

MCERA PENSION

INSIDE THIS ISSUE:

AB 197 UPDATE

GETTING READY
TO RETIRE

2014 CAFR AND
PAFR

RETIREMENT
BOARD ELECTIONS

PENSION
ADMINISTRATION

Merced County Employees' Retirement Association

3199 M Street

Merced, CA 95348

209-725-3636 Phone

209-725-3637 Fax

Mcera@co.merced.ca.us
Email

www.mcera.merced.ca.us
Website

The next MCERA
Brown Bag Lunch is
February 18, 2015
12:00 noon at the
MCERA Office
3199 M Street, Merced

UPDATE ON AB 197 LITIGATION

There is still no final ruling involving the use of vacation payout (the vacation payout allowed during one's year of retirement) for calculating "compensation earnable" for retirement pension purposes. As a result of the legislatively enacted Public Employees Pension Reform Act ("PEPRA") and the fact that litigation addressing that issue is on presently on appeal, MCERA members are not permitted to have cashed out vacation hours (terminal pay) counted as pensionable compensation for retirement purposes.

It is possible that the Court of Appeals may ultimately affirm the trial court's

decision that allowed certain MCERA members to have cashed out vacation hours counted as pensionable compensation for retirement purposes. If such is the case, then some MCERA members may prospectively, and possibly retroactively, be able to have cashed out hours counted or re-counted as part of pensionable compensation for retirement purposes. However, it is also possible that the trial court's decision will be reversed/overturned and any terminal pay cash out will not be counted as pensionable compensation.

Information will be provided when more information is available regarding the court decision.

GETTING READY TO RETIRE?

If you are thinking about retiring in the next year, obtain a formal estimate of your retirement benefits. You can perform your own retirement estimates as often as you like by using the on-line calculator on MCERA's website. However, MCERA recommends that you request a formal estimate about one year in advance of your anticipated retirement date by submitting a Retirement Estimate Request.

Once you have decided on your retirement date, obtain and complete the Application for Service Retirement. MCERA can accept your completed application no more than 60 days prior to your retirement date. If you are currently working for an MCERA employer you must

submit the completed application no later than the last day working day.

Collect all your supporting documents well before your retirement date to avoid any delays in benefit payments. Supporting documents can be provided before an application for retirement is submitted. Important documents that you will need to have include:

- Birth certificate/Current passport
- Marriage License
- Divorce degree (if applicable)

If you have established reciprocity, you must retire from all reciprocal systems on the same date. Please contact MCERA should you have any questions.

INVESTMENTS

Third Quarter 2014 was a weak one for investment markets. Small cap and international equities were particularly weak. The fund did hold up slightly better than its peers. Quarter end assets were \$643 million.

Board has committed \$13 million to a real estate fund managed by Greenfield Partners. The funding source is other real estate investments.



NEW PENSION ADMINISTRATION SOFTWARE FOR MCERA

A new pension administration software system was used to issue checks in December 2014. This is a major milestone in a multi-year effort to upgrade our computer systems. Congratulations are in order to the MCERA staff. Many hurdles remain in implementing this software in total, but these remaining tasks are all smaller than the recent success.

ANNUAL STATEMENTS & 1099s

Annual Statements and 1099s should be arriving later this month.

BROWN BAG LUNCHES

MCERA conducts brown bag meetings every three months. Brown bags meetings are held from 12p.m.-1p.m. at the retirement office, located at 3199 M Street in Merced. MCERA presents information and these meetings are designed to address any questions members may have about retirement and to provide members with an overview of the retirement plan. The next Brown Bag meeting is February 18th at noon, with subsequent meetings being in May and August.

CAFR AND PAFR

The MCERA June 30, 2014 Comprehensive Annual Financial Report (CAFR) and Popular Annual Financial Report (PAFR) will be available soon.

RETIREMENT BOARD ELECTION

Ronald Kinchloe was reelected as the Retiree representative and Scott Johnston was reelected Retiree alternate. Once they are formally appointed by the Board of Supervisors their terms will run through December 31, 2017.

Retirement Board

Michael Rhodes, Chair

David Ness, Vice Chair

Alfonse Peterson,
Secretary

Karen Adams

Mark Bodley

Darlene Ingersoll

Deidre Kelsey

Ronald Kinchloe

Jim Pacheco

Scott Johnston

MCERA Board Meetings

January 8, 22
February 11, 26
March 12, 26
April 9, 23
May 14, 28
June 11, 25

Tentatively, meetings are held on the second and fourth Thursday of every month.