

CCCERA

www.cccera.org

Viewpoint

For Active and Retired members of the [Contra Costa County Employees' Retirement Association](#)

Summer 2009

Important Notice for Retirees:

Retirees May Need to Adjust Their Federal Income Tax Withholding ←

The *American Recovery and Reinvestment Act of 2009* includes a tax credit designed to boost working Americans' take-home pay by a few dollars each pay period as part of the federal economic stimulus package. To accomplish this credit, the IRS issued new tax tables to allow slightly less withholding from pay checks, so workers could keep these dollars, which in prior years, would have been withheld for income tax. This program is called the "Making Work Pay" tax credit. The new tax tables went into effect in April 2009, and are effective for both 2009 and 2010.

What does this have to do with CCCERA retirees?

The new income tax tables are *withholding less* from pension payments, too. Since the tax credit is only allowed for employed men and women as an "earned income credit," *many* retirees are not eligible for the tax credit created by decreased withholding amounts. (**Pension benefits are not considered "earned income" by the IRS.**) Generally, retirees who do not qualify for the tax credit are people whose sole income source is from pension benefits. These retirees may not have the correct tax amount withheld from their incomes for 2009.

What should retirees do about this change in tax withholding?

Please take some time now to estimate how much tax you will owe in 2009, especially if you have another job or if you are married and your combined income with your spouse puts you in a higher tax bracket.

If you do not want your withholding amount reduced in 2009, you must file a new Form W-4P with CCCERA.

If retired members verify that their current withholding amounts will cause incorrect withholding due to the new tax tables, retirees should request a Form W-4P from CCCERA, fill out any additional amounts or withholding status changes and return the form to the Retirement Office. This form is also available on our web site, www.cccera.org.



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CCCERA cannot offer tax advice to our members. We strongly encourage retirees to consult with their personal tax advisors to make sure their withholding amounts are correct. The IRS has information and resources on their web site that can assist with calculating any additional tax amounts retirees may owe, including a withholding calculator. Some examples:

- IRS Publication 919: “How Do I Adjust My Tax Withholding”
- Notice 1036-P Additional Withholding for Pensions for 2009
- Publication 15-T: New Wage Withholding and Advance Earned Income Credit Payment Tables



I've Tried to Change My Address, Beneficiary . . . and Nothing Happens. What's the Solution??

It's easy to be confused between what information should be changed with your employer, your retirement system, or both. Here's the answer:

If you are an active *County* member:

Addresses must be changed with your employer's payroll clerk.

Pension beneficiaries should be changed with CCCERA.

If you are an active *District* member:

Addresses must be changed with your employer's payroll clerk.

Pension beneficiaries should be updated with CCCERA.

If you are a retired member:

Addresses must be changed with CCCERA.

Beneficiary information should **also** be changed with CCCERA.

For all active members:

Beneficiary changes for health or life insurance, or deferred compensation plans must be made with the employer's human resources department.

These changes are not reported to CCCERA, so do not affect your beneficiary information on record with the Retirement Office. You must change your beneficiary with CCCERA to update your information.



For retirees:

Retirees who need to update beneficiary or other information on life insurance or deferred compensation plans must contact the individual companies sponsoring the plans, since county and district employers do not manage these accounts for retired members.

CCCERA only accepts beneficiary and address changes in writing, accompanied by your signature, for verification.

CCCERA ANNUAL REPORT SUMMARY

For the Year Ending December 31, 2008

Letter From The Chief Executive Officer

Dear CCCERA Members:

I am pleased to present your retirement system's Mini-Annual Report for years 2007 and 2008. This summary is based on extensive information developed for the Comprehensive Annual Financial Report (CAFR), which is submitted to the the GFOA (Government Finance Officers Association) each year. CCCERA has won the GFOA award for "Excellence in Financial Reporting" each year since we began publishing this document. Complete CAFRs are available on our web site, www.cccera.org. CCCERA also earned the Public Pension Coordinating Council's *Public Pensions Standard Award for 2008*, for public retirement system management and administration.



Americans are experiencing history-making economic times, which may challenge us, but at the same time, will encourage innovation to develop a sustainable vision for the future. CCCERA has not been immune from volatility in the investment arena, yet we remain appropriately funded to meet our promised obligations, pension benefits for our members. As of December 31, 2008, the date of our last actuarial valuation, the funded ratio was 88.5%. As of December 31, 2008, CCCERA has \$3.7 billion in net assets, representing funds available for future payments.

We are nearing the completion of our pension administration system project, which will improve efficiencies in many ways, from decreasing the length of time to process a retirement estimate, to internal tracking procedures. A modern, paperless imaging system has been installed that allows retirement counselors to view all member records from their desktops. A new accounting system has replaced the patchwork of obsolete computers and databases that were no longer reliable. More visible to members are the General and Safety Member Handbooks, which are posted on our website, and which can be printed by specific subject or as the complete document.

