

FUNDamentals

NEWSLETTER FOR MEMBERS OF THE MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

IN THIS ISSUE:

Retiree News:
1099-R Forms
Mailed 2

Retiree News:
Retiree Health Benefits
and the Affordable
Care Act..... 2

Save Your Seat for
a Retirement
Workshop in 2014..... 3

Board Meeting
Highlights 4

Annual Benefit
Statements Mailed
in November 4

Portfolio Pie as of
September 30, 2013..... 5

Thinking About Leaving Before Retirement?

Terminating employment doesn't necessarily mean that you lose your rights to receive a retirement benefit from MCERA. You have options, and you keep what you've earned.

Separation from employment, regardless of the reason, does not necessarily mean that your rights to MCERA retirement benefits are lost. You may have several options depending upon your circumstances (vested or non-vested, Classic member or PEPRA member), but the choice is yours when you leave MCERA-covered employment.

If you're eligible, you can retire for service or disability.

Service Retirement

If you meet the eligibility requirements for your retirement tier you may apply for a regular service retirement.

Disability Retirement

Regardless of how long you have worked, if you believe that you are disabled from your job and that your disability was caused by a job-related injury or illness, you have the right to apply for a service connected disability retirement. If you have at least five years of retirement service credit and you believe you are disabled from your employment, but that your disability was not caused by your job, you have the right to apply for a non-service connected disability retirement.

You can leave your contributions on deposit with MCERA.

Deferred Vested Membership

If you terminate employment after earning five or more years of service credit, including reciprocal service, you're vested. You may choose to leave your contributions on deposit and defer your retirement to a later date.

Deferred vested Classic members:

Members in Classic retirement tiers may receive their retirement allowance once ten years have elapsed from their membership entry date and they've met the minimum age requirement for their tier. Classic members can retire at age 70 with no minimum service retirement.

Deferred vested PEPRA members:

Members in PEPRA tiers may receive their retirement allowance once they've met the minimum age requirement (age 50 for safety members, age 52 for general members).

Deferred Non-vested Membership

If you terminate employment after earning less than five years of service credit, including reciprocal service, you're not vested but you can still leave your contributions on deposit with MCERA. Your contributions

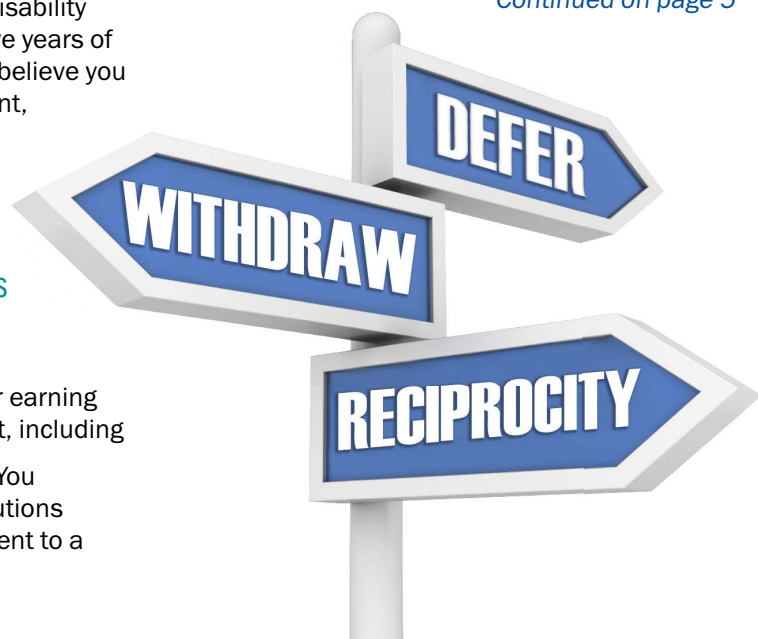
Continued on page 5

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By phone:
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By fax:
(415) 473-3612

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One McInnis Parkway
Suite 100 (first floor)
San Rafael, CA 94903-2764



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

Alternate

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

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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Communications Associate

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) 473-4014



News and Announcements for Retired Members

1099-R Forms Mailed

The 2013 1099-R tax statements for all MCERA retirees, beneficiaries and other payees were mailed before January 31, 2014.

MCERA is required to issue a 1099-R for all distributions and retirement payments including payments for refunds, disability retirements, service retirements, continuances, death benefits, and domestic relations orders.

