

FUNDamentals

NEWSLETTER FOR MEMBERS OF THE MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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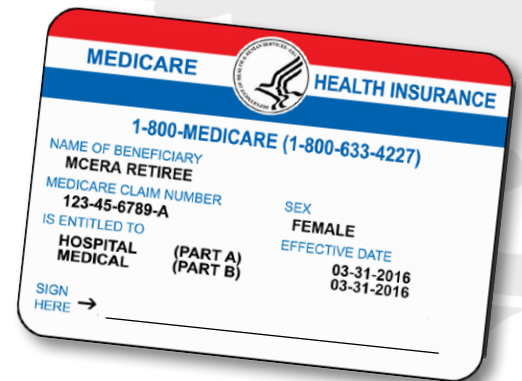
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When should I enroll in Medicare?

Know when to enroll in Medicare benefits to avoid premium penalties.



Most MCERA members have contributed to Medicare and are eligible for Medicare at age 65. If you're still working full time beyond age 65, most employers don't require you to take action. However, if you are over 65 and approaching retirement, or turn 65 after you retire, it's important to meet your enrollment deadline.

If You Are Over 65 at the Time of Retirement

If you are age 65 or over at retirement your Medicare benefits must be effective on or prior to your retirement date. There are health plan premium penalties if your benefits are effective after retirement, so we recommend beginning the enrollment process no later than three months before you plan to retire.

MCERA must receive one of the following with your retirement application to avoid penalties:

- Medicare enrollment card
- Letter from Medicare confirming enrollment
- Letter from Medicare confirming non-eligibility

If You Turn 65 After Retirement

If you are already retired when you turn 65 your Medicare benefits must be effective on your 65th birthday. We recommend beginning the enrollment process no later than three months before you turn 65.

FAQ: What if I'm eligible and don't enroll on time?

An additional premium will be deducted from your retirement benefit payment than what you would otherwise owe. The additional amount is a surcharge that is not covered by any subsidy or reimbursement you may receive from your employer.

FAQ: What if I'm not eligible for Medicare?

If you are not eligible for Medicare please obtain proof of your non-eligibility (commonly in the form of a letter from Medicare) and submit it to MCERA at retirement, or after retirement when you turn 65.

Prepare for retirement **now.**

Get started with the **Retirement Planning Checklist** on page 3.

See **page 7** for helpful contacts and a list of Medicare resources.

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Appointed by Board of Supervisors

Greg Brenk

Appointed by Board of Supervisors

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Elected by Safety 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) 473-4014

Retiree COLA Affirmed

Eligible retirees and beneficiaries will receive a cost of living adjustment (COLA) in April

For most, the retirement benefit you'll receive at the end of April 2016 will include a COLA. The actual amount of your COLA may depend on two factors: the employer and/or tier from which you retired, and your date of retirement.

Eligible retirees will receive a flyer by mail in the coming weeks. The table on page 2 of the flyer will show the COLA percentage for each tier in 2016.

Calculating the COLA

The COLA is calculated as required in the California Government Code based on changes in the Urban Consumer Price Index (CPI) for the San Francisco Bay Area. The CPIs for the two prior calendar years are averaged and rounded to the nearest half-percent. This year, the average of the two CPIs shows an increase of 2.62%, which rounds to a 2.5% COLA for 2016.

COLA Maximums and COLA Banks

Each retirement tier has a maximum COLA of 2%, 3% or 4%.

If your maximum allowable COLA is less than the increase in the CPI, the difference is "banked" for possible use in a future year (as provided by law). If the change in the CPI is less than your maximum allowable COLA, we will make a withdrawal from your COLA bank, if available, in order to bring your increase up to the maximum allowable for your employer and/or tier.

Visit MCERA.org for more information.

ACTIVE MEMBERS

Did you know that you help fund your future retiree COLAs through your member contributions? When the actuary calculates member contribution rates, a portion of those rates includes the COLA.

New Disability Retirement Publications

The **Disability Retirement Handbook** reviews the types of disability retirement and eligibility requirements, explains the application process in detail and answers over twenty frequently asked questions.

The **Disability Retirement Process Brochure** provides an overview of the application process and a brief comparison of the types of disability retirement.

The **Application Forms Packet** contains all application forms as fillable PDFs, instructions for completing each section of the application, and a checklist to help you keep track of required documents.

All disability publications are available at MCERA.org or upon request.





Retirement Planning CHECKLIST

It's never too early to plan for retirement, but you may not know where to start. Use this checklist throughout your career to help you get the most out of your planning.

