



# Retirement Chronicles

A quarterly publication of the Kern County Employees' Retirement Association

News & Views

April 2015

## Introducing KCERA's New Website

### KCERA is pleased to announce the launch of its redesigned website!

The new site at [www.kcera.org](http://www.kcera.org) incorporates a modern layout, simple navigation, additional content, hyperlinked page integration and interactive tools—all designed to provide you with an educational, user-friendly experience.

The new website features two navigation bars: one for member-specific topics and one for general topics. Active, deferred and retired members now have webpages that apply specifically to their unique situations. In fact, users will find twice as many pages of content compared to KCERA's old website.

Another exciting addition is the site's new Resource Center, which contains news articles, forms, quarterly newsletters, retirement publications and videos, retirement contacts and a benefit estimator. KCERA created the Resource Center to provide members with a one-stop source of educational content and tools.

The website project began in early 2014 when Executive Director Gloria Domínguez tasked Josiah Vencel, who oversees KCERA's communications, with developing a plan to overhaul the 15-year-old website. "The old site was clunky, text-heavy and hard to navigate," Mr. Vencel said, "so I welcomed the assignment enthusiastically."

With the help of I.T. Manager Brenda Greenwood, the trio met with potential web design firms to assess KCERA's needs. Once they agreed on a general direction, Mr. Vencel created an expanded site map and used the new structure to rewrite the site's content.

In July 2014, KCERA selected Bakersfield-based Fluxar Studios to build the new website, which took about seven months to complete. "KCERA is very pleased with the final product," said Ms. Domínguez. "This investment will serve our members for a long time and hopefully become a trusted source of retirement information in the community."

*What do you think of the new website?  
Visit the Contact Us page and leave a comment.*



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# FUNDING KCERA ...

## from a dollar's perspective



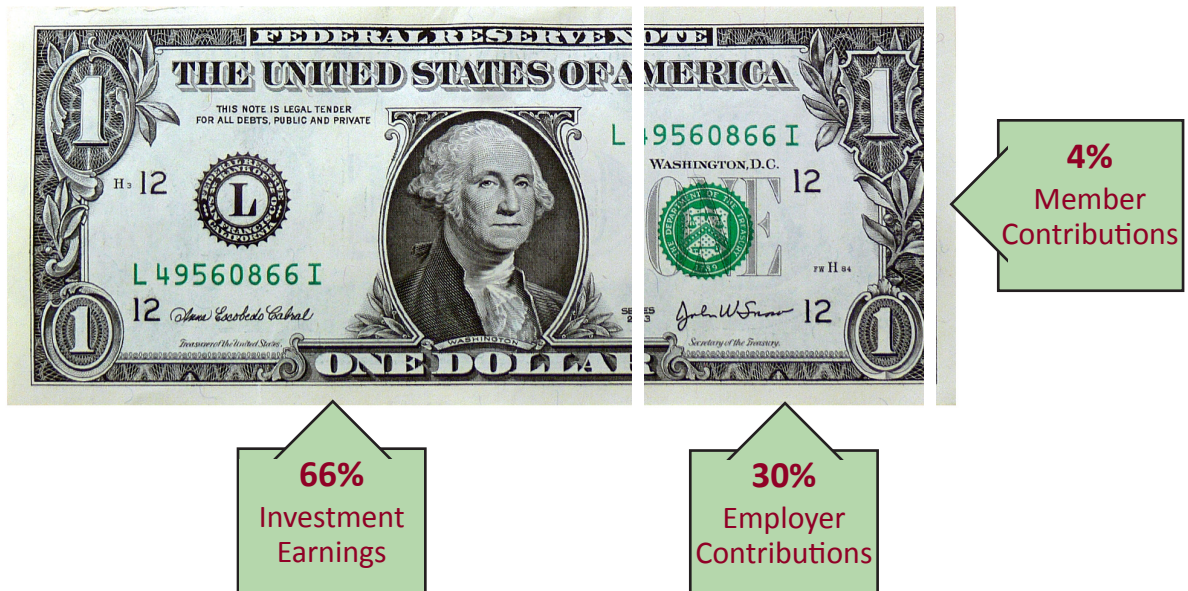
KCERA is a contributory plan, which means that it receives some of its funding from retirement contributions. In the last fiscal year, for example, KCERA's 8,525 active members contributed \$25.8 million to the plan. Employers—the County, the Superior Court and 12 special districts—contributed \$220.4 million. Together, KCERA received \$246.2 million in retirement contributions from members and employers.

On the other side of the balance sheet are deductions from the KCERA plan. In the last fiscal year, there were outflows of \$262.4 million, almost all of which were retirement benefit payments. Yet,

KCERA's assets experienced a net increase of \$471.3 million. Where did the net increase come from? *Investment earnings.*

One critical role of the Board of Retirement is to invest KCERA's \$3.6 billion in a well-diversified portfolio that helps fund retirement benefits for all current and future retirees. In fiscal year 2014, KCERA earned a 15.0% net return, equal to \$487.5 million in investment earnings.

