



The Retirement CHRONICLES

A quarterly publication of the Kern County Employees' Retirement Association

BOARD ELECTION RESULTS

Elections were held in November for three Board of Retirement seats with terms ended on December 31.

The new General, Retiree and Alternate Retiree members took office on January 1. They will work with other Board trustees to shape policy directed at the growth of KCERA's \$3.0 billion retirement fund.



Joining the Board in 2008 will be Bob Jefferson, a senior traffic signal inspector at the Roads Department, who will represent general members as the Third Member. Before coming to the County in 2005, Jefferson spent 13 years as an inspector for the L.A. subway system and 6 years as a fire control technician with the U.S. Navy. An active member in SEIU Local 521, Jefferson helped negotiate the October 23, 2007 MOU.

Filling the Eighth Member seat will be Norman Briggs,

a Kern County Elections Department retiree who previously served as the Board's Eighth Member Alternate and the past president of the Retired Employees of Kern County. Briggs was appointed to his seat in lieu of an election because he ran unopposed.



Phil Franey, the recently retired Kern County treasurer-tax collector who served on the Board from 1986 to 2006, was elected as the Eighth Member Alternate. In addition to being the Board's *Ex Officio* member during those years, he served as its chairman in 2000 and 2001. Franey and Briggs will represent KCERA retirees.

Please join KCERA in congratulating the new trustees!

Safety Retirees Get Tax Exclusion

The Pension Protection Act (PPA) of 2006 permits an eligible retired public safety officer (PSO) to exclude up to \$3,000 of distributions from their eligible retirement plan for direct payment of health care premiums.

The PPA defines a PSO as "an individual serving a public agency in an official capacity, with or without compensation, as a law enforcement officer, as a fire fighter, as a chaplain, or as a member of a rescue squad or ambulance crew."

In addition to meeting the PPA definition, the individual must have been separated from

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County Adopts New Benefit Tier for General Members

County employees who begin first-time employment on or after October 27, 2007 will receive a new retirement benefit formula. The new benefit tier for general members was created with the Board of Supervisors' approval of the Service Employees International Union, Local 521, Memorandum of Understanding in October 2007.

By adopting Government Code Section 31676.01, the supervisors created a lower retirement benefit tier for certain Kern County members. The new "Tier II," with a formula of 1.62% at age 65, offers a lower benefit than does the older "Tier I" formula of 3% at age 60.

Accordingly, employee contribution rates associated with the new benefit tier are also lower.

Not all new general members hired on or after October 27, 2007 will be Tier II members. Employees who entered KCERA membership prior to that date, terminated and left contributions on deposit will return to county employment under Tier I. Deferred members re-entering Kern County employment generally fall into this category.

If you have questions about your retirement tier, contact the KCERA office or visit www.kcera.org.



UPCOMING EVENTS & IMPORTANT DATES

Investment Board Meetings

January 9
February 13
March 12

Regular Board Meetings

January 23
February 27
March 26

Benefit Payment Mailings

January 28
February 26
March 26

Retirement Planning Seminar

Thursday, June 19
Board Chambers
1115 Truxtun Ave., 1st Floor

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

Safety Retirees

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service as a PSO *and* either have attained normal retirement age or been granted a disability retirement.

If you are eligible to claim the PSO exclusion, you must reduce the otherwise taxable portion of your pension by the excludable amount on lines 16a and 16b of your Form 1040.

For more information on reporting the PSO tax exclusion, read the "Instructions for Form 1040" at www.irs.gov or contact your tax advisor.

Frequently Asked Questions

Q: Are employer contribution vested in my retirement account? Can I access them?

A: Vesting means that, after meeting eligibility requirements, you have a legal right to receive a particular benefit. As a KCERA member,

you are vested after accruing five years of retirement service credit. You must then become eligible to receive a pension.

Until you retire, the value of your retirement account will increase as employee contributions and invest-

ment interest accumulate. Your employer also contributes to KCERA, but these deposits are *not* divided into individual member accounts. Therefore, they are not vested or accessible until you retire, when employee and employer contributions merge to pay your lifelong pension.

BOARD BIDS FAREWELL TO TRUSTEES

Two tenured trustees will not return to the Board of Retirement in 2008.

John DeMario, one of the Retirement Board's longest-serving members and its past chairman in 2006, has served as the Eighth Member since being elected by retirees in 1998.

DeMario was central to the Board's adoption of the Supplemental Retiree Benefit Reserve (SRBR) benefits, and he was a major contributor to the Board's Audit-Actuarial and Investment Committees. DeMario was the county's assistant treasurer-tax collector prior to his Board participation.

Claude Fiddler, appointed in 2002 to the Fifth Member seat, became the Board's chairman in 2007. Serving on the Disability Com-

mittee for five of his six years as a Board trustee, Fiddler's dedication to a thorough review of applications ensured a full and fair investigation of all the facts necessary to determine eligibility for disability benefits.

Prior to his retirement from Chevron, Fiddler held a long and distinguished career as a geology/petroleum engineer.

"Both of these distinguished trustees have made invaluable contributions to the Board that will benefit KCERA members for years to come. They will be greatly missed," said Anne Holdren, executive director of KCERA.

The Board and KCERA staff thank Mr. Fiddler and Mr. DeMario for their faithful service to the Board, the association and its members.

RETIREES' CORNER

Form 1099-R in Mail Soon

Northern Trust will mail Form 1099-R to you by the end of January. This important tax document provides information about income taxes withheld from your monthly KCERA benefit payments. Please keep your Form 1099-R with other important tax documents. If your benefits are not subject to federal and state income taxes, you will not receive a Form 1099-R.

Change of Address

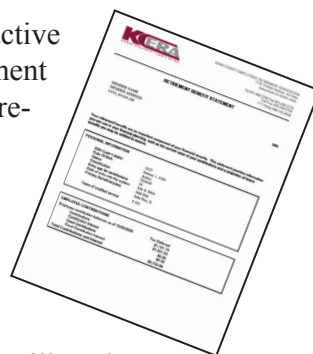
Has your address changed recently? To avoid delay in receiving your Form 1099-R, contact KCERA immediately to update your mailing address. For your protection, all address changes must be submitted in writing. You may send KCERA a letter to change your mailing address, or you can print a Change of Address form from KCERA's website at www.kcera.org.

Benefit Statements Coming Soon

Retirement benefit statements will be mailed to all active and deferred members in early spring. Your statement will contain important information about your retirement benefits, including your:

- Years of retirement service credit
- Retirement contribution balance
- Current retirement deduction

Any service credit that you are currently purchasing will not be included. Please review your statement carefully and contact KCERA if you have any questions about the information provided.



Board of Retirement

(as of January 1, 2008)

Brad Barnes, *Chair*
Joseph Hughes, *Vice-Chair*
Norman Briggs
Jackie Denney
Jeff Frapwell
Bob Jefferson
Mike Maggard
Mark Ratekin
Bart Camps, *Alt.*
Phil Franey, *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"/> June 19, 2008		<input type="checkbox"/> December 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.	
