



The Retirement CHRONICLES

A quarterly publication of the Kern County Employees' Retirement Association

CONTRIBUTING TO A SECURE RETIREMENT

Contributions are an important subject to KCERA members, particularly because these funds represent a secure retirement—for both today's retirees and tomorrow's.

Once a county or district employee becomes a KCERA member, he/she participates in the retirement plan by making biweekly contributions. These deductions are based on rates associated with membership type (general or safety) and age when entering the plan.

Each year, the Board of Retirement commissions an actuarial study to review changes in economic assumptions and plan benefits. Some changes can affect member contribution rates. For example, if retirement benefits are enhanced through an MOU or if members are found to live longer after retirement, the actuary will recalculate the future cost of the plan to determine if new contribution rates are needed.

When members retire, their contribution balances *do not* affect the amount of their benefit. Rather, a member's bal-

ance is usually depleted in the first few years after retirement. Thereafter, his/her retirement benefits are funded from employer contributions and KCERA's investment returns.

When KCERA's investment returns meet the actuarial assumption of eight percent, an interest payment of four percent is credited semiannually to each member's "account." Members may not withdraw or use their account balances as collateral during their employment. However, leaving county service qualifies members to withdraw their own contributions and interest, if desired.* Members with five years of service credit can defer retirement by leaving their funds on deposit at KCERA. Members with less than five years can also leave their funds on deposit to accumulate interest, but eventually the account balance must be withdrawn.

Employer contribution rates are determined by the findings of the annual actuarial study. This report states how much money is *presently* needed to fund *future* retirement benefits. Whenever a funding shortfall occurs, known as the Unfunded Actuarial Accrued Liability, employers must make up the difference by paying higher rates. Funding shortfalls may occur for several reasons, such as retroactive benefit enhancements, lower-than-expected investment returns and actuarial assumption changes, to name a few.

The county and all special districts pay contributions based on a percentage of the total payroll. In fiscal year 2006-07, employers paid \$128.1 million into KCERA to members' \$11.2 million.

(*All rights to retirement benefits are forfeited upon withdrawal of contributions.)

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Buying Back Service Credit

KCERA members can increase their total retirement benefit by purchasing, or “buying back,” service credit for the time they previously worked for the county or another public agency.

Buying back *prior county or district employment time* adds to a member’s retirement service credit. Only active KCERA members may purchase prior Kern County or special district service that they rendered before becoming a member. Allowable service includes extra-help, per diem, temporary and part-time work. Also, members who have re-entered KCERA after terminating employment and withdrawing their contributions may redeposit the withdrawn funds, plus interest, to receive credit for the service.

KCERA members who took a medical leave of absence without pay may qualify to purchase service credit once they have returned to an employer covered under KCERA. However, service credit missed due to non-medical leaves of absence (e.g., personal, family care or educational) cannot be bought back.

Similarly, members who worked as public servants before entering KCERA may elect to purchase *prior public service time*. Allowable prior public service includes employment with the federal government, active military service, service with the

State of California, and service with any California county, city or public district. Members may not purchase prior public service with KCERA if they are eligible to receive a pension for that service from another public agency.

To buy back prior county or public service time, members must complete the *Certification of Prior Kern County Service* form or the *Certification of Prior Public Service* form. Both forms are available at the KCERA office and on its website. For a prior public service purchase, KCERA will forward the member’s certification form to the prior agency, which will complete and return it to KCERA. Members may pay for their purchased service credit through check, payroll deductions, trustee-to-trustee account rollover, and one-time use of accrued vacation hours (with departmental approval). Vacation and sick-leave hours may also be used at retirement to purchase prior service.

More information is available by contacting the KCERA office or visiting www.kcera.org.



UPCOMING EVENTS & IMPORTANT DATES

Retirement Planning Seminar

Thursday, December 6
Board Chambers
1115 Truxtun Ave., 1st Floor

Benefit Payment Mailings

October 25
November 26
December 24

Investment Board Meetings

October 10
November 7 (combined)
December 12 (combined)

Regular Board Meetings

October 24
November 7 (combined)
December 12 (combined)

Board Meeting Location

Multi-purpose Room
1115 Truxtun Ave., 3rd Floor

Frequently Asked Questions

Q: How can I help my lender verify my retirement contributions balance (or retirement income)?