Here is an illustration of KCERA's funding in fiscal year 2014 from a dollar's perspective:



# faq

## How does KCERA invest its assets?

Like other public pension plans, KCERA diversifies its \$3.6 billion in assets in a strategically designed asset allocation that includes U.S. equities, non-U.S. equities, fixed income, real estate, commodities, hedge funds and private equity. The Board of Retirement has adopted a well-

balanced allocation based on each asset type's risk/reward profile, providing an effective hedge during volatility in individual markets. However, the asset allocation is not set in stone. If strategic shifts need to be made in the portfolio, the Board can adjust its allocation accordingly.



# Can't Meet in Person?

## CALL US OR GO ONLINE.

**When you have a retirement question that just can't wait, what should you do?**

You could call ahead to schedule an in-person appointment at KCERA. But if your work schedule cannot accommodate a face-to-face meeting during business hours, you have two other options.

The first is to have a phone meeting with a retirement services representative (RSR). KCERA's RSRs specialize in discussing a broad range of retirement topics with members. Whether you want to plan your retirement or just ask a quick question, call (661) 381-7700 to speak with an RSR.

Another option is to submit your inquiry using KCERA's new "Contact Us" form at [www.kcera.org/contact-us](http://www.kcera.org/contact-us). Just include your email address or phone number in the form, and an RSR will contact you within one business day. While you're there, look around the new website and learn more about your KCERA benefits.



## UPCOMING EVENTS

### Board of Retirement Meetings:

**April 8**

**May 6**

**June 10**

*Investment/Regular Board meetings are scheduled on the second Wednesday of each month at 8:30 a.m.*

The public is invited to attend. Board meeting agendas are available at [www.kcera.org](http://www.kcera.org).

The Board of Retirement meets in the KCERA Board Room located at 11125 River Run Blvd. Bakersfield, California 93311.

## 2015 COLA

## Retiree News

On February 11, 2015, the Board of Retirement approved the following cost-of-living adjustments (COLA) for KCERA retirees and beneficiaries as of April 1, 2015:

- 2.5% for retirements on or before April 1, 2002
- 1.5% for retirements between April 2, 2002 and April 1, 2004
- 1.0% for retirements between April 2, 2004 and April 1, 2005
- 1.5% for retirements between April 2, 2005 and April 1, 2012
- 1.0% for retirements between April 2, 2012 and April 1, 2015

KCERA's annual COLA is based on the change in the region's average Consumer Price Index (CPI) from the previous year—*rounded down* to the nearest half-percent. Last year's CPI change was 1.3%, which was rounded down to 1.0% for retirees who did not have "COLA bank" reserves. However, retirees who had sufficient reserves received more than a 1.3% adjustment this year. To learn more about the COLA bank, search for "COLA" at [www.kcera.org](http://www.kcera.org).

# Deciphering Your *Payment Remittance*

When KCERA contracted with Wells Fargo in 2013 to issue benefit payments to retirees, the appearance of its payment remittance (warrant) changed. The new layout included terms that may have been unfamiliar to retirees. To clear up any confusion, here is a list of common terms found on a payment remittance.

## Gross Pay†

- *Tier I Pension*: the “base benefit” earned by a retiree
- *Tier I Pension COLA*: the 2.0% portion of the cost-of-living adjustment
- *Tier I Pension COLA 5*: the 0.5% portion of the cost-of-living adjustment
- *SRBR 1*: a flat \$35.50 to retirees hired before July 1, 1994
- *SRBR 3*: a payment to a retiree whose benefit is worth less than 80% of its original value

## Taxes and Deductions

- *Federal Tax Withholding*: the amount withheld for federal income tax
- *CA State Tax Withholding*: the amount withheld for California income tax
- *KC Health*: a deduction for a county health insurance plan
- *REOKC Dues*: a \$2 deduction for REOKC membership
- *PGA*: a deduction for supplemental insurance via REOKC

If you would like to receive your monthly payment remittance by e-mail instead of mail, please enroll in KCERA’s e-remittance program. Call KCERA or visit [www.kcera.org/resource-center/forms](http://www.kcera.org/resource-center/forms) to obtain an Electronic Remittance Request Form.

† Generally, payments to beneficiaries are reduced by a percentage based on the retirement option selected by the member at retirement.

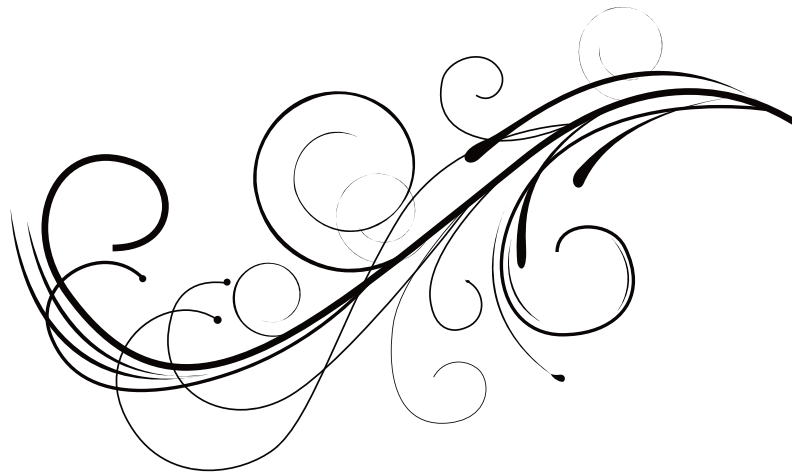
## • RETIREMENT •

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