5+ Years Before Retirement

- ☐ Attend an Early Career workshop.
- ☐ Update your beneficiary information whenever necessary.
- ☐ Initiate service purchases so that you have time to pay them off.
- ☐ Review your Annual Benefit Statements.
- ☐ Consider starting a supplemental savings plan (e.g. a 457(b) or 401(k)).
- ☐ Submit divorce documentation (if applicable).

3 Years Before Retirement

- ☐ Attend a Late Career workshop.
- ☐ Calculate your own retirement benefit estimate online using the Retirement Benefit Estimator at MCERA.org.

2 Years Before Retirement

- ☐ Calculate your own retirement benefit estimate online using the Retirement Benefit Estimator at MCERA.org.
- ☐ Consider possible retirement dates.
- ☐ Initiate or try to complete any remaining service credit purchases.

1 Year Before Retirement

- ☐ Request a formal retirement benefit estimate and customized application from MCERA.
- ☐ Price and compare medical coverage and/or employer options.
- ☐ Get information on Social Security benefits, if eligible.

6 Months Before Retirement

- ☐ Select your retirement date.
- ☐ Gather or order all of the documents you will need for retirement:
 - Birth certificate for each beneficiary (or copy of trust agreement)
 - Your marriage license or partnership registration
- ☐ Contact appropriate agencies or advisors to determine tax withholding.

2-3 Months Before Retirement

- ☐ Contact MCERA's Benefits Team to get your remaining questions answered, or schedule an appointment if necessary.
- ☐ Tell your beneficiary which payment option you're selecting and what it means for them.
- ☐ If you or your spouse are over 65 at retirement, enroll in Medicare with benefits effective as of your retirement date.
- ☐ Notify your employer of your retirement date.
- ☐ Submit your retirement application and all forms and documents to MCERA.

INCLUDE A WORKSHOP IN YOUR RETIREMENT PLANS

Learning about your MCERA benefits is an important step in planning your financial future. Whether you recently started making retirement contributions, have been with your current employer for years, or plan to retire in the next few months, MCERA's workshops can help answer your retirement questions.

Early Career, Late Career and Social Security workshops are available. Please feel free to contact us if you're not sure which workshop is right for you.

To view the complete 2016 schedule visit MCERA.org and click "Retirement Workshops" in the section of links at the top. To sign up, click "Request Seat" next to your preferred workshop.

Don't forget to contact your deferred compensation representative if you participate in an employer-sponsored deferred compensation (457b) plan.

Don't forget!
The 2016
IRS tax filing
deadline is



MCERA will
be closed

May 30

(Memorial Day)

July 4

(Independence Day)

Retirees & Beneficiaries:

Contact
MCERA's
Post-retirement
Benefits Team
with questions
about medical,
dental and
vision benefits.

(415) 473-4149

**MCERARetirees@
marincounty.org**

Tax Forms Mailed to Retirees

Form 1099-R: Pension Distributions

The 2015 1099-R tax statements for all MCERA retirees, beneficiaries and other payees were mailed January 29, 2016.

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

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 have not yet received your 1099-R 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.

Form 1095-B: Health Insurance

Since 2014, the Affordable Care Act has required individuals to have health insurance that meets the "minimum essential coverage" standards or potentially pay a penalty. When you file your 2015 Federal income tax return, you must indicate whether you (and your dependents) had the type of health insurance required by the law. The IRS will also receive information about your coverage directly from your insurance carrier.

Retirees on employer-provided health plans administered by MCERA during 2015 will receive a Form 1095-B from your insurance carrier (Kaiser or Anthem Blue Cross). This form indicates which members of your family were covered and in which months. Information from the form can be used in completing your Federal income tax return.

For your 2015 tax filing, you may not receive your form until after April 1, 2016. You should timely file your individual tax return even if you do not receive your 1095-B before the tax filing deadline. The IRS has indicated that you will not need to file an amended return and can rely on the information you have to meet the deadline.

Open Enrollment for Retiree Vision Care this Spring

All MCERA retirees and eligible dependents have the option to enroll in vision coverage through VSP Vision Care. Open enrollment is your opportunity to enroll in the plan, terminate your plan, or make changes to your dependent coverage.

Open Enrollment Period

March 14, 2016 through May 6, 2016. Coverage is effective July 1, 2016, and deductions will begin with your June 30, 2016 retirement benefit payment.

