



# Retirement Chronicles

News Today About Your Tomorrows

April 2002

Quarterly Newsletter

## Reader Feedback

You may reach us at:

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1115 Truxtun Ave. 1st Floor  
Bakersfield CA 93301  
Attn: Newsletter Editor

E-mail: Editor@kcera.org  
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## Upcoming Events

Retirement Planning Seminar  
May 23, 2002

Retirement Board Meetings  
Investment Board  
2nd Wed. of each month

Regular Board  
4th Wed. of each month

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“Most people are about as happy as they make up their minds to be.”

Abraham Lincoln

## Retirement Planning Seminars

Each year, the KCERA hosts two Retirement Planning Seminars. These seminars are geared towards those members who are contemplating retirement within three to five years. The seminars provide members the opportunity to learn valuable information about planning for their retirement and about the agencies available to help them after retirement.

At each seminar, KCERA features expert speakers from the CAO-Health Benefits, Deferred Compensation, the Retired Employees of Kern County, the Social Security Administration and, of course, KCERA. Members in attendance are provided with a packet of valuable information and are given the opportunity to ask questions of our expert speakers.

The Retirement Planning Seminars are very popular but seating is limited so reservations are necessary. The next seminar is scheduled for Thursday May 23, 2002 from 8:30 a.m. to 12:00 noon. The seminars are held in the Board of Supervisors Chambers located on the First Floor of the County Administration Building.

If you would like to attend the next seminar, please contact the KCERA office to have your name placed on a reservation list. You may also e-mail your reservation request to Servicerep@kcera.org. Be sure to include your name and your Social Security number with your reservation request. Approximately six weeks before the seminar, a KCERA representative will mail a confirmation form to be completed and returned to the KCERA office. The seminar fills up fast, therefore, it is important that you complete and return your confirmation form quickly so that your spot at the seminar can be reserved. If you are unable to attend the May seminar, a second seminar will be offered in December.

If you have any questions about the seminar, please contact the KCERA office to speak with a Service Representative.

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Board Members:  
Sharon Clark, Chairman Ethelyn L. Looy  
Sharon Lesser, Vice Chairman Ken Peterson  
John De Mario Tony Plante  
Brent Dezember Michael Bradley, Alternate  
Claude D. Fiddler Lois Maujer, Alternate  
Phil Franey

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# KCERA Retirement Chronicles

## FAQ's

### Q. Will General member retirement benefits be enhanced now that the Governor has signed AB616?

A. AB616, signed by Governor Davis on October 12, 2001, provides for enhanced retirement tiers for public employee retirement systems including those systems administered under the County Employees' Retirement Law of 1937. The bill also provides a mechanism to increase employee contributions to help fund the increased benefits. Three new tiers were created providing a minimum of 2% of final compensation per year of service at age 50 and maximizing at either 2.5% at age 55, 2.7% at age 55 or 3.0% at age 60. The current KCERA General member tier pays approximately 2% of final compensation per year of service at age 55 1/2. Please keep in mind that these new enhanced tiers are permissive, meaning that a County Board of Supervisors must adopt an enhanced tier before the new tier will be effective. Therefore, enhanced General member retirement benefits will not be available for KCERA members until and unless the Kern County Board of Supervisors elects to adopt one of the new retirement tiers.

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“To be prepared for war is one of the most effectual means of preserving the peace.”

George Washington

## Executive Director's Message - David J. Deutsch, CFA

Once again, I have donated this space to the Ventura Implementation Team for this important message. David J. Deutsch, CFA

Dear Member,

On January 24, 2002, the Court entered judgment of the settlement on the Ventura litigation in Kern County officially approving the Settlement Agreement. Copies of the judgment, as well as the order approving the judgment, have been sent to all parties to the litigation.

The Settlement Agreement required KCERA to notify all retired members or their beneficiaries of the final compensation period used in calculating their original retirement benefit and allowed members to redesignate their final compensation period. KCERA has mailed these notices, as follows:

- 1,263 members retired between 1980 to 1989 – notices mailed on December 12, 2001

- 2,204 members retired between 1990 to October 2001 – notices mailed on February 8, 2002

- 863 members retired prior to 1980 – notices mailed on February 27, 2002

Members had 30 days to respond to the notification to request a different final compensation period. If you did not receive this notification regarding the final compensation period designation period, please contact the KCERA.