In keeping with CCCERA's interest in raising the professional level of the staff, we recruited our first in-house attorney. The complex nature of national and international investment monitoring required hiring an investment analyst to assist the Chief Investment Officer. An actuarial audit was performed to verify the recommendations and conclusions reached by our current firm, The Segal Company. CCCERA uses guidance from our actuary for many vital functions that maintain the integrity and financial security of the system, including interest crediting amounts and contribution rates. The Segal Company passed this comprehensive review successfully, meaning CCCERA bases benefits and investment activities on supportable, reasonable, and reliable projections.

I would like to express my thanks to the Board of Retirement, the consultants, and our staff for their commitment to the Association, and for their diligent work to assure the continued, professional operation of CCCERA.

Sincerely,

A handwritten signature in black ink that reads "Marilyn Leedom".

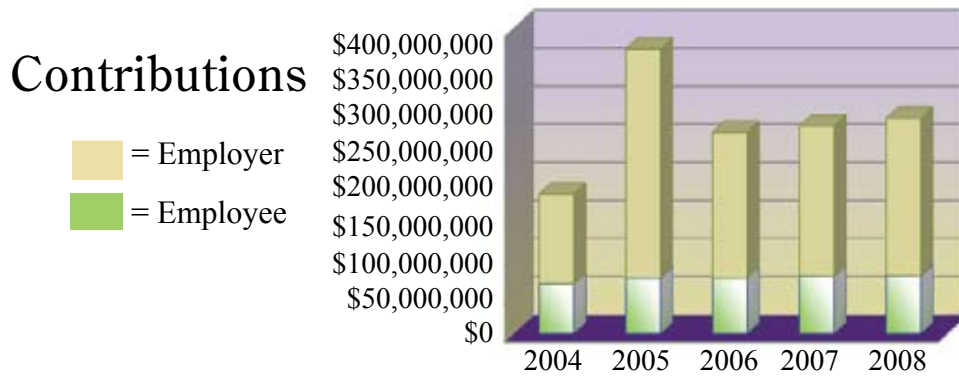
Marilyn Leedom, CEBS
Retirement Chief Executive Officer



Historical Perspective

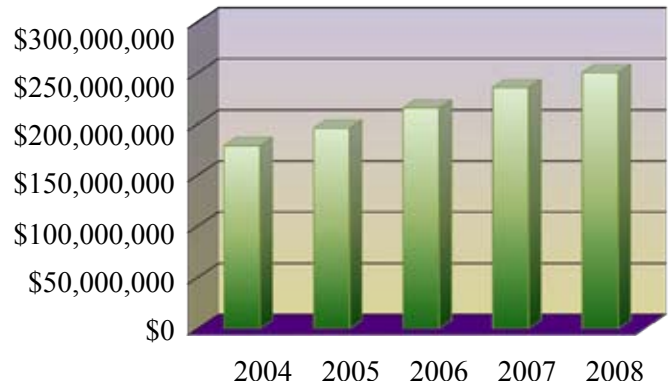
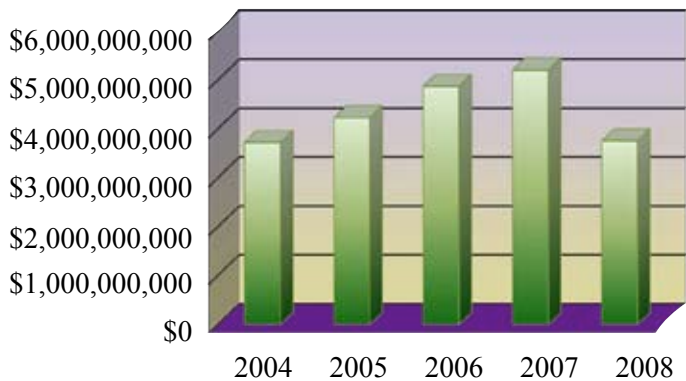
Year	Employer Contributions	Employee Contributions	Net Investment Income (Loss)*
2004	\$ 118,245,000	\$ 65,297,000	\$ 416,013,000
2005	300,300,000	73,475,000	342,383,000
2006	191,448,000	73,469,000	615,570,000
2007	196,930,000	75,591,000	307,668,000
2008	\$ 206,519,000	\$ 76,452,000	\$ (1,464,480,446)

*After Investment Expenses



Year	Net Assets in Trust For Pension Benefits
2004	\$ 3,718,616,000
2005	4,221,722,000
2006	4,871,010,000
2007	5,199,117,000
2008	\$ 3,749,699,000

Year	Benefits Paid	Refund of Contributions
2004	\$ 178,979,000	\$ 909,000
2005	196,106,000	2,074,000
2006	216,057,000	3,232,000
2007	235,656,000	3,113,000
2008	\$ 250,445,000	\$ 3,730,000