How to Enroll

- Complete the online enrollment form at vsp.com/go/marincera.
- Call (800) 400-4569. VSP Member Services is available Monday - Friday: 5:00 AM to 8:00 PM; Saturday: 7:00 AM to 8:00 PM; and Sunday: 7:00 AM to 7:00 PM (Pacific Time).

Monthly Premiums in 2016

One Person:	\$10.51
Two People:	\$20.53
Family:	\$24.05

Please keep in mind that if you elect to have vision coverage through VSP as a retiree, you are responsible for all VSP Vision Care premiums as they are not covered by any subsidy you may receive from your former employer.

Link Your Public Service through Reciprocity

Were you a member of a public retirement system in California before entering MCERA membership?

Are you leaving your MCERA employer to take a new position with a different public employer in California?

If you can answer yes to either of these questions you may benefit from establishing reciprocity.

Reciprocity Requirements

- Your break in service between retirement systems must be no more than 180 days.
- You must have a clean break in service with no overlapping service credit.
- Your retirement contributions must remain on deposit with all reciprocal systems.

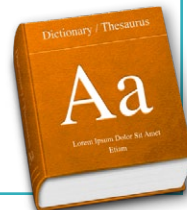
Reciprocity Advantages

- Your service credit in each of your reciprocal retirement systems combines to make you vested and eligible to retire, so you don't "start over" when you move between systems.
- Your highest average compensation earned in any retirement system will be used by all systems to calculate your retirement benefit.
- If you were a member of a reciprocal retirement system prior to January 1, 2013, you may be eligible to retain your Classic member status, meaning you would be eligible for the tier and benefit levels in place with your new system as of December 31, 2012, prior to pension reform.

FUNDamental DEFINITION

reciprocity

Noun. An agreement between most California public employee retirement systems that allows you to link your service between systems and preserve your total retirement benefits.



To establish reciprocity or check your reciprocal status, contact the Active Member Benefits Team by phone at (415) 473-4148 or by email at MCERABenefits@marincounty.org.

Retirement Board Updates

Audited Financial Statements Accepted

In November, the Board reviewed and accepted MCERA's independent auditor's report of financial condition. The audited financial statements for the fiscal year ending June 30, 2015 received an unqualified (clean) opinion.

Upcoming Elections/Appointments

The terms of the 2nd General member, 7th Safety Member and 7th Safety Member Alternate end on October 31, 2016. Elections for these seats will be held in July and all members eligible to participate in the elections will receive official notice by mail.

The terms of the 4th Member and 6th Member, both appointed by the Board of Supervisors, also end on October 31, 2016. The Board of Supervisors will appoint members of the public who are Marin County residents and meet other eligibility requirements to fill these seats prior to that date.

Policy Updates

The following policies were revised:

- Conflict of Interest Code
- Investment Policy Statement
- Actuarial Equivalence Determinations for Modified Retirement and Survivor Allowances
- Facility Use and Reservation Policy

The following policies were reaffirmed without revision:

- Election and Duties of Board of Retirement Officers
- Timing of Employer Payment of Required Contributions to MCERA
- Procedures for Hearings on Matters Other than Disability Retirement
- Records Retention Policy and Guidelines
- Compensation Earnable and Pensionable Compensation Determinations
- Trustee Education Policy

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.

