

Check out SDCERA's  
new web site  
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**SDCERA**  
Supporting The  
Membership

Spring 2004

# NEWS

SAN DIEGO COUNTY EMPLOYEES RETIREMENT ASSOCIATION

## SDCERA launches new estate planning seminar for retirees

A new learning opportunity is available for SDCERA retired members beginning in May 2004 – *Estate Planning: Understanding the Basics*. This new seminar will give you a foundation of estate planning knowledge to build from as you examine options for you and your family.


Although estate planning may seem overwhelming and foreign, there are many simple strategies you can follow to help preserve your assets and ensure that they are transferred to your loved ones in the way you intend.

### Topics addressed at the seminar will include:

- ▶ Different ways to transfer property after your death
- ▶ Effects of estate and gift taxes
- ▶ Alternatives to wills
- ▶ Estate planning documents

The seminar is a two-hour program taught by a financial education firm. You will learn the principles of estate planning as well as the steps needed to create your own plan. You will also receive a workbook to take home with you.

Although this seminar is initially available only to retired members, surviving spouses and beneficiaries, enrollment eventually will be extended to all members. In the meantime, active and deferred members may attend an SDCERA Retirement Planning Workshop for an introduction to estate planning.

Usually two Estate Planning seminars will be held each month. Enrollment is on a first-come, first-served basis. To register for a seminar, retired members may download or order an enrollment form from [www.sdcera.org](http://www.sdcera.org), contact the Call Center, or complete and submit the enrollment form included in this newsletter. 

### ▶▶▶ How to reach SDCERA

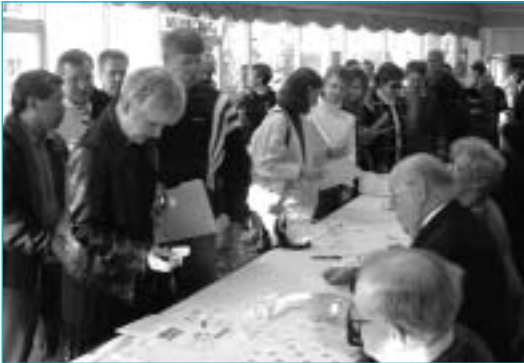
- Call Center:  
toll-free  
888-473-2372  
(888-4-SDCERA)  
or 619-515-0130

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

■ 401 West A Street, Suite 1300  
San Diego, CA 92101-7906



# Members attend symposium to learn about investment and financial strategies



Symposium participants receive a raffle ticket and free copy of keynote speaker Ray Lucia's book.

**M**ore than 400 SDCERA members and spouses attended the SDCERA Financial and Investment Education Symposium Program in February. The symposium was one in a series of educational programs SDCERA offers to help members better understand retirement strategies.

Ray Lucia, CFP, president and founder of the Raymond J. Lucia Companies, spent part of the morning teaching the

philosophies in his book, *Buckets of Money*, including the importance of diversifying your personal investments and planning ahead for retirement.

Another highlight was *San Diego Union-Tribune* financial columnist Ann Perry, who shared true-life scenarios of “money makeover cases” she’s experienced with her readers.

Additional sessions discussed the SDCERA retirement plan as well as the County’s 457 and 401(a) deferred compensation plans. Estate planning basics, managing funds for retirement, protecting yourself against fraud and intermediate investing were also covered.

The next symposium is scheduled for May. Look for more information about this event in upcoming weeks. [Eweb](#)



Board Chairman Dan McAllister (right) and Supervisor Ron Roberts (center) mingle with participants during a break.



SDCERA Communications Officer Ranessa Ashton discusses defined benefit plans at a breakout session.



Attendees listen to a presentation on investing and asset allocation principles.

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## Meet the Board: Marilyn A. Wiczynski



MARILYN A. WICZYNSKI

“I enjoy the time I devote to the retirement board and am appreciative of the trust placed in me,” says Marilyn A. Wiczynski, who has twice been elected Board of Retirement Trustee by the active General members. Ms. Wiczynski was elected Board Secretary by her fellow Trustees and was appointed Chair of the Alternative Asset Committee in 2003.

Ms. Wiczynski brings an analytical approach to retirement issues. “I look at all investment proposals with a healthy dose of skepticism and I monitor returns. The most important decision for the Board is the asset allocation, and balancing risk and return

is an ongoing process,” says Wiczynski. “Our fund has been a first-quartile performer over the last five-year period, but of course there is no guarantee that will continue. The Board and I will discuss, consult with advisors, study, and ask the money managers the hard questions.”