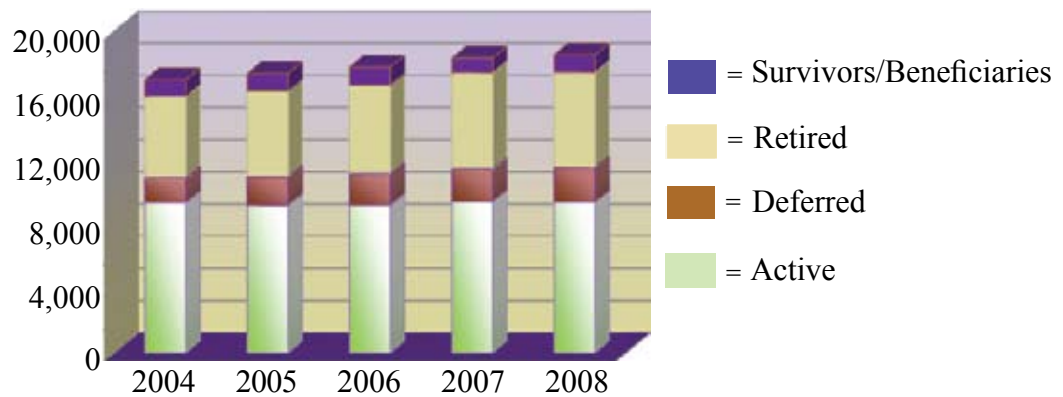


Net Assets

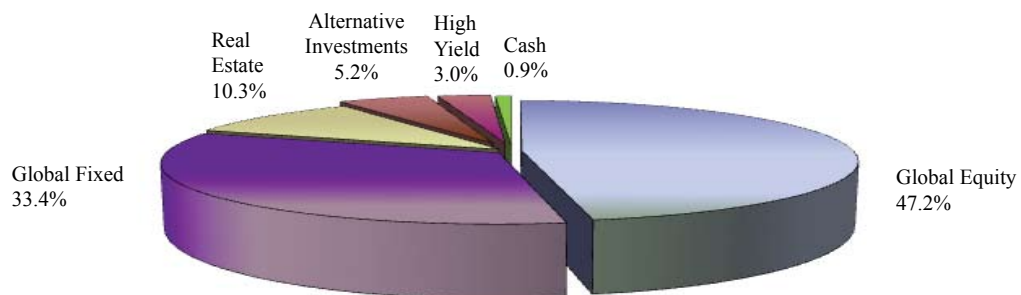
Benefits Paid

Membership

Year	Active	Deferred	Retired	Survivors/ Beneficiaries	Total Membership
2004	9358	1517	5049	1069	16,993
2005	9205	1731	5335	1102	17,373
2006	9210	1919	5528	1118	17,775
2007	9421	2008	5796	1115	18,340
2008	9385	2153	5902	1110	18,550



Asset Allocation = \$3,749,698,812



New Deputy Chief Executive Officer Joins CCCERA

Silvina Leroux has accepted the position of Deputy Chief Executive Officer for CCCERA. Ms. Leroux has over 12 years of experience in retirement plan administration, most recently with Del Monte Foods Corporation. Her background includes both defined benefit and defined contribution plans, plus investment and fiduciary responsibilities. She has worked for both national and international companies, among them Sanrio Inc., and Hexcel Corporation. Her duties have spanned asset allocation, plan funding, implementing regulatory changes, strategic investing, professional consultant liaison and policy development.

Ms. Leroux has a B.S. in Information Technology from the University of California, Irvine, and an MBA in Business Administration from the University of Redlands. She has also studied at Cambridge University in the United Kingdom and the Sorbonne University in France.

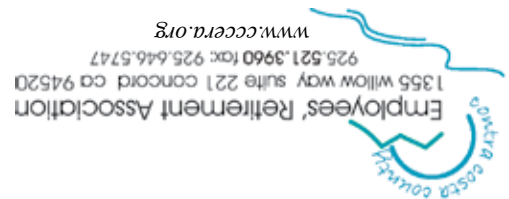
Board of Retirement 2009

William Pollacek (Chairperson)	Jerry Telles (Vice-Chairperson)	Dave Gaynor (Secretary)
Richard Cabral	John Gioia	Jim Remick (Safety Alternate)
Brian Hast	Paul Katz	Sharon Naramore (Retiree Alternate)
Maria Theresa Viramontes	Terry Buck (Safety)	Jerry R. Holcombe (Appointed Alternate)

Retirement Board Meetings are usually held on the 2nd and 4th Wednesday of each month starting at 9:00 a.m. in the Retirement Office Boardroom. Below are meeting dates for 2009. (Meeting dates and times may be subject to change.)

September 2, 9	October 14, 22, 28	November 4, 24	December 9
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CCCERA office hours are 8 a.m.-Noon, 12:30 p.m.-5 p.m., Monday through Friday. Counselors are available by phone 9 a.m.-Noon, 12:30 p.m.-4 p.m. After business hours, voicemail is available to take your messages 24 hours a day at 925.521.3960



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