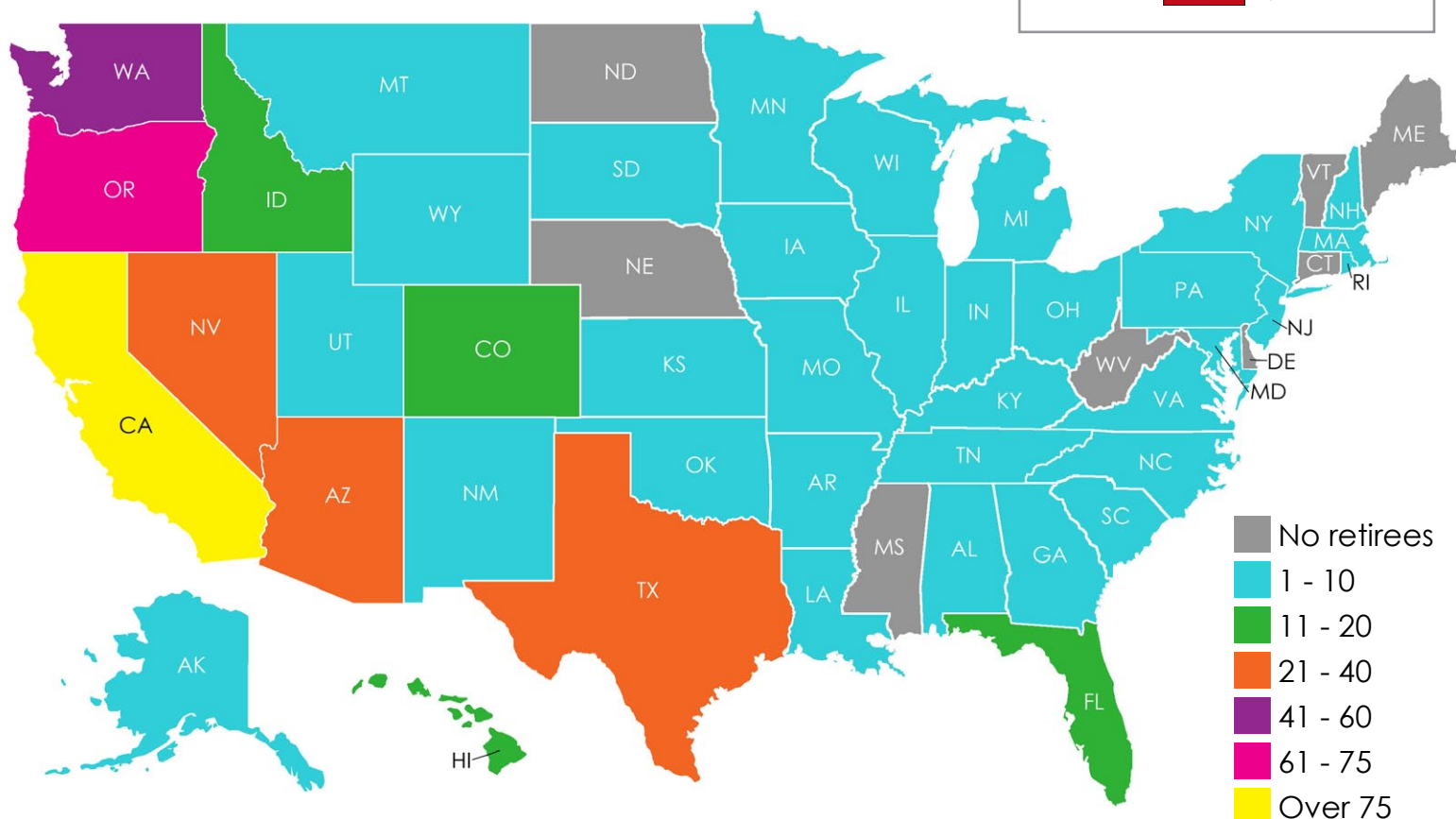


Where Are Our Retirees?

MCERA retirees are represented in eight countries but most stay close to home. Out of 2,865 retirees and beneficiaries, 2,482 live in California and 1,065 are still in Marin County. See how far our retired members stretch across the nation in the map below.



	Australia
	Canada
	England
	France
	Hong Kong
	Israel
	Spain



Retiree data as of December 31, 2015

Membership in MCARE

Marin County Association of Retired Employees

The Marin County Association of Retired Employees (MCARE) is a not-for-profit organization that serves former employees of MCERA's participating agencies.

The benefits of MCARE membership include access to supplemental medical, dental and pet insurance programs through Pacific Group and a competitive scholarship program that annually awards three children or grandchildren of MCARE members. In addition to

receiving a monthly newsletter that reports on issues important to retirees, MCARE members meet on the second Tuesday of each month at San Rafael Joe's for luncheons that include a social hour and guest speakers.

If you're interested in joining MCARE please contact MCARE Membership Chair Edith Simonson (esimonson1@verizon.net).

Membership dues are \$2 per month and can be easily deducted from your monthly MCERA retirement payment.

More information is available at MCAREInfo.org.

Editor's note: This information is included in this newsletter as a resource for current and future retirees. MCARE is an independent organization with no affiliation to MCERA. Any questions or comments should be directed to MCARE.

When should I enroll in Medicare?

(Continued from page 1)

Medicare Resources

- Visit Medicare's website (www.medicare.gov) to view or download the "Medicare & You" handbook (publication 10050).
- Call Social Security at 1-800-772-1213 for more information about Medicare eligibility and how to sign up. 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.
- 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.

Get More Information

The information in this article is specific to County-sponsored retiree health plans. The following agencies participate in the County plans:

Marin County
Marin Superior Court
LAFCO
Marin City Community Services
Marin/Sonoma Mosquito
Southern Marin Fire
Tamalpais Community Services

Employees and retirees of these agencies can contact MCERA's Post-retirement Benefits Team at (415) 473-4149, or MCERARetirees@marincounty.org, for more information.