Ms. Wiczynski takes her fiduciary role of making decisions about retirement funds seriously. Looking forward, she hopes to work toward lowering manager fees and corporate governance issues.

Ms. Wiczynski is an employee of the Superior Court with 25 years of experience practicing civil and criminal law, in both the public and private sectors. She has also been a business law professor for eight years. [Eweb](#)

## Maximum COLA approved by Board

The Board of Retirement has approved a Cost of Living Adjustment (COLA) of 3% for 2004, which is the maximum amount retired members are eligible to receive. The COLA increase each year is based on the Consumer Price Index (CPI) data for San Diego County from the U.S. Department of Labor.

Because the CPI data reports an increase of 3.74% in daily living expenses for 2003, all members will receive the maximum 3% COLA increase beginning with the April 30, 2004, retirement payment.

### STAR COLA

Also approved by the Board of Retirement is a STAR (Supplemental Targeted Adjustment for Retirees) COLA for eligible retirees, beginning with the April 2004 retirement payment. STAR COLA is given to retirees who have lost more than 20% of their purchasing power to inflation since their retirement. The adjustment allows retirees to keep at least 80% of their purchasing power, regardless of how many years they have been retired. Refer to the chart to see if the STAR COLA affects you. ☰



RETIREMENT DATE	INCREASE IN PENSION	
	TIER I %	TIER II %
4/1/87 - 3/31/88	—	0.34%
4/1/86 - 3/31/87	—	1.22%
4/1/85 - 3/31/86	—	4.56%
4/1/84 - 3/31/85	—	8.52%
4/1/83 - 3/31/84	—	9.43%
4/1/82 - 3/31/83	—	14.58%
4/1/81 - 3/31/82	5.37%	27.43%
4/1/80 - 3/31/81	17.83%	43.91%
4/1/79 - 3/31/80	33.27%	43.91%
4/1/78 - 3/31/79	42.26%	43.91%
4/1/77 - 3/31/78	47.25%	Tier II is not applicable prior to 10/01/78.
4/1/76 - 3/31/77	51.68%	
4/1/75 - 3/31/76	60.96%	
4/1/74 - 3/31/75	73.62%	
4/1/73 - 3/31/74	79.53%	
4/1/72 - 3/31/73	80.99%	
4/1/71 - 3/31/72	82.54%	
4/1/70 - 3/31/71	88.52%	
4/1/69 - 3/31/70	94.34%	
Before 4/1/69	98.31%	

## How STAR COLA works

To see if you are eligible to receive the STAR COLA, check to see whether your retirement date falls within the dates listed in the left column on the chart above. Next, check to see if there is a percentage listed in the column for your tier. This is the percentage that is added to

your retirement benefit after the 3% COLA increase is added.

For example, let's look at a Tier I member who retired on February 1, 1982, and was receiving a monthly retirement benefit of \$2,000 (including COLA increases from previous years). In the row for that

retirement date, the percentage in the Tier I column is 5.37%. First, this member receives the COLA increase of 3%, making the monthly benefit \$2,060. Then the 5.37% STAR COLA is added, resulting in a total monthly benefit of \$2,170.62. ☰



# See what SDCERA's new and improved web site can do for you

**T**he SDCERA web site is your quickest, most comprehensive source of information about SDCERA and your retirement. And now you have more information at your fingertips than ever before. SDCERA's web site has been redesigned to be more user-friendly and easier to navigate—plus plenty of new content and new features have been added. Some of the most popular are explained here.

