

SDCERA

Strength. Service. Commitment.

## News

2009  
October • November • December

## November is Open Enrollment month

**For retired members**

Open Enrollment for SDCERA-sponsored medical and dental plans will take place November 2-23, 2009. During Open Enrollment, retired members can change their existing health coverage or enroll in an SDCERA-sponsored plan for the first time.

Open Enrollment packets will be mailed to current plan participants at the end of October. Retired members not currently enrolled in an SDCERA-sponsored plan received a postcard to request enrollment materials. Contact SDCERA if you do not receive your packet by the first week of November. Changes made during Open Enrollment are effective January 1 through December 31, 2010. SDCERA offers medical plans for members not yet eligible for Medicare (generally under age 65), as well as for those who are eligible for Medicare. Dental plans are also offered. The same plans

will be offered for 2010. See Page 4 for specific information about changes to plan benefits. Monthly premium rates are on Page 6. Some plan premiums increased, but at a rate of less than the medical trend for most plans.

For 2010, all plans were enhanced to allow coverage for eligible dependent children under age 25, regardless of student status. Also, all medical plans (except Secure Horizons) will offer mental health and substance abuse benefits at the same level as medical and surgical benefits.

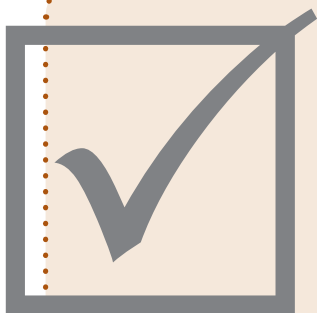
If you need assistance with your Open Enrollment forms, plan to attend the Health and Wellness Fair on November 7, 2009. See Page 7 for more information.

## Plan for retirement with your Annual Member Statement

**Annual Member Statements were mailed to active and deferred members in September.**

Your personalized statement gives you a glimpse of your retirement future by providing benefit estimates based on various ages. With your statement in hand, you can start planning for retirement.

When you are eligible to retire, your benefit will be based on a formula that considers your age at retirement, total years of service credit and highest final average monthly compensation. To see how your benefit can increase with different service credit, age or final average monthly compensation figures, use the online calculator on [www.sdccera.org](http://www.sdccera.org).

**Open Enrollment highlights**

- Enrollment forms are due no later than Monday, November 23.
- The same plans will be offered for 2010.
- See Page 4 for new plan benefits.
- Mark your calendar for the annual Health and Wellness Fair on Saturday, November 7.
- Contact SDCERA at 619.515.6800 or 888.4.SDCERA if you did not receive your enrollment packet by the first week of November.

# SDCERA welcomes Tier B members

## County employees first appointed to a full-time, permanent position on or after August 28, 2009, are Tier B members.

Like other SDCERA members, you become vested once you earn five years of service credit, and you earn the right to receive a lifetime retirement benefit. Retirement benefits differ among SDCERA's three tiers.

	Tier I	Tier A	Tier B
Benefit formula	2.6% at age 62	3% at age 60 for General members 3% at age 50 for Safety members	2.6% at age 62 for General members 3% at age 55 for Safety members
Final average compensation	Based on highest one-year average	Based on highest one-year average	Based on highest three-year average
Maximum annual cost-of-living adjustment	3%	3%	2%

## Know the facts about refunds and returning to work

If you leave County employment for any reason prior to retirement, you must make a decision about your member contribution account. There are a few options to consider, including leaving your contributions on deposit, establishing full or limited reciprocity and deferring retirement until you become eligible. You may also request a refund of your member contributions and earned interest; however, a refund terminates your SDCERA membership and forfeits your right to future retirement benefits.

### Returning to work and SDCERA membership

When you receive a refund of your member contribution account, you no longer have service credit for that period of service. If you are rehired in a position eligible for SDCERA membership, you have the option to redeposit your withdrawn contributions plus interest to restore this service credit and membership in full.

### Current Tier I and Tier A members

Tier I or Tier A members who previously refunded their contribution accounts and are rehired after August 28, 2009, will be placed in Tier B. You may recover your service credit, previous tier and, in some cases, restore your original entry age by repaying your contributions plus interest. Once your redeposit is complete, your years of service credit and Tier I or Tier A membership will be restored. You can only reinstate your original entry age if you meet certain requirements. See the *Refunds* and *Termination Due to Layoff* fact sheets for more details.

The amount you repay includes the contributions and interest you previously withdrew, plus the interest your account would have earned had you left it on deposit, and the difference between your Tier B and Tier I or Tier A contributions plus interest, until your total balance is fully repaid. If you want to repay your contributions and interest, don't delay. The longer you wait, the more it will cost.