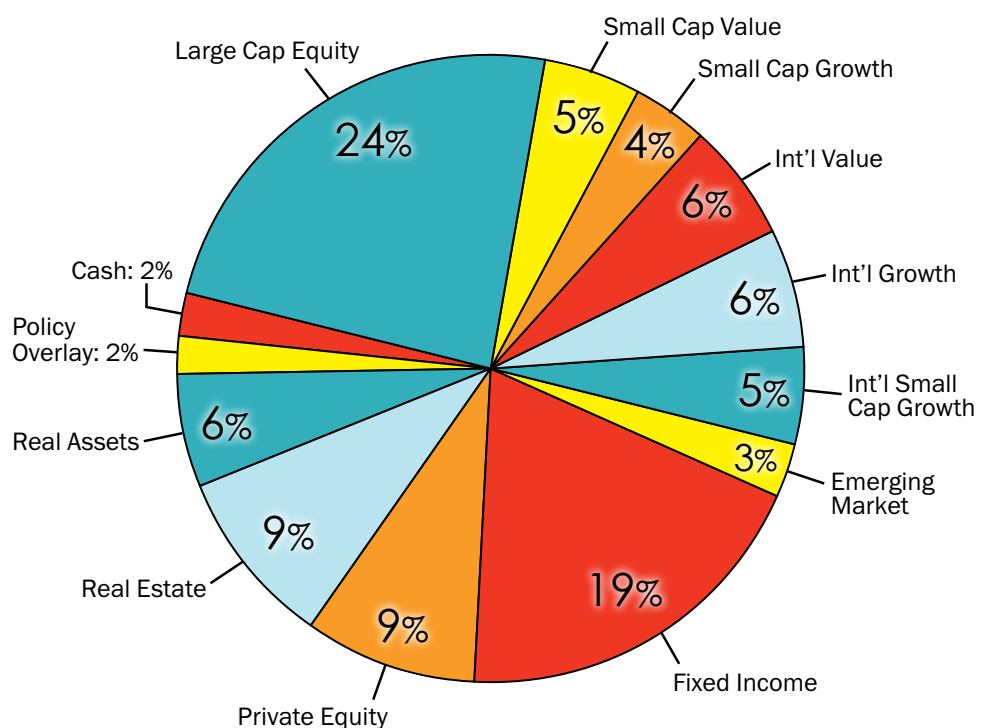
Employees and retirees of the City of San Rafael and Novato Fire may have different Medicare enrollment requirements than what is described in this article. Please contact your employer for information specific to your retiree health plan.

City of San Rafael
Human Resources Department
(415) 485-3063

Novato Fire
(415) 878-2690

INVESTMENT PORTFOLIO as of December 31, 2015

Large Cap Equity	\$	479,390,000
Small Cap Value	\$	93,347,000
Small Cap Growth	\$	90,023,000
International Value	\$	121,714,000
International Growth	\$	124,403,000
Int'l Small Cap Growth	\$	94,750,000
Emerging Market	\$	62,177,000
Fixed Income	\$	396,617,000
Private Equity	\$	174,283,000
Real Estate	\$	180,831,000
Real Assets	\$	130,603,000
Policy Overlay	\$	36,450,000
Cash	\$	39,974,000
TOTAL		\$ 2,024,562,000





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

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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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Retirement Planning Checklist



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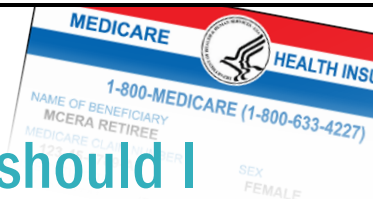
Retiree COLA: 2.5%



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When should I enroll in Medicare?



Link Your Service through **RECIPROCITY**

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Contact MCERA!

ACTIVE MEMBERS

(415) 473-4148
MCERABenefits@marincounty.org

RETIRED MEMBERS

(415) 473-4149
MCERARetirees@marincounty.org

GENERAL INFO & FORMS

(415) 473-6147



Important Note

MCERA staff prepared this newsletter to help our members understand issues surrounding many aspects of their retirement benefits. The information contained herein is not intended to be all-inclusive. The information is general and is written to be as understandable as possible while remaining accurate. MCERA is governed by state and federal law. If any conflicts arise between the information presented and applicable law, the law will prevail. 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 tax counsel.