

INCOME TAX REMINDERS

Retirees and Payees

As we enter tax season, CCCERA wants to remind retirees about their right to increase, decrease, start or stop federal and/or state income tax withholding from their monthly retirement benefit.

If you reside in the United States, you are not required to have federal tax withheld from your monthly payments; however, if you choose to exempt yourself from withholding, you may need to pay any required taxes through other methods, such as quarterly installments. Please note, there is mandatory withholding on pension payments delivered outside the United States.

When can I change my tax withholding?

Changes can be made at any time by submitting the *Withholding Certificates for Pension Payments Form* (Form 210), available at cccera.org/forms.

This form allows you to:

- Discontinue federal/state income tax withholding from your monthly retirement allowance.
- Withhold federal/state income tax based on a set number of allowances, and a specific marital status.
- Withhold a specific amount from your monthly pension payment (state tax only).
- Withhold an additional amount from each monthly pension payment.

Changes received before the 15th of each month will be effective the following month.

If your current withholding elections are good, they will remain in effect and no action is required. If your withholding and estimated tax payments do not adequately meet your tax liabilities, penalties under the estimated tax rules may apply.

What about state taxes?

Monthly payments made to CCCERA retirees living in California are subject to California income tax. CCCERA payments to retirees living outside of California may not be subject to California income tax, but may be taxable based upon the state that you reside. CCCERA will continue to withhold California income tax until directed otherwise. Check with a tax professional, the State of California Franchise Tax Board or your state department of revenue for information on your individual tax situation as CCCERA cannot give personal tax advice to members.

Did you receive two 1099-R tax forms?

There are two reasons why you may receive two 1099-R tax forms for the 2019 tax year:

- You turned 59½ during 2019 — one 1099-R reflects the payments to you for part of the year that you were under 59½ and the second 1099-R reflects the payments to you for part of the year that you were over 59½.
- You retired under the age of 59½ and returned to work for your employer within 90 days of your retirement date for part of the year.

COLA EFFECTIVE APRIL 1

Retirees and Payees

CCCERA retirees and their survivors will receive a 2020 cost-of-living adjustment (COLA) in their monthly benefit effective April 1, 2020. The new amount will be reflected in the May 1, 2020 benefit payments.

The Retirement Board voted to adopt the COLA presented by Segal Consulting, CCCERA's actuary, at the January 22, 2020 board meeting. The COLA applies to every retirement allowance, optional death allowance and survivor allowance effective on or before March 31, 2020.

Your COLA increase is based on several factors:

- San Francisco-Oakland-Hayward area CPI (Consumer Price Index)
- Your COLA Bank
- Your retirement tier
- Your date of retirement

Under the County Employees Retirement Law (CERL), there is a cap on the amount CCCERA may increase your benefit. If the inflation rate (measured by the change in CPI) is higher than this cap, the remainder is banked, then applied if the change in a future CPI is lower than the cap. This helps stabilize the COLA from year to year. The percentage CCCERA can increase your benefit is determined by the law that applies to your retirement tier.

The COLA helps maintain the value of pension payments in terms of purchasing power. If the annual cost of living goes up, retirees see an increase in their benefit. However, if the cost of living goes down, the COLA may decrease your benefit payment. The cost-of-living factor used by CCCERA is determined by comparing the December CPI for the San Francisco-Oakland-Hayward area over the past two years (2019 and 2018), and rounding the change to the nearest one-half of one percent.

2020 COLA Adjustments

Retirement Tier	COLA
Tier 1 ¹	
Tier 3 ¹ (Service Retirement Only) ¹	
Tier 4 ¹ (3% Maximum (Max.) COLA) ¹	
Tier 5 ¹ (Service Retirement Only with 3% Max. COLA)	
Safety Tier A ¹	
Safety Tier D ¹	
For the above tiers, if you:	
• Retired on or before 3/31/1982 to 3/31/2019	3.0%
• Retired 4/1/2019 to 3/31/2020	2.5%
Tier 2 ²	
Tier 3 ² (Disability Retirement Only)	
Tier 5 ² (Disability Retirement Only with 4% Max. COLA)	
For the above tiers, if you:	
• Retired 4/1/1984 to 3/31/2019	3.0%
• Retired 4/1/2019 to 3/31/2020	2.5%
Tier 4 ³ (2% Max. COLA)	2.0%
Tier 5 ³ (2% Max. COLA)	2.0%
Safety Tier C ³	2.0%
Safety Tier E ³	2.0%

COLA provisions in CERL are determined by the following Government Codes: ¹Gov. Code 31870.1; ²Gov. Code 31870.3; ³Gov. Code 31870.