The next step in the implementation process will be to calculate new retirement allowances based on the special pay items added through the Settlement Agreement. In order to do so, the Ventura Implementation Team (Team) determined which retirements would be treated first. The Team considered many factors in arriving at a schedule, including the age of retirees, the potential size of benefit increases, efficiency, and cost effectiveness overall. The Team decided to process the most recent retirees first since the pay records for these retirees are readily accessible in computer form and many of the new includable pay items have only been in force since the 1990s. The Team believes this process provides substantial cost effectiveness to the plan through resolution of the greatest number of potentially affected retirees first.

After recalculation of benefits, the KCERA will notify the County, Class Counsel and affected KCERA members of the new calculation, together with documentation showing which additional pay codes and amounts are included for those members due increased benefits or an explanation in the absence of any increase. If a member disagrees with the KCERA's determination, the member will be allowed 60 days from the date of this second notification to respond, in writing, to the KCERA.

Members should note that no extra contributions will be due from any retiree or their beneficiary for whatever pay items now included retroactively as a result of the Settlement Agreement. The KCERA expects to start recalculation for the purpose of determining new allowances in the second quarter of 2002. The Team assures all members that increased retirement benefits, if due, will be paid in the most expeditious manner and appreciates your cooperation during this process.

Sincerely,

Elissa D. Ladd  
Assistant CAO  
Kern County

James A. Rhoades  
Auditor-Controller-County Clerk  
Kern County

Roberto L. Peña, CPA  
Assistant Executive Director  
KCERA

## New Board Members-New Responsibilities

As this year begins, the Board of Retirement (the Board) welcomes two new Board members and three returning Board members. The Board also elected a new Chair and Vice Chair.

The first new Board member is Claude D. Fiddler. The Board of Supervisors appointed Mr. Fiddler as the Fifth Member of the Board replacing Mark J. Smith. Mr. Fiddler will serve a three year term. He is a Geology/Petroleum Engineer Consultant and is a retired Commander of the U.S. Naval Reserve.

The second new Board member is Ethelyn L. Looy. Ms. Looy was also appointed by the Board of Supervisors. Ms. Looy becomes the Ninth Member of the Board replacing Geoffrey B. King. Ms. Looy, who will also serve a three year term, is the manager of Protective Financial and Insurance Services, Inc. and a Business Consultant.

Sharon Lesser was re-elected by the General members as the Third Member of the Board. Ms. Lesser, who is a Civil Service Division Manager for Kern County Personnel, will also serve as the new Vice Chair of the Board.

John DeMario was re-elected by Retired members as the Eighth Member of the Board. Mr. DeMario is retired from the Kern County Treasurer-Tax Collector's Office where he served as the Assistant Treasurer-Tax Collector.

Lois Maujer was also re-elected by the Retired members as the Alternate Eighth Member of the Board. Ms. Maujer will participate in Board actions in the absence of Mr. DeMario. Ms. Maujer is retired from KCERA where she served as the Retirement Supervisor.

Last, but certainly not least, the new Chair for the Board of Retirement is Sharon Clark. Ms. Clark serves as the Second Member of the Board and was elected by the General members. Ms. Clark has a long tenure with the Board, including prior Chair duties. Ms. Clark is the Assistant Assessor-Recorder for the Kern County Assessor-Recorder's Office.

## Board Members Honored

The Board of Retirement, at its January 23, 2002 meeting, adopted three resolutions recognizing the outstanding service of three Board members. The first resolution recognized Treasurer-Tax Collector Phil Franey's outstanding service as Chairman of the Board for the years 2000 and 2001. The Board also presented Mr. Franey a plaque honoring his service as Chairman.

The two remaining resolutions recognized the outstanding service of two departing Board members. Geoffrey B. King served on the Board from February 1992 until December 2001. Mr. King served as Board Chairman in 1996. Mark J. Smith served on the Board from December 1990 until December 2001. Mr. Smith served as