



LOOKING FORWARD... TO THOSE GOLDEN YEARS

Ensuring Tomorrow's Benefits through Prudent Management

Winter 2011

'Tis The Season to Understand Retirement Service Credit "Buyback" Options



Active members who have previously refunded full time service or have worked in a part time or intermittent part time capacity can elect to re-deposit funds or purchase service credit.

If you were previously employed within StanCERA (Stanislaus County, Stanislaus Superior Court, City of Ceres, five special Districts) on a full time basis and received a refund of your contributions upon termination **and are currently employed within StanCERA**, you may "buyback" this prior refunded service.

By re-depositing your withdrawn contributions plus the interest the contributions would have earned, you can increase your current retirement service credit.

If you were employed by a StanCERA covered employer on a part-time or "extra help" basis, you can "buyback" your part time service to increase your retirement service credit. This type of buyback is available for all retirement tiers, except Tier 3.

In other words, the more service credit you have, the higher your retirement allowance will be. The additional service credit is also counted towards vesting, membership requirements for retirement eligibility and in determining the date that a member's contribution will be discontinued due to the completion of 30 years of service.

"The cost to buyback retirement service credit is computed by the amount of service credit you have available for purchase, service type, rate of contributions and any accrued interest."

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

The cost to buyback retirement service credit is computed by the amount of service credit you have available for purchase, service type, rate of contributions and any accrued interest.

Generally buyback requests are processed within two to four months depending on the number of requests received and research needed to calculate in order to complete the buyback process.

When buyback requests are completed, the information is sent to the member for review. Members can choose to proceed with the buyback by scheduling an appointment with a StanCERA Benefits Specialist to discuss payment options available and answer questions.

To obtain a buyback calculation request form, please visit our website at www.stancera.org or contact our office at 209-525-6393.

Seasons Greetings



Looking Forward ...
To those Golden
Years

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Board of Retirement

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Jim DeMartini - Vice Chair
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Michael O'Neal
Joan Clendenin
Alternate Retiree Representative
Jeff Grover

Executive Director
Rick Santos

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
Jan 11, 2012	Jan 24, 2012
Feb 8, 2012	Feb 28, 2012
Mar 14, 2012	Mar 27, 2012

Office Closures

Dec 23 at Noon
Jan 2, 2012
Jan 16, 2012
Feb 20, 2012

Retiree Payroll Dates

Jan 3, 2012
Feb 1, 2012
Mar 1, 2012

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.

Congratulations!

It has been an exciting ride at StanCERA this past year. Retirements are hitting home and progression is roaring like a steaming locomotive. Among the many changes, we would like to congratulate Kathy Herman and Dawn Lea for their recent appointments.

For the past five years, Kathy Herman has maintained StanCERA's special projects. Just recently she was chosen to become StanCERA's new Operations Manager. She is working diligently to continue the role in effectively managing office operations.



Meanwhile in the Benefits Department, Dawn Lea a 15 year StanCERA, veteran, has been chosen to be StanCERA's new Benefits Manager. Dawn is no stranger to the majority of membership. Be it retirement counseling, buyback counseling or a friendly response to a question, Dawn is equipped with endless knowledge of how retirement operates, all while speaking your language.

Of course we can't forget the value Hank Skau, Retired Operations Manager and Michele Silva, Soon-to-Be Retired Benefits Manager brought to our organization. We wish them both the best as StanCERA continues to roar along the path of progression!



Good-Bye Tension... Hello Pension!

StanCERA wishes a final farewell to Tom Watson, *Retired* Retirement Administrator! Good luck in all you do and allow us a few parting words...



Remember Tom:

1. Your retirement check will be deposited on the first *business* day of each month. That means your StanCERA check may not always be available on the 1st day of the month. (i.e. **January 3, 2012**)
2. All payroll changes must be submitted prior to the 10th of each month in order to be effective the following month.
3. You may visit www.stancera.org to access forms related to payroll changes, beneficiary updates or various tax needs.

We know, we know... you already know all this. Just in case, hold on to this newsletter as a reference. Good luck, you will be missed and let us know if you have any questions.

Sincerely,
StanCERA
(209) 525-6393

1099 Time Again...

Why is my Taxable Amount less than my Gross Distribution?

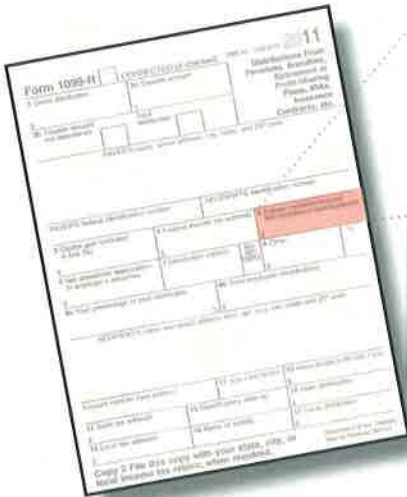
For members employed by Stanislaus County prior to 1986, Retirement contributions were deducted from your Post Tax pay, therefore, any contributions made to StanCERA prior to 1986 were taxed and, per current IRS regulations, cannot be taxed a second time. Yipee!