## ► **Glossary**

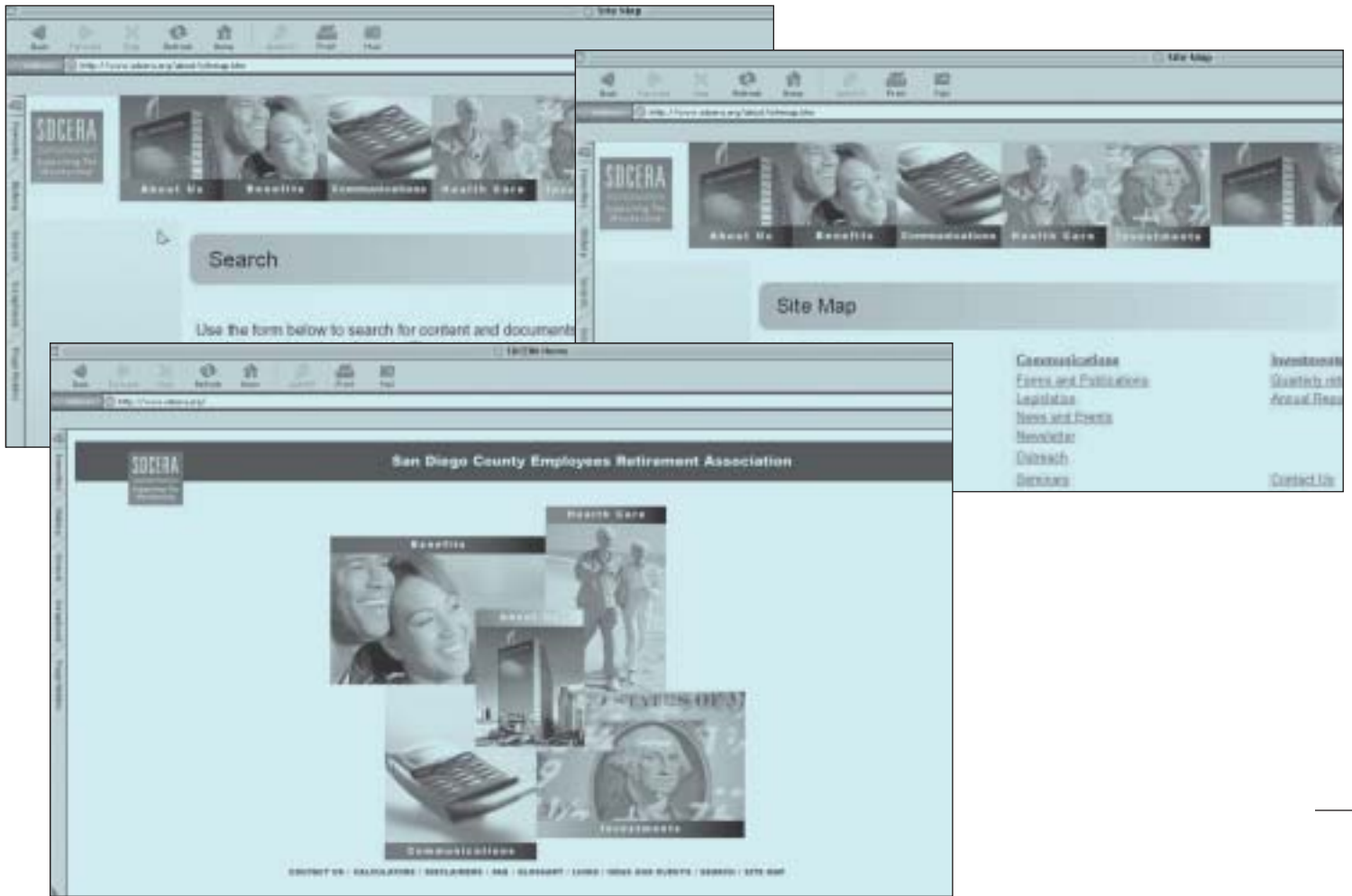
Ever wonder what “power of attorney” or “reciprocity” mean? Use the SDCERA glossary to learn the definitions of unfamiliar retirement terms.



## ► **Search Engine**

The web site now includes a search engine. Type in the word or phrase that you need information about, and the search engine will show you where it appears. Because the search engine searches both current and past content, it is a valuable tool when you're looking for specific information.





### ► Forms and Publications

Whether you need an informational booklet, a Change of Address form, or an enrollment form for an upcoming Retirement Planning Workshop, the quickest and easiest way to receive SDCERA materials is by clicking on the Forms and Publications link in the Communications section. You may download forms or publications directly from the web site or request that they be mailed to you.

### ► Site Map

The site map gives you an overview of the entire SDCERA web site by section, allowing you to find specific information quickly.



### TALK BACK

The web site is continually being improved with new information and features. If you have comments, concerns or questions, we want to hear from you. E-mail us at [communications@sdcera.org](mailto:communications@sdcera.org) or click on the Contact Us section at [www.sdcera.org](http://www.sdcera.org) to share your opinion. 



## A learning opportunity for retired SDCERA members...

**E**state Planning: *Understanding the Basics* provides valuable information to help guide you in your estate planning process. The two-hour seminar is conducted by Financial Knowledge Network for retired SDCERA members, surviving spouses and beneficiaries. Discussion topics include ways to transfer property at death as well as during life, and the estate and gift tax ramifications of those options.

Each attending member will learn the basics of estate planning and will receive an estate planning workbook that includes steps needed to create an individual estate plan. We encourage you to attend this seminar with your spouse or beneficiary.

Seminar dates are listed below. When completing the enrollment form, include your first- and second-choice seminar dates. SDCERA will make every effort to accommodate your first choice; however, each workshop is limited to 30 participants. Your space will be reserved on the date SDCERA receives your form, and you will be sent a confirmation letter with the seminar location, date and time.