If you return to SDCERA membership but do not elect to redeposit your withdrawn contributions and interest, you will be in Tier B, which provides a lower retirement benefit and requires a higher retirement age than Tier I or Tier A for General members.

If you're unsure of your tier, contact SDCERA for assistance. Safety members covered by the 3% at age 50 benefit formula are now referred to as "Safety, Tier A" members.

### Current Tier B members

If you withdraw your member contribution account and become an SDCERA member again, you may recover your lost service credit and, in some cases, your original entry age by repaying your contributions plus interest. The amount of your redeposit will equal the contributions and interest you previously withdrew, plus the interest your account would have earned had you left it on deposit.

You can only reinstate your original entry age if you meet certain requirements. See the *Refunds* and *Termination due to Layoff* fact sheets for more details.

Contact SDCERA for special rules about a redeposit if you return to work within one year of being laid off, or within 90 days of termination.

## You've got mail

### Retired members:

is your address up to date? SDCERA will mail your IRS Form 1099-R at the end of January, which reports the total amount of income paid from the retirement plan during the preceding calendar year. This form is used to complete federal and state tax returns. If you need to update your mailing address, complete and submit a *Change of Mailing Address* form available on [www.sdcera.org](http://www.sdcera.org), or contact SDCERA for a form.

### Active members:

have you received your *Annual Member Statement*? Your personalized statement has been mailed. If you have not received it by the end of October, you may need to update your address. Contact your payroll representative or update your information on the Employee Self-Service Site on the County's intranet. To obtain a copy of your *Annual Member Statement*, contact SDCERA.

# What's new for 2010

## Changes to health plan benefits

While the same plans will be offered for 2010, some of the plan benefits have changed. All medical and dental plans will cover eligible dependent children under age 25, regardless of student status. All medical plans (except Secure Horizons) will offer mental health and substance abuse benefits at the same level as medical and surgical benefits, including deductibles, copayments, out-of-pocket expenses, inpatient stays and outpatient visits, without limitations on the number of days or visits covered.

Plan benefits and fee schedules will remain the same for CIGNA and Delta dental plans. See below for more information about specific plan design changes to SDCERA-sponsored medical plans. All medical plans except Kaiser Permanente Senior Advantage have increased office visit and prescription copayments.

Review the 2010 Health Insurance Plans booklet when received for more information on the plans, including a side-by-side comparison chart of plan details. See Page 6 for 2010 plan rates.

Non-Medicare plans	New copayment for office visits	New prescription fees	Other plan changes
Health Net HMO	\$20	<b>From pharmacy (30 day supply)</b> Generic \$15 Brand name \$30 Non-formulary \$45 <b>From mail order (90 day supply)</b> Generic \$30 Brand name \$30 Non-formulary \$90	
Kaiser Permanente HMO	\$20	<b>From pharmacy (100 day supply)</b> Generic \$15 Brand name \$30	Newborns covered up to 31 days after birth  Accidental injury to teeth is limited to coverage within 72 hours from date of injury
PacifiCare Signature Value HMO (formerly known as PacifiCare HMO)	\$20	<b>From pharmacy (30 day supply)</b> Generic \$15 Brand name \$30 <b>From mail order (90 day supply)</b> Generic \$30 Brand name \$60	Chiropractic visit \$15  Hearing aid benefit now covered under durable medical equipment, covered in full up to \$5,000 per year
Kaiser Permanente Senior Advantage			Out-of-pocket maximums will now include expanded benefits
UnitedHealthcare Choice Plus PPO (formerly known as PacifiCare PPO)	\$20 for primary care physician  \$30 for specialist	<b>From pharmacy (30 day supply)</b> Generic \$15 Brand name \$30 Non-formulary \$45 <b>From mail order (90 day supply)</b> Generic \$25	Annual deductible \$500 individual; \$1,000 family  Out-of-pocket maximum \$3,500 individual; \$7,000 family  Co-insurance 80% in-network; 60% out-of-network  Hearing aid benefit now covered under durable medical equipment, covered in full up to \$2,500 per year

