asset classes. The Retirement Board will continue to adhere to a disciplined investment process, diligently monitoring the overall performance of the fund.



New Retirement Workshops

Continued from page 1

benefit is calculated, how the cost of service purchases is determined, and how your own monthly retirement allowance can change depending on who you designate as your beneficiary and which benefit payment option you elect.

Your Feedback Guides Future Workshops

Between May 29 and June 5 we held seven workshops: two for early/midcareer members and five for late career members. We received feedback from 90 of the 149 attendees through an online survey. 100% of respondents said they agreed or strongly agreed that the workshop was well organized, the information presented was useful, the presenters were knowledgeable, the materials provided were appropriate and helpful, and that they were able to ask questions when they needed to.

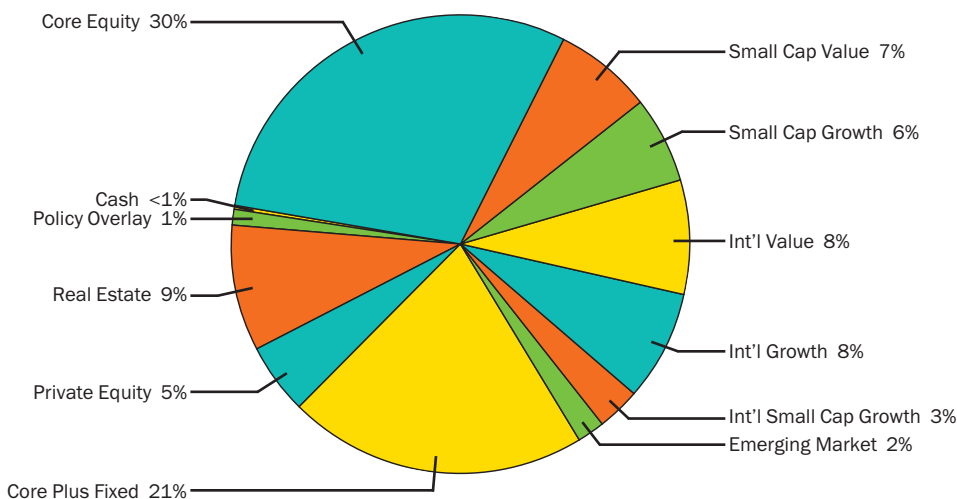
We also asked survey respondents to provide us with suggestions for how we could improve. A number of changes have already been made based on the comments we received. For example, we lengthened the allotted time for future workshops, each attendee will now receive a copy of their last Annual Benefit Statement for reference, and we've worked with Social Security to have a representative available at our office during workshops to answer questions.



We're excited to meet you at our workshops!

Visit our website (www.mcera.org) or call our office (415-473-6147) for upcoming workshop dates. Workshops fill quickly. If you'd like to attend please call us to reserve your seat.

Portfolio Pie as of June 30, 2013



Core Equity	\$	527,470,000
Small Cap Value	\$	121,742,000
Small Cap Growth	\$	111,578,000
International Value	\$	131,864,000
International Growth	\$	131,603,000
International Small Cap Growth	\$	51,229,000
Emerging Market	\$	39,105,000
Core Plus Fixed	\$	362,429,000
Private Equity	\$	78,122,000
Real Estate	\$	159,423,000
Policy Overlay	\$	18,547,000
Cash	\$	4,774,000
TOTAL	\$	1,737,886,000



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- LAFCO
- Marin City Community Services District
- Marin/Sonoma Mosquito & Vector Control District
- Marin Superior Court
- Novato Fire Protection District
- Southern Marin Fire Protection District
- Tamalpais Community Services District

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Mark your calendar:

Board Meetings:

- Oct. 9 / Retirement Board
- Oct. 16-17 / Strategic Workshop
- Nov. 6 / Retirement Board
- Nov. 7 / Investment Committee
- Nov. 19 / Governance Committee
- Dec. 2 / Finance & Risk Mgmt Committee
- Dec. 11 / Retirement Board

Retiree Pay Dates:

- September 30
- October 31
- November 29
- December 31

Office Closed:

- Nov. 11 / Veteran's Day
- Nov. 28-29 / Thanksgiving
- Dec. 24 / Christmas Eve (open until noon)
- Dec. 25 / Christmas Day
- Dec. 31 / New Year's Eve (open until noon)

Important Disclaimer

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.