



LOOKING FORWARD... TO THOSE GOLDEN YEARS

Ensuring Tomorrow's Benefits through Prudent Management

Summer 2011

Calculating Your Bi-Weekly Contribution Just Got Easier!

Contribution rate increases for employees and employers go into effect the first full pay period in July.

Most affected employees will have received notice already. However, to help you calculate your own contribution amounts, a new Contribution Calculator can now be accessed at www.StanCERA.org.

1.) An employee's contribution is based upon their age at time of entry to the plan (typically within the closest 6 months of their birthday). 2.) Employee rates for each tier are split between a basic and cost of living (col) percentage amounts. 3.) Both the basic and col percentages are broken out further into two separate amounts because StanCERA retirement is integrated with Social Security. (except Keyes Comm. Services)

The first percentage rate is applied to the first \$161.54 of the retirement eligible salary paid (based upon a bi-weekly payroll) and the second percentage rate is applied to the remainder of the retirement eligible salary paid.

			TOTAL
Biweekly Salary	\$ 161.54	\$ 838.46	
Basic % (from table)	5.32%	6.48%	
	\$ 6.98	\$ 54.33	\$ 61.31
Biweekly Salary	\$ 161.54	\$ 838.46	
COL % (from table)	1.25%	1.88%	
	\$ 2.02	\$ 15.76	\$ 17.78
			\$ 79.09

The above example shows a general member who enters the retirement system at age 30, in Tier 5, earning \$1,000 of retirement eligible pay per bi-weekly payroll.

Try it, visit us at www.StanCERA.org and click on the "Calculators" icon.

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Published quarterly for members of the Stanislaus County Employees' Retirement Association

StanCERA Myth – StanCERA determines what types of pay are included in your Final Average Salary (FAS).

Actually the Supreme Court clarified this by way of two rulings, one in October of 1997 and another in 2004, in litigation commonly referred to as the "Ventura Decision." In fact, very few paycodes are excluded. Pay codes that are **not** retirement contributable are overtime pay, call-back pay, termination cash outs and reimbursements. In addition, neither health insurance, employer pickup of retirement contributions nor uniform vouchers are included.

For all other cash compensation, a retirement contribution should be made and is included in the calculation for Final Average Salary used for benefit calculation. These Supreme Court Rulings did increase the contributions and benefits for members who, because of their positions and labor agreements, receive special pay for their work.



Looking Forward ...
To those Golden
Years

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Board of Retirement

As of June 15, 2011

Gordon B. Ford
Maria De Anda
Clarence Willmon
Ron Martin
Mike Lynch - Chair
Jim DeMartini - Vice Chair
Darin Gharat
Linda Stotts-Burnett
Alternate Retiree Representative
Jeff Grover

Retirement Administrator

Tom Watson

Board of Retirement Meeting Schedule

Meetings are held the second Wednesday and the fourth Tuesday of each month with some exceptions, located at 832 12th Street, Modesto 6th Floor in the Wesley W. Hall Board Room at 2:00 p.m.

Admin/Benefits	Investments
July 13, 2011	July 26, 2011
Aug 10, 2011	Aug 23, 2011
Sep 14, 2011	Sep 27, 2011

Office Closures

July 4, 2011
Sep 5, 2011

Retiree Payroll Dates

Aug 1, 2011
Sept 1, 2011
Oct 3, 2011

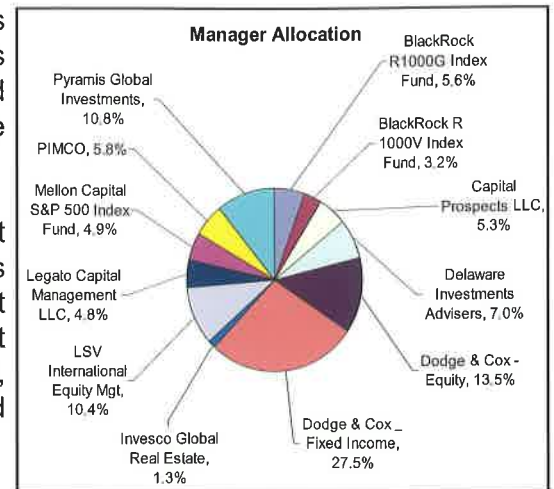
To view Board actions, please visit our website at www.stancera.org under **Agendas and Minutes**.

The StanCERA newsletter is intended as a source of information, not a legal document or a substitute for the law. If differences appear between the law and the newsletter, the law must prevail.

Funding the Fund – Why StanCERA Diversifies

As part of StanCERA's strategic plan, one goal is to maintain a diversified investment portfolio while managing risk.

What this means is that we invest our trust assets in a variety of different investments with different levels of investment risk, potential for return, and earnings periods.



Because the economic climate is very dynamic and unpredictable, it is safer to have monies invested in as many different types of investments as is prudent. Under certain economic conditions, some of those investments might flourish while others stagnate. Yet, when conditions change, the investments that did not perform as well may pick up. By not putting all of our eggs in one basket, we are lowering our risk of loss and maximizing returns over long periods of time.