### Enrollment Form *(Reproduce as necessary)*

*(Please print)*

#### RETIRED MEMBER INFORMATION

Member name \_\_\_\_\_  
LAST FIRST MIDDLE INITIAL

Social Security number \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Mailing address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home phone (\_\_\_\_\_) \_\_\_\_\_

Seminar date \_\_\_\_\_  
FIRST CHOICE SECOND CHOICE

MEMBER SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

### May - December 2004 Estate Planning Seminar Calendar

Estate Planning: *Understanding the Basics* will be held on the following dates in 2004. All seminars are scheduled on Wednesdays from 1:30 p.m. to 3:30 p.m.

May 5, 26	June 2, 16, 30	July 7, 28
August 4, 25	September 1, 15, 29	October 6, 27
November 3, 17	December 1, 8, 15	

*Tear off at perforation, fold and seal. Be sure to add postage before mailing to SDCERA.*

SDCERA ESTATE PLANNING SEMINAR

*fold here*

*fold here*



401 West A Street, Suite 1300  
San Diego, CA 92101-7906



**SAN DIEGO COUNTY EMPLOYEES  
RETIREMENT ASSOCIATION**

401 West A Street, Suite 1300  
San Diego, CA 92101-7906



# 2004 Legislative Highlights

Go to the Legislation section of SDCERA's web site to read a short description and progress update of these and other retirement bills that may not be listed here. For more information, visit the California legislative information site at [www.leginfo.ca.gov](http://www.leginfo.ca.gov).

## Bills under consideration

**AB 979** would allow a retired member to elect a reduced benefit to provide a survivor continuance for a spouse who does not otherwise qualify. If the spouse dies before the retired member, the member would receive his or her benefit as if the reduced benefit had not been elected.

AB 979 would also authorize the Board of Retirement to provide the death benefit, up to \$5,000, through a group insurance policy,

if the cost of that policy is equal to or less than other methods of providing the benefit.

Last, the bill would provide the same privileges and compensation to the alternate retired member of the retirement board that are available to regular members.

**AB 1281** would authorize certain Safety members to receive retirement credit for prior public agency service in active fire suppression or active law enforcement. This bill is similar to AB 80, which was vetoed by Governor Davis last year. Unlike present law, AB 1281 would include service with state and local governments outside California. If signed, the bill must be adopted by the Board of Supervisors in order to become effective in this County.

## Bills chaptered

**AB 205** extends the rights and duties of marriage to people registered as domestic partners on and after January 1, 2005. This bill also provides the state's superior courts jurisdiction in governing the dissolution and legal separation of domestic partnerships.

## An update on AB 55 (ARC)

As previously reported, the additional retirement credit bill (ARC) must be implemented without any additional financial burden to the retirement system. The County of San Diego has requested an actuarial study to determine costs. It is estimated that the study will be delivered to the County in late spring. If adopted, implementation is expected to take three to six months.

## Moving? Keep SDCERA in the loop

It is important for retired members who receive monthly benefit payments to keep their mailing address and phone number up to date with SDCERA. Any delay in notifying SDCERA of a change could delay your benefit payment.

If you receive your retirement payments by direct deposit, your financial institution information must always be current and accurate. If you have closed or changed your bank account, you must notify SDCERA in writing. In addition, you must complete and submit a new form to establish your automatic deposit with your new financial institution. ☞

## By the numbers

### Significant SDCERA milestones in 2003

Service retirements:	710
Disability retirements:	100
Retirement Planning Workshop attendance:	792
Department Outreach Meetings:	140
Department Outreach Meeting attendance:	over 3,000
Web site hits:	3,291,088
Call Center phone calls:	34,806
Call Center first answer efficiency rate:	84.3%

## Medicare updates

**SDCERA is monitoring Medicare reform and how it will affect members. Watch for information on this topic in a future issue.**



# Answers to Frequently Asked Questions

## How much will I contribute to my future retirement?

Your contribution rate, which is determined by your entry age into retirement system membership, ranges from approximately 6% to 14% of biweekly salary. Generally, the younger you are when you enter SDCERA, the lower your retirement contribution rate will be since you will have more years before you retire to fund your portion of your future retirement benefit. In contrast, a member hired at age 50 will pay a higher rate than a member hired at age 20 because the age 50 member has only a few years to make contributions before retiring.