A: You can obtain verification of your contributions balance (or retirement income) by contacting KCERA by phone or mail. Since

verifications must be in writing, you can pick up the letter at the KCERA office or you can request it be mailed to you. If you’d like KCERA to send the verification letter to your lender, provide us with a signed authorization that includes the lender’s contact information.

A lender can request a verification on your behalf by mailing or faxing to KCERA a verification request form signed by you. Verifications will be completed within two days of receiving the request.

A WEALTH OF INFORMATION ONLINE

In the past year, KCERA's front desk received 9,600 phone calls. Many of these callers asked about retirement forms, contact information, benefit allowance calculation and other general topics. While our staff is always eager to provide assistance to our members, a wealth of information is also available on the KCERA website. A sampling of the features offered to you at www.kcera.org includes:

- **Benefit Estimator**—to quickly and easily calculate your estimated retirement benefit.
- **Forms**—to change personal information, set up direct deposit, request a benefit estimate, purchase service credit, establish reciprocity, sign up for the planning seminar, and much more.
- **Eligibilities**—to learn about qualifying for service, disability and deferred retirements.

- **Publications**—to access the quarterly newsletter, the Annual Report, the Comprehensive Annual Financial Report (CAFR), the KCERA Handbook and other informational brochures.

- **Board and Staff Bios**—to get to know your current Board of Retirement members and KCERA management staff.

- **Miscellaneous**—frequently asked questions, KCERA and Northern Trust's contact information, Board election procedures, Board meeting minutes, survivor benefits, state retirement laws, KCERA bylaws and upcoming events.

Be sure to visit www.kcera.org the next time you have a retirement question. If you have suggestions on how to improve the website, please email your ideas to us at info@kcera.org.

KCERA Wins Award for CAFR

For the seventh consecutive year, the Government Finance Officers Association has awarded KCERA the Certificate of Achievement for Excellence in Financial Reporting for its 2005-06 Comprehensive Annual Financial Report (CAFR).

KCERA's financial officer, Sheryl Lawrence, is primarily responsible for the CAFR's preparation. "The award represents the cumulative effort of several members of the KCERA staff," said Ms. Lawrence. "I could not prepare the report each year without the help of our fiscal, IT and marketing staff."

KCERA's 2005-06 CAFR can be viewed at www.kcera.org. The 2006-07 CAFR will be published in November and available on KCERA's website.



(left to right) Pat Johnson, Sheryl Lawrence, Cindy Wilkinson and Mark Bellino

RETIREES' CORNER

Changing Personal Information

At various times, you may need to change your personal information on file with KCERA. Keeping this data updated ensures your benefit payments are processed without interruption.

To set up direct deposit or change your bank account, you must complete a *Direct Deposit Form*, which includes your account information, and return it to KCERA.

You may also want to change your beneficiary designation due to marriage, divorce, domestic partnership registration, death or other personal circumstances. To update your beneficiary information, please fill out and return a *Beneficiary Change Form*.

Complete an *Address Change Form* if you are moving or your mailing address has changed.

All forms can be downloaded from KCERA's website (www.kcera.org), picked up at the KCERA office or requested by phone by calling (661) 868-3790. *Your personal information cannot be updated by phone.*

Board of Retirement

Claude Fiddler, **Chair**
Brad Barnes, **Vice-Chair**
John DeMario
Jackie Denney
Jeff Frapwell
Joseph Hughes
Mike Maggard
Mark Ratekin
Norman Briggs, **Alt.**
Bart Camps, **Alt.**

Sign Up for Retirement Seminar

Use this form to reserve a seat at the next Retirement Planning Seminar.

Name		SSN (Last 4 Numbers)	
Address			
City		State	Zip Code
Home Phone	Work Phone	Dept. Name/Number	
Please add my name to the reservation list for the Retirement Planning Seminar to be held: <input type="checkbox"/> December 6, 2007 <input type="checkbox"/> June 2008			
Mail reservation form to: KCERA 1115 Truxtun Avenue Bakersfield, CA 93301	You can also e-mail your reservation to servicerep@kcera.org or fax your reservation to (661) 868-3779.	Retirement Planning Seminars are designed for members within five years of retirement. Attendance at seminars is limited to about 130 people. Make your reservations early to ensure a seat at the next seminar.	


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Return Service Requested