StanCERA has kept an account of the post-tax contributions for each member. At your retirement counseling session you may have received a document listing all your contributions including any post-tax contribution amount. Until our recent system upgrade, it was each retiree's responsibility to track and make any taxable reductions. Our new system gives us the ability to calculate and reduce your taxable amount appropriately.

To do this, we use the IRS guidelines, to spread the post-tax contribution reductions. This is called the "General Rule", the "Simplified Method" or the "Simplified General Rule". Essentially, it's just a table that uses your retirement date, your selected retirement option, your age at retirement, and if you have a spousal beneficiary, their age at your retirement.

These parameters are used to identify the number of months the IRS has determined your Taxed Contributions should be spread, let's call this the "Reduction Months". This can range from a low of 120 months to a maximum of 410 months. The Reduction Months is divided into your Taxed Contributions for the monthly reduction amount.

An Example, for a member retiring February 2001;



5 Employee contributions/Designated
Roth contributions or insurance premiums
\$ **277.80**

Taxed Contributions = \$9,491.19
Calculated Reduction Months = 410
(Reduction Months will run out in April 2035)
Per month reduction = \$9,491.19/410 = \$23.15
Per year reductions = 23.15 * 12 = **\$277.80**

This member's Taxable Amount (1099R box 2a) will equal the Gross Distribution (1099R box 1) minus \$277.80.

If you'd like to read more, or you are looking for a sleep aid, check out IRS Publications 939 and 575.

You can also find the 1099R worksheets for this calculation on the StanCERA website in the "Forms" section, look for "Tax Worksheets".

Retiree Burial Allowance (Death Benefit)

Were you aware that after you retire StanCERA provides a \$5,000 death benefit to your named beneficiary, if StanCERA was the last system you worked for?

WOW, what a great benefit! This benefit is a "Thank You" for your years of service that the Board of Retirement (B.O.R.) and Board of Supervisors (B.O.S.) agreed to provide to our retirees as a non-vested benefit.

It is just amazing how this benefit has grown over the years. When it was first established, May 8, 1973, it was only \$750. Then on January 1, 1984 the B.O.R. and B.O.S. increased this benefit to \$1,000. Just when you thought things couldn't get any better, January 1, 1999, the B.O.R. and B.O.S. increased this amazing benefit to the maximum allowed, **\$5,000!**

Now that you are aware of this benefit and the history, do you know who you have named as your beneficiary? When was the last time you updated this beneficiary? No time like the present to do so.

This form can be found on our website at www.stancera.org/forms or contact StanCERA at 209-525-6393.

Don't wait, update today!

Who
Receives a
1099-R from
StanCERA?

Retirees
Retiree Survivors
Refunded Members

Does StanCERA have my current
address?

Don't delay receiving your 1099-R,
please insure we have your current
address on file. An Address Change
form is available at www.stancera.org.

When will my 1099-R be mailed?

In compliance with Internal Revenue
Service (IRS) regulations, your Form
1099-R will be mailed by the end of
January. The IRS requires StanCERA
to file a 1099-R to report any retire-
ment fund distributions made to you
during the year.

Need a re-print of your 1099-R?

Re-prints of 1099-R can be
produced by request after
February 15th for the
prior tax year's
distributions.

Archiving History



Technology evolves and along with this comes the opportunity to improve systems within StanCERA. Our organization was founded in 1948; that means over 63 years of documents have been created. Recently efforts began to further safeguard our archives of Board Minutes and Agendas by carefully preserving the original papers after converting them into electronic images. These new images are being designed to allow keyword searches.

Our goals are to assemble a set of historical copies to prevent their invaluable loss due to a disaster and to ease member access to the information the Minutes contain while preventing additional wear and damage to the original papers. This project's completion is targeted for December 2011.

As a reminder, you can locate and review more recent Minutes by visiting our website at <http://www.stancera.org> within the section "Agendas & Minutes".



Holiday Season means... Member Statements are Coming Soon!

Non-Retired members, keep an eye out for your Member Statement as it will be reaching you in January.

It is important to know who to contact to make updates to your StanCERA record. A legend is provided below to help:

1. Update your beneficiary
- **StanCERA**
2. Update personal information
(Name, Address, Phone, Marital Status)
- **Employer***



**Although personal information must be updated through your employer, it is the member's responsibility to provide supporting documentation for name and marital changes to StanCERA.*



Attention Retirees

To access your insurance options online go to www.smlins.com and click on the RESCO logo in the upper-right hand corner of the home page.



For questions about retiree insurance, call SML Ins. Services at:
(209) 846-2934

Please Note: StanCERA does not administer retiree health insurance.

Standard First
US Postage
PAID
Stockton, CA
Permit #637

Stanislaus County Employees'
Retirement Association
P O Box 3150
Modesto CA 95353-3150