A separate 1099-R is issued for each individual record. For example, if you are a retiree and you also receive a continuance from a deceased retiree, you will receive two 1099-R statements. One will be for your normal retirement benefit payment and one will be for the beneficiary continuance payment.

If you did not receive your 1099-R in a reasonable amount of time after this date or feel there is an error, contact our office at (415) 473-6147. Our staff is happy to work with you to resolve the matter and issue a new 1099-R, if necessary.

2014

January 31

February 28

March 31

April 30

May 30

June 30

July 31

August 29

September 30

October 31

November 26

December 31

RETIREE
PAY
DATES

Retiree Health Benefits & the Affordable Care Act

As you undoubtedly have heard, the Affordable Care Act (ACA) is in the process of being implemented. We received a number of questions from retirees about how the ACA may impact the current medical benefits they receive.

If you currently receive retiree healthcare insurance through one of the plans sponsored by the County of Marin, the most important thing you need to know is there are no changes to your retiree healthcare as a result of the ACA at this time.

You will continue to receive your currently-provided medical and prescription drug benefits and you are not required to

enroll in a healthcare plan on the Health Insurance Marketplace.

In November, MCERA sent an informational flyer on the ACA to all retirees covered through the County's healthcare plans. A copy of the flyer is on MCERA's website (www.mcera.org) on the Benefits Information page.

If you receive retiree healthcare benefits from the City of San Rafael, Novato Fire Protection District, or any other employer, please check with that employer to find out if there will be changes to your healthcare benefits because of the Affordable Care Act.



Save your seat for a Retirement Workshop in 2014

Planning for your future is important, but sometimes it's hard to know where or when to start. MCERA's retirement workshops are designed for different career stages so that we can give you the information you want to know when you want to know it. We encourage all members to attend a retirement workshop to learn about your benefits and options.

Early Career Workshop: *The Path to Retirement*

The Path to Retirement workshop is designed for members 5 to 20 years away from retirement. If you were an MCERA member on or before December 31, 2012, you're a Classic member. If you entered membership on or after January 1, 2013 and you don't have reciprocity, be sure to sign up for the PEPRA workshop in July.

Early career topics:

- Defined benefit vs. defined contribution
- Fund income sources
- Overview of service, disability and death benefits
- Career milestones
- Leaving before retirement
- Reciprocity
- Divorce
- Calculating your benefit
- Ways to increase your benefit
- How to estimate your benefit at home
- Tools & resources
- Next steps throughout your career

Late Career Workshop: *Planning to Retire*

The Planning to Retire workshop is designed for members within 5 years of retirement. Unlike the Early Career workshops, retirement benefit information for Late Career workshops is customized according to employer. Be sure to choose the appropriate date when signing up for a workshop.

Late career topics:

- Defined benefit vs. defined contribution
- Fund income sources
- Eligibility to retire
- Divorce
- "How much will I get?"
- "How much will my beneficiary get?"
- "How can I increase my benefit?"
- "What date is right for me?"
- "How do I apply?"
- Cost of living adjustments
- Working after retirement
- Medical benefit subsidy plans
- Medicare
- Social Security

Social Security Workshops

MCERA will host three workshop sessions in 2014 dedicated to Social Security. A representative from Social Security will discuss the Windfall Elimination Provision, the Government Pension Offset, and will provide answers to your general information questions.

Check Workshop Status and Reserve a Seat Online

You can check our website (MCERA.org) for the schedule of all workshops and seating availability. Workshops fill quickly. To reserve your seat, visit the Retirement Workshops page on our website and click on "Request seat" next to your preferred workshop to send an email to the Workshop Team. You can also send an email request to MCERAWorkshops@marincounty.org or call us at (415) 473-4014.

Use MCERA's online Retirement Benefit Estimator to quickly and easily estimate your future retirement benefit!

The Retirement Benefit Estimator on MCERA.org has been updated to include calculation formulas for all retirement tiers, including those effective January 1, 2013, under the Public Employees Pension Reform Act (PEPRA).

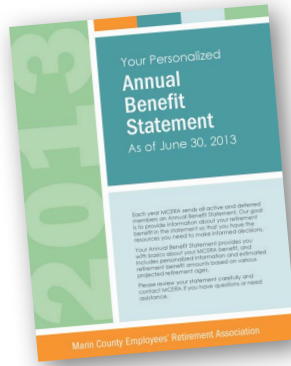


NOTICE

OFFICE CLOSURES

FEBRUARY 17

MAY 26



Annual Benefit Statements Mailed

Annual Benefit Statements for the fiscal year ending June 30, 2013 have been mailed to all active, deferred and reciprocal members.