Medicare plans	New copayment for office visits	New prescription fees	Other plan changes
UnitedHealthcare Senior Supplement (formerly known as PacifiCare Senior Supplement)		<b>From pharmacy (30 day supply)</b> Generic \$10 Brand name \$35 Non-formulary \$50  <b>From mail order (90 day supply)</b> Generic \$20 Brand name \$70 Non-formulary \$100	
Health Net Medicare HMO	\$20	<b>From pharmacy (30 day supply)</b> Generic \$15 Brand name \$30 Non-formulary \$50  <b>From mail order (90 day supply)</b> Generic \$30 Brand name \$60 Non-formulary \$90	
Health Net Seniority Plus	\$20	<b>From pharmacy (30 day supply)</b> Generic \$15 Brand name \$30 Non-formulary \$45  <b>From mail order (90 day supply)</b> Generic \$30 Brand name \$60 Non-formulary \$90	
Kaiser Permanente Senior Advantage			Out-of-pocket maximums will now include expanded benefits
Secure Horizons	\$20	<b>From pharmacy (30 day supply)</b> Generic \$15 Brand name \$30  <b>From mail order (90 day supply)</b> Generic \$30 Brand name \$60	

## Request for Health Insurance Reimbursement for 2010

Tier I and Tier II members currently receiving a health insurance reimbursement (HIR) must reapply for the reimbursement every year during the Open Enrollment period. The Internal Revenue Code requires you to reapply for reimbursement annually, even if you make no changes to your coverage.

To ensure that you begin receiving your reimbursement for 2010, complete and submit the *Request for Health Insurance Reimbursement* form (included in your Open Enrollment packet) with the appropriate documentation by November 23, 2009.

The HIR Program applies to Tier I and Tier II members only. Tier I and Tier II members who are eligible for a health insurance allowance and elect medical and/or dental coverage outside of an SDCERA-sponsored plan may enroll in the program to use the allowance to offset the cost of premiums. Read the *Health Insurance Reimbursement* fact sheet, available on [www.sdcera.org](http://www.sdcera.org) or from SDCERA, for more information.

# Annual Open Enrollment for retired members

## Plan options for 2010

The rates below reflect the 2010 premium rates for the health plans offered through SDCERA. The rates shown are per person, per month. The carriers are the same as last year. If you want to keep your current plan selection, do not submit any forms to SDCERA; your current plan election will automatically renew for 2010, and you will continue using your current insurance card. If you need to request a new card, contact your plan carrier.

### Medical plans for members *not eligible* for Medicare

(generally members under age 65)  
Rates are per person, per month

Health Net HMO	\$721.13
Kaiser Permanente HMO <sup>1</sup>	\$563.93
PacifiCare Signature Value HMO <sup>2</sup>	\$783.16
UnitedHealthcare Choice Plus PPO <sup>3</sup>	\$1,553.91

1 A higher rate will apply if you enroll (or are currently enrolled) in this plan when you are eligible for Medicare. Contact the SDCERA Call Center if this situation affects you.

2 Formerly known as PacifiCare HMO.

3 Formerly known as PacifiCare PPO, this SDCERA-sponsored plan is available nationwide.

### Medical plans for members *eligible* for Medicare

(generally members age 65+)  
Rates are per person, per month

UnitedHealthcare Senior Supplement <sup>1</sup>	\$332.35
Health Net HMO	\$311.88
Health Net Seniority Plus	\$230.91
Kaiser Permanente Senior Advantage	\$299.07
Secure Horizons <sup>2</sup>	\$200.64

1 Formerly known as PacifiCare Senior Supplement, this SDCERA-sponsored plan is available nationwide.

2 This plan is available to California, Arizona and Nevada residents.

### Published for members of the San Diego County Employees Retirement Association

Member comments and suggestions should be directed to SDCERA's Communications Department.

E-MAIL:  
communications@sdcera.org

CALL:  
619.515.6800  
888.4.SDCERA

SEND WRITTEN INQUIRIES TO:  
SDCERA  
2275 Rio Bonito Way, Suite 200  
San Diego, CA 92108-1685

VISIT:  
[www.sdcera.org](http://www.sdcera.org)

### Chief Executive Officer

Brian P. White

### Board of Retirement

Doug Rose  
*Chairman*  
Marc Doss  
James W. Feeley  
Dianne Jacob  
Dan McAllister  
Jon McCloskey  
Loretta Morris  
David A. Myers  
Garry A. Sobek  
Vacant  
*(alternate active)*  
Kay Ryan  
*(alternate retired)*

### Retirement Board Meetings

First Thursday of each month at the SDCERA Board Room, 2nd floor, 8:30 a.m.

### Investment Board Meetings

Third Thursday of each month at the SDCERA Board Room, 2nd floor, 8:30 a.m.

Visit [www.sdcera.org](http://www.sdcera.org) to view meeting calendars, agendas and minutes.