Estimate your 2020 monthly retirement benefit

- 1** Enter your most recent monthly gross amount. Find this amount on your latest pay advice (see example, below). \$ _____
Example:
\$ 1,100

Gross Pay		
DESCRIPTION	CURRENT	YTD
Pension-Tier 1	\$1000.00	\$2000.00
Tier 1 Cost of Living	\$ 100.00	\$ 200.00
TOTAL	\$1,100.00	\$ 2,200.00

- 2** Enter the decimal form of your COLA percentage for 2020 (see 2020 COLA Adjustment table, above), plus 1.00. _____

For example, a 3% COLA is expressed as 0.03. You would take that 0.03 and add 1.00 — making the total 1.03. Likewise, for a 2% COLA, you would use 1.02. Example:
1.03

- 3** **Multiply** line 1 by line 2 and enter the result here. This is your estimated 2020 monthly retirement benefit, beginning May 1, 2020. \$ _____
Example:
\$ 1,133

UPDATE YOUR INFORMATION

Retirees and Payees, Active Members

Beneficiary Designation

Consider updating your beneficiary after a life change such as a marriage or divorce:

- Retirees can update their beneficiary by submitting a *Retiree Change of Beneficiary Designation* (Form 206).
- Active members should submit a *Beneficiary Designation Form* (Form 102).

Address Changes and EFT

To update your address or electronic funds transfer:

- Retirees and payees must submit the *Member Mailing Address Change Form* (Form 301) or the *Electronic Funds Transfer Form* (Form 209).
- Active members must update their address with their employer.

Important Documents

Retirees and payees should consider mailing or bringing in copies of important documents such as current identification cards and power of attorney to CCCERA, as they can affect the timeliness of your benefit.

Tax Forms

Please refer to your latest retirement benefit advice, statement or check for your tax withholding elections. Changes can be made at any time by submitting the *Withholding Certificates for Pension Payments Form* (Form 210).

Where can I find forms?

All forms are available at cccera.org/forms. Please note that only original forms are accepted (they cannot be photocopied or submitted electronically).

RETIREMENT PREPARATION

Active Members

Prospective retirees should consider these steps:

1. Visit cccera.org to use our pension calculator, read the benefit handbook, and find information on reciprocity.
2. Review your annual benefit statement; this document contains information about your tier, years of service and beneficiaries.
3. Streamline your retirement by mailing CCCERA copies of marriage dissolutions, your beneficiary(ies) and your own birth certificate or passport, Social Security cards, and Secretary of State Domestic Partnership Certificates. These documents are required to process your benefit or lump sum payment at termination.
4. Attend a Pre-Retirement or Overview Workshop (see dates on the next page).

And five, call us with any questions!

INVESTMENT PERFORMANCE

Retirees and Payees, Active Members

For the period ending December 31, 2019, the total fund gained 14.6% for the year, matching the policy index return of 14.6%, but less than the median public fund return of 17.1%. Over the trailing five year period, the total fund gain was 6.8%, slightly less than the policy index return of 7.2%, but equal to the median public fund return of 6.8%. For more information, visit cccera.org/investments.

SIGN UP FOR EMAIL UPDATES

Retirees and Payees, Active Members

Are you interested in retirement board meetings? Sign up to receive email notifications whenever agendas are available at cccera.org/emailupdates. You can also sign up for employer updates, newsletter notifications, active member updates and retiree member updates.



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CALL OR VISIT OUR OFFICE

CCCERA is open Monday to Friday, from 8 a.m. to 5 p.m. The office is closed from noon to 12:30 p.m.

2020 CALENDAR DATES

UPCOMING CLOSURE SCHEDULE

May 25
Memorial Day Holiday

PRE-RETIREMENT & OVERVIEW WORKSHOPS

Sessions are available year-round to all members but the Pre-Retirement Workshop is particularly helpful for those planning to retire within five years. If you are *more* than five years away from retirement, you may find the Overview Workshop helpful. Visit cccera.org/retirement-counseling to see when the next workshops are scheduled. Reservations are required and fill up fast; please call CCCERA to sign up.

UPCOMING BOARD MEETINGS

March 11, 2020 **March 25, 2020**
April 8, 2020 **April 22, 2020**
May 6, 2020 **May 27, 2020**

2020 RETIREE PAYROLL DATES

Month	Pay Date	Month	Pay Date
January	February 3	July	August 3
February	March 2	August	September 1
March	April 1	September	October 1
April	May 1	October	November 2
May	June 1	November	December 1
June	July 1	December	January 4

NOTICE

This newsletter is intended to provide members with general information about the benefits available through CCCERA, but it does not describe every plan provision in detail. CCCERA is governed by the County Employees Retirement Law of 1937 (CERL, Government Code Section 31450 et. seq.) and the California Public Employees' Pension Reform Act of 2013 (PEPRA). The laws governing public retirement systems are complex. If conflict arises between this newsletter and the law, the law shall govern.