Your Annual Benefit Statement provides a valuable summary of your MCERA member account and potential retirement benefit. The 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 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, designated beneficiaries, and retirement benefit estimates for up to three future dates.

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

I haven't received my Statement.

If you have not received your Annual Benefit Statement, we recommend you do the following:

- Confirm that the address on file with your employer is correct. MCERA receives address information on active members through payroll downloads, so you may need to update your address with your department/agency payroll specialist. Deferred and reciprocal members should complete an Address Change form (available at www.MCERA.org or upon request).
- Contact our office for a duplicate copy.

Where can I get more information?

Visit our website, www.MCERA.org, and download the Frequently Asked Questions to learn more about the information on your Annual Benefit Statement.

BOARD MEETINGS

February 6
Finance & Risk
Management Committee

February 12
Retirement Board

February 26
Governance Committee

March 12
Retirement Board

March 13
Investment Committee

March 18-19
Strategic Workshop

April 9
Retirement Board

May 9
Finance & Risk
Management Committee

Board Meeting Highlights

Key Actions from October, November and December 2013

Audited Financial Statements Accepted

In October, the Board reviewed and accepted the auditor's report of financial condition. The audited financial statements for the fiscal year ending June 30, 2013 received an unqualified (clean) opinion.

Semi-annual Strategic Workshop

The Board convened for a two-day strategic workshop in October. Trustees had a panel discussion with private equity and real estate managers, reviewed the economic and capital markets over the last ten years and discussed the current economic assumptions and amortization policy. The Board also received a presentation on municipal bankruptcy filings in the United States.

Board Member Appointments, Offices

In October, the Board of Supervisors reappointed Greg Brenk (fourth member)

and David Shore (sixth member) to the Retirement Board. The new three-year terms for Trustee Brenk and Trustee Shore began November 1, 2013.

In November, the Retirement Board re-elected the current slate of officers for another year of service, with Bernadette Bolger, Greg Brenk and Howard McFarland continuing as Chair, Vice Chair and Secretary, respectively.

Policies Revised/Adopted/Reaffirmed

The following policies were revised, adopted or reaffirmed:

- Budget Policy and Adoption Process
- Code of Fiduciary Conduct, Ethics and Governance
- Guidelines for Discussion of Disability Retirement Applications at Board Meetings

FIND IT ONLINE!



All Retirement Board agendas, minutes and policies are posted on our website.

Visit MCERA.org and click on Retirement Board for agendas and minutes; click on Governance for policies and bylaws.

Thinking About Leaving Before Retirement?

Continued from page 1

will continue accruing interest and you may request a refund of your account at any time.

Deferred non-vested Classic members:

Classic members are eligible to retire at age 70 with no minimum service requirement.

Establish Reciprocity

You are eligible to establish reciprocity if you leave your retirement contributions on deposit with MCERA and become a member in a reciprocal retirement system (most public employers in California) within six months of leaving active MCERA membership. The primary advantages of reciprocity include the following:

- If your new retirement system uses age-based contribution rates, your age for contribution purposes will be the same as when you entered MCERA rather than your current age.
- Service credited under MCERA will count toward establishing your eligibility for retirement benefits in both systems.

- The highest average compensation used to determine your retirement benefits from all systems will be the highest that you earned under any one system.
- Classic members retain eligibility for the retirement tier that was in place with their new employer as of December 31, 2012, prior to the implementation of PEPRA.

You can withdraw your member contributions.