Extra Extra, Read All About It... Missing Beneficiary Located

Sometimes we have trouble finding beneficiaries because their information is outdated. Whether you are retired or not, make sure that your StanCERA beneficiary information is current. To ensure that your beneficiaries receive all the StanCERA benefits to which they are entitled, please take a few minutes to do the following:

- Know who your designated beneficiaries are.
- Complete a new beneficiary form if:
 - You have had a change in marital or domestic partnership status
 - You want to change your designated beneficiaries
- Make sure StanCERA has the most up-to-date contact information for your beneficiaries, including their phone numbers, addresses and Social Security numbers.

Note: The beneficiary information updated with your employer is not forwarded to StanCERA. You can download the form at our Web site (www.stancera.org) or give us a call.

Member Statements Coming Soon !

PERSONAL INFORMATION	
Member No:	000012345
Date of Birth:	12/01/1950
Gender:	Male
Plan:	General
Tier:	Tier 4
Employer:	Stanislaus County
Marital Status:	Married
Spouse:	STELLA COUNTY
Entry Age of Contributions:	

Reminder:

The Personal information listed on your Member Statement is provided by your employer. Retirement Beneficiary Designation is not.

Investment Term

Prudent Man Rule: "Those with responsibility to invest money for others should act with prudence, discretion, intelligence, and regard for the safety of capital as well as income." This was the fundamental principle for professional money management as stated by Judge Samuel Putnam in 1830.

The rule is intended to limit the type of investments that a fiduciary (like StanCERA) can make to the type of investments that a prudent and reasonable person would make, in theory safeguarding its assets from unreasonable risk.

Member Contribution Rates...

Member contributions follow formulas established by the County Employees Retirement Law of 1937 (CERL).

Those formulas are based in part on actuarial assumptions. When those assumptions remain stable, our contribution rates remain stable and vice versa. By now you're probably thinking, "What does that mean?"

Actuaries and Their Assumptions:

An actuary is a business professional who analyzes the financial consequences of risk. Actuaries use mathematics, statistics, and financial theory to study uncertain future events, such as death or disability. Actuaries, who work with administrators of defined benefit plans like StanCERA, study the actual experience of the plan over the last three years to create assumptions (known as actuarial assumptions) regarding each member's future salary increases, age at retirement, and life expectancy. They also apply those assumptions to determine the level of contributions required to ensure pension plans are maintained on a sound financial basis.

Impact of Changes to Actuarial Assumptions:

When changes in some or all of the previous actuarial assumptions occur, contribution rates and other affected factors are adjusted accordingly.

For example, when statistics indicate our members are

living longer, the mortality tables are adjusted. If investment earnings are lower than expected, the assumed rate of return is lowered. When retirees live longer we need more contributions as we expect to pay their retirement allowances for a longer period of time.

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Our Retirees Are Living Longer:

Actually, the examples I just cited have occurred. Based on their 2010 Investigation of Experience study, our actuaries recommended changes to some of the actuarial assumptions that affect our operations.

The study found our service retirees are living longer.

Based on the actuaries' evaluation and recommendation, our Retirement Board recently adopted new mortality tables. The new tables along with the other changes in assumptions are expected to result in an increase in member contributions.

The new rates will take effect in the first full pay period for time worked in July, 2011. To calculate your new contribution amounts visit the StanCERA website at: www.stancera.org.



Election Results

Recently three Seats on the Board of Retirement were up for election, Seat's #8 & 8a (Retiree and Alternate Retiree Representatives) and Seat #3 (General Member Representative).

Joan Clendenin was the only candidate to file papers for Seat 8a (Alternate Retiree Representative) and was thereby elected unanimously. Congratulations to Joan! Two retirees, Steve Yauch and Michael O'Neal ran for Retiree Seat #8 and two Active members, Donna Riley and incumbent Clarence Willmon, ran for General Seat #3.

But wait, who won?

Unfortunately, final results for the Retiree Representative and the General Member Representative were not known as of the printing of this newsletter. Please visit us at www.StanCERA.org for Board of Retirement election results. All three terms begin on July 1, 2011 and will continue for three years.



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Unused Sick Time

Depending on your employer and your MOU (union agreement), you may be eligible to cash out a percentage of your unused sick leave upon your retirement. Stanislaus County, Stanislaus County Superior Courts and StanCOG employees have a "personal sick leave limit" which is 600 hours for most employees.

If your sick leave accrual is below your personal sick leave limit, you may receive a cash out from your employer, upon retirement, but it will have no effect on your monthly retirement benefit.

However, for those that have sick leave accruals **above** their personal sick leave limit, we have great news for you. The accruals **over** the personal sick leave limit will be converted to retirement service credit at 100%. The **excess** hours will increase the service time used to calculate your monthly retirement allowance and thus your benefits increase in proportion.