## As a reciprocal member, how is my SDCERA retirement benefit calculated when I retire?

Each reciprocal system will pay you a retirement benefit based on the years of service credit you have with that system. In addition, all reciprocal systems in which you have established reciprocity will use the highest final compensation in whichever system is highest. Due to wage increases over time, this can result in a higher retirement benefit. In general, the longer you work, the higher your salary. It is important to note that you must retire from all reciprocal systems on the same day.

## What is the difference between COLA and STAR COLA?

The annual Cost of Living Adjustment (COLA) is intended to increase retirement payments to account for inflation. The COLA applies to all retired members who retired on or before March 31 of that year. Retirees receive an increase equal to the actual U.S. Department of Labor Consumer Price Index (CPI) increase for San Diego, up to a maximum of 3%. The increase is reflected in the April retirement payment.

The Supplemental Targeted Adjustment for Retirees (STAR) COLA provides additional increases for certain retired members receiving monthly retirement payments. Many retirees have lost a significant amount of purchasing power since they retired; the purpose of the STAR COLA is to ensure that retirees maintain at least 80% of their purchasing power.

### ▶ 1-888-4-SDCERA

If you're outside the 619 area code, you may now reach SDCERA by calling a toll-free number: 888-473-2372 (888-4-SDCERA). The number connects you directly to the Call Center and is available for calls placed in the USA.



Published for members of the San Diego County Employees Retirement Association

Member comments and suggestions should be directed to Larry Foos, Communications Manager.  
E-mail: [communications@sdcera.org](mailto:communications@sdcera.org)  
or contact:

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401 West A Street, Suite 1300  
San Diego, CA 92101-7906  
619-515-0130 or 888-473-2372  
fax 619-515-0138  
[www.sdcera.org](http://www.sdcera.org)

### Chief Executive Officer

Brian P. White

### Board of Retirement

Dan McAllister  
*Chairman*

Ralph B. "Skip" Coomber III  
*Vice Chairman*

Marilyn A. Wiczynski  
*Secretary*

James W. Feeley

Natalya Smith Gonzalez

David A. Myers

Greg Cox

Douglas Rose

Frank Russell Jr.

### Retirement Board Meetings

First Thursday of each month at the SDCERA office

Board Room, 14th Floor, 8:30 a.m.

April 1, 2004

May 6, 2004

June 3, 2004

Electronic Deposit Retirement Payment Dates	
Month	Electronic Deposit Date
March	March 31, 2004
April	April 30, 2004
May	May 28, 2004
June	June 30, 2004

SDCERA will make every effort to meet this schedule; however, please verify with your financial institution that each deposit has been made to your account.



## INVESTMENT REPORT – Fund Performance

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### New Chief Investment Officer joins SDCERA

David Deutsch is the new Chief Investment Officer for SDCERA. David has devoted himself to public fund investments, and is looking forward to contributing to SDCERA in this area. “I am now able to focus on what has always been my greatest interest and where my strongest skills lie, which is investment management and strategy,” he says.

David is no stranger to the challenging world of investments. He comes to SDCERA with decades of experience, including time professionally managing stock portfolios for clients and nearly 10 years leading the Kern County Employees’ Retirement Association (KCERA), another California 1937 Act system, as Executive Director and Chief Investment Officer.


“SDCERA is an especially sophisticated investment fund,

more so than other comparably sized funds in California or elsewhere. I will be reviewing the current investment strategies at SDCERA and offering recommendations to the Board of Retirement in order to make the portfolio as efficient as possible in terms of investment costs, risks and earnings. Costs, after all, should have some relationship to the risks undertaken and the earnings of the portfolio,” he explains.

Born and raised in Chicago,

David and his family plan to enjoy the terrific San Diego climate and the many attractions of the area.

SDCERA welcomes

David Deutsch to his new post as Chief Investment Officer and anticipates benefiting from his expertise and experience with public retirement funds. 



DAVID DEUTSCH

### Returns for 4th Quarter 2003 (net of fees)

SDCERA RETURNS	4th Quarter	1 Year	3 Year	5 Year
<b>Total fund</b>	<b>11.7%</b>	<b>31.0%</b>	<b>3.9%</b>	<b>6.2%</b>
Domestic equities	13.2%	33.1%	-0.8%	3.4%
International equities	16.3%	44.6%	2.1%	3.5%
Fixed income	5.0%	14.6%	9.4%	9.5%
INDICES	4th Quarter	1 Year	3 Year	5 Year
S&P 500	12.2%	28.7%	-4.1%	-0.6%
EAFE	17.1%	38.6%	-2.9%	-0.1%
Lehman Aggregate	0.3%	4.1%	7.6%	6.6%

Total assets under management on December 31, 2003, were \$4,999,080,000.