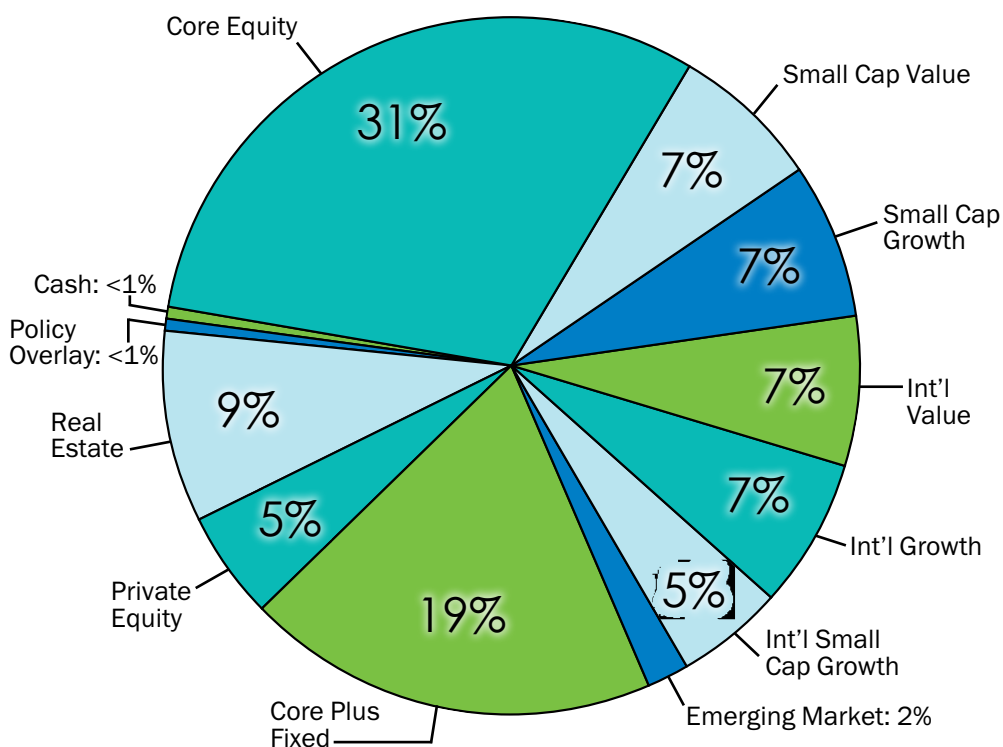
When you separate from employment you may withdraw your accumulated member contributions plus any interest earned.

Keep in mind that if you withdraw your contributions you terminate your MCERA membership, forfeiting any right you may have to receive a future benefit from MCERA.

Where can I get more information?

Visit the Benefits Information page on our website (www.mcera.org) to read the Terminating Employment FAQs, Terminating employment booklet and the Fact Sheet on Reciprocity. Call our office at (415) 473-6147 to speak with our staff if you need help finding an answer for your personal situation.

Portfolio Pie as of September 30, 2013



| | |
|------------------------|-------------------------|
| Core Equity | \$ 555,139,000 |
| Small Cap Value | \$ 131,906,000 |
| Small Cap Growth | \$ 122,110,000 |
| International Value | \$ 131,541,000 |
| International Growth | \$ 132,743,000 |
| Int'l Small Cap Growth | \$ 82,292,000 |
| Emerging Market | \$ 41,203,000 |
| Core Plus Fixed | \$ 340,869,000 |
| Private Equity | \$ 86,135,000 |
| Real Estate | \$ 163,458,000 |
| Policy Overlay | \$ 7,172,000 |
| Cash | \$ 10,004,000 |
| TOTAL | \$ 1,805,572,000 |



Marin County Employees' Retirement Association
One McInnis Parkway, Suite 100
San Rafael, CA 94903-2764

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Standard
U.S. Postage
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Participating Employers:

City of San Rafael
County of Marin
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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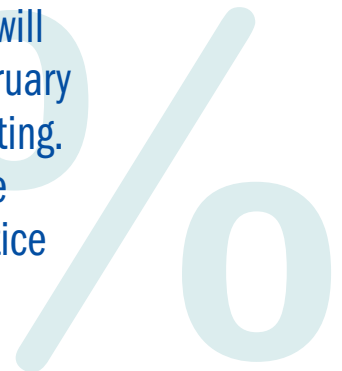
Office Hours: Monday - Friday
8am - 5pm

IN THIS ISSUE

| | |
|---|---|
| Thinking About Leaving Before Retirement? | 1 |
| Retiree News: 1099-R Forms Mailed | 2 |
| Retiree News: Retiree Health Benefits and the Affordable Care Act | 2 |
| Save Your Seat for a Retirement Workshop in 2014..... | 3 |
| Annual Benefit Statements Mailed in November | 4 |
| Board Meeting Highlights..... | 5 |
| Portfolio Pie as of Sept. 30, 2013..... | 5 |

What's happening this quarter?

The April retiree COLA will be affirmed at the February Retirement Board meeting. Retirees eligible for the COLA will receive a notice by mail shortly after.



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.