



The Retirement CHRONICLES

A quarterly publication of the Kern County Employees' Retirement Association

Thinking About Retiring?

Each KCERA member decides to retire for unique reasons. Some see retirement as a viable financial option. Some leave work to care for a loved one. Others just feel the time has finally come. Whatever *your* reason, the steps to a KCERA retirement are much the same.

1. *Prepare in advance.* Within five years of retirement, you should request a retirement estimate from KCERA and, if you'd like to discuss your personal situation, meet with a services representative. Also, target a possible retirement date, and consider purchasing any eligible service credit to increase your benefit.
2. *Submit documents.* If you were divorced while employed, KCERA needs a court-approved Domestic Relations Order and a Joinder on file before issuing your first pension payment. Also, if you are reciprocal to another retirement system, you must apply to retire from both systems on the same day to preserve your reciprocal benefits.
3. *Decide on accruals.* What will you do with your unused sick leave and vacation time? You can receive payouts of these funds, roll them into your employer's 457 plan, or take "terminal vacation," in which you run out your vacation time until your last day of work. (Departments approve terminal vacations.)
4. *Apply for retirement.* You may submit your retirement application packet no earlier than 60 days before your retirement date, unless you take terminal vacation. If you do, please submit an application when your vacation begins.
5. *Finalize details.* Complete any outstanding service purchases with KCERA. Select a health insurance plan with Health Benefits within 30 days of your retirement date. Contact Deferred Compensation to discuss the handling of your 457 funds. Lastly, inform your payroll clerk of your retirement date because KCERA must receive a Change of Employee Status from your department before finalizing your retirement.

Follow these steps to ensure your retirement stays on track. And remember, long after you retire, KCERA will remain a trusted resource to you. Contact the KCERA office anytime at (661) 868-3790 or www.kcera.org.

IN THIS ISSUE

- 1 – Thinking About Retiring?
- 2 – Power of Attorney
– News & Notes
– Frequently Asked Questions
- 3 – Inside www.KCERA.org
– Retiree News

Power of Attorney

More and more people are turning to a power of attorney (POA) to assist them if they are one day unable to make their own financial decisions, such as filing for a KCERA retirement.

A power of attorney authorizes someone else to act as your legal representative in financial and business matters. The person authorizing the document is the *principal*, and the adult authorized to act for the principal is the *attorney-in-fact*.

The attorney-in-fact is a fiduciary for the principal, acting however and whenever the POA authorizes.

For example, an advance directive (considered a *limited* POA) empowers your attorney-in-fact to act on your behalf in health-care matters only. If no limitations are specified in your POA, *general* authority is granted to the attorney-in-fact.

If you establish a POA, KCERA requests that you clearly authorize your attorney-in-fact to interact with KCERA and make retirement decisions on your behalf.

This is a critical detail because, if you are eligible to retire but become incapacitated before filing a retirement application, a *durable* POA would empower your attorney-in-fact to file for retirement on your behalf. You would then be entitled to draw a monthly pension benefit throughout your lifetime.

A power of attorney can be changed at any time and will terminate upon your death.

Definitions

Power of Attorney: a document authorizing your attorney-in-fact to handle your affairs while you are unavailable or unable to do so

Principal: the person creating a power of attorney (you)

Attorney-in-Fact: the person you appoint to act on your behalf

News & Notes

e-Seminar Coming Soon

KCERA is launching an online version of its retirement planning seminar: the *e-seminar*! Soon you will have access to seminar videos and materials anytime you want.

To begin your e-seminar experience, just visit www.kcera.org and click on "Seminars." Additional seminar information will be provided in the next KCERA newsletter.

Avoid Waiting

If you plan to meet with a KCERA services representative to discuss your retirement needs, please consider scheduling an appointment. Scheduled appointments allow you to avoid waiting in the lobby, especially during KCERA's busy season. Walk-ins are welcome, too, but scheduling ahead will save you time. Call us anytime at (661) 868-3790.