### 2009 Electronic Deposit Retirement Payment Dates October 30, November 30, December 31

SDCERA makes every effort to meet the retirement payment schedule; however, please verify with your financial institution that each deposit has been made to your account.

## Dental plans

Rates are per person, per month

CIGNA Dental Care DHMO	\$19.69
Delta Dental PPO	\$36.94

## For retired members

### Fifth annual Health and Wellness Fair set for November 7

The SDCERA Health and Wellness Fair for retired members will be held on Saturday, November 7, from 11 a.m. to 2 p.m. at the Scottish Rite Center in Mission Valley. At the fair, you can get assistance with completing your SDCERA forms, talk to health insurance carriers and participate in health screenings. We hope to see you there.

## Answers to frequently asked questions



### How do I update my designated beneficiaries with SDCERA?

Tier I and Tier A members received an *Annual Member Statement* in September that included a list of named beneficiaries. If you need to update the information, complete and submit the *Beneficiary Designation* form included with your statement or download the form from the SDCERA web site. It is important to update your beneficiary designation when family changes occur, such as birth, death, marriage, divorce or declaration/termination of registered domestic partnership.

### Do I have to enroll in an SDCERA-sponsored health plan when I retire?

You may enroll in an SDCERA-sponsored health plan when you retire, but enrollment is not required at that time. You may enroll in an SDCERA-sponsored plan for the first time during the annual open enrollment period in November, or outside this period due to involuntary loss of other coverage. If you enroll outside of Open Enrollment, it must be within 30 days of the event that caused you to lose coverage. For example, if you continue your health coverage under COBRA, you will be eligible to enroll in an SDCERA-sponsored plan after your COBRA coverage ends.

### I'm a deferred member with reciprocity and I'm ready to retire. How do I apply for retirement with SDCERA?

If you have reciprocity between SDCERA and another retirement system, in most cases you must retire from all systems on the same date. Contact all reciprocal systems and file a retirement application with each system. Failure to retire from all systems on the same date may result in the loss or reduction of retirement benefits. To begin the retirement process with SDCERA, contact the Call Center at 619.515.6800 to request a retirement application packet.

This newsletter provides disclosure of certain terms and conditions of SDCERA membership and benefits available to members. It is designed to give you this information as simply and as accurately as possible as of the date of publication. SDCERA is governed by the County Employees Retirement Law of 1937 (Government Code Section 31450 et. seq.) as it has been adopted and implemented by the San Diego County Board of Supervisors and the SDCERA Board of Retirement. If there is any inconsistency between this newsletter and the governing law, the law will govern. Decisions relating to the plan will be made after reference to the statutes and any resolutions, regulations and policies governing administration of SDCERA as they exist at the same time of the decisions.



# Investment report

## The year in review

Global stock and credit markets rallied during the second quarter as governments intervened to improve economic conditions. Equity markets rallied significantly from their March lows during the second quarter. Investors' aversion to risk is subsiding. Commodity prices rebounded, which indicates economic conditions are stabilizing. Further improvement in several key economic indicators helped extend the equity market rally into July and August. Year-to-date through August, worldwide equity markets posted a gain of 22%, with non-U.S. markets posting higher returns than U.S. markets.

SDCERA's portfolio advanced by 12.4% on a net-of-fee basis during the second quarter. This performance fell short of its benchmark by 0.4 percentage

points; a more conservative positioning in several strategies contributed to the shortfall in relative performance.

Returns for 2nd quarter 2009 (gross of fees)				
SDCERA Returns	2nd Quarter	1-Year	3-Year	5-Year
<b>Total fund</b>	<b>12.6%</b>	<b>-24.0%</b>	<b>-3.6%</b>	<b>3.5%</b>
Domestic equities	18.9%	-34.7%	-14.5%	-4.4%
S&P 500 Domestic benchmark indices	15.9%	-26.2%	-8.2%	-2.2%
International equities	28.8%	-30.0%	-4.1%	7.4%
MSCI EAFE International benchmark indices	25.8%	-31.0%	-7.5%	2.8%
Fixed income	8.7%	-6.8%	3.4%	5.4%
Lehman Aggregate Fixed income benchmark indices	1.8%	6.0%	6.4%	5.0%
<b>Total assets under management as of June 30, 2009 were \$6,188,648,000</b>				

San Diego County Employees Retirement Association  
2275 Rio Bonito Way, Suite 200  
San Diego, CA 92108-1685

PRSR STD  
U.S. Postage  
PAID  
San Diego, CA  
Permit No. 94