Grand Jury Report

The Kern County Grand Jury released its report on KCERA in May 2010. You can view the report at www.kcera.org or on the Grand Jury website (www.co.kern.ca.us/grandjury).

Frequently Asked Questions • Frequently Asked Questions • Frequently Asked Questions

Q: What is the difference between the Unmodified Option and Modified Option 2?

A: At retirement, you will have five choices for how you want KCERA to pay your pension: an

unmodified option and four modified options. The unmodified option pays the highest monthly benefit and offers a 60% continuance to an eligible spouse/partner. Option 2 offers a lesser monthly ben-

efit but *up to* a 100% continuance to your designated beneficiary. To learn more about payment options, please consult the Member Handbook, which is available at the KCERA office and online.

Inside www.KCERA.org

If you are new to the KCERA website, here are a few tips for finding important information and resources online:

Tip 1 – Benefit Estimator. *Want to quickly learn how much your pension amount will be? Just input your projected age at retirement, years of service, final average compensation and benefit tier. KCERA's online calculator will estimate your benefit faster than you can say, "Retire."*

(continued on page 4)

WANTED: HELPING HANDS

The County is looking for a few good retirees.

If you have some hours to spare, there are many County departments in need of a helping hand from someone like *you!*

Interested volunteers can call 868-3198 for more information or complete an application provided on the County's website at www.co.kern.ca.us/cao/retiree_volunteer_form.pdf.

Retiree News

SRBR 3 Benefits Unchanged

Each year, the Supplemental Retiree Benefit Reserve 3 (SRBR 3), a non-vested supplemental benefit that provides 80% purchasing power protection for KCERA retirees and beneficiaries, is reviewed for loss of purchasing power.

To determine loss of purchasing power, KCERA reviews monthly benefits paid to each retiree and beneficiary using the Southern California region's consumer price index (CPI) and all previously granted cost-of-living adjustments. If KCERA finds that a pensioner's monthly benefit has lost more than 20% purchasing power, SRBR 3 will be increased to bring the total benefit back to 80%.

Due to a negative CPI for 2009, there will be no SRBR 3 benefit increases in 2010, which are usually adjusted on July 31 each year. Please contact the KCERA office, should you have any questions regarding your monthly benefit payment.

Upcoming Events & Important Dates

Investment Board Meetings

July 14
August 11
September 8

Regular Board Meetings

July 28
August 25
September 22

Benefit Payment Mailings

July 26
August 25
September 24

Retirement Planning e-Seminar

Online seminars will soon be available at www.kcera.org! Click "Seminars" to watch.

The Board of Retirement meets at 1115 Truxtun Ave. in the multi-purpose room located on the third floor.

2010 Board of Retirement

Norman Briggs, Chair
Jeff Frapwell, Vice-Chair
Brad Barnes
Jackie Denney
Joseph Hughes
Robert Jefferson
Mike Maggard
John Mainland
Mark Ratekin
Phil Franey, Alt.
Larry Studer, Alt.

Tip 2 – Board Agendas. *Are you “in the know”?* Keep updated on the Board of Retirement’s activities by viewing agendas for future meetings and minutes of past meetings.

Tip 3 – Trustee Bios. *Who represents you on the Board?* Just click “Board of Retirement” then “Member Biographies” to read about the experience and expertise of those investing your retirement funds.

Tip 4 – Service Request Forms. *Got a retirement need?* Under “Form Links” on the homepage, you will find various forms for making service requests. If you can’t find what you are looking for, call the KCERA office.

Tip 5 – Informational Brochures. *Want to learn more about contributions, disability retirement, divorce, reciprocity or the temporary annuity option?* Just follow the “Benefits” tab to read about these and other retirement topics.

Tip 6 – Investment Reports. *Interested in learning about KCERA’s trust fund?* Check out its award-winning Comprehensive Annual Financial Report (CAFR) or, if you prefer a condensed version, the Annual Report.

KCERA is always trying to improve its services, including those online. If you have any suggestions, email your comments to Josiah Vencel at venceljo@co.kern.ca.us or call (661) 868-3755. Thank you in advance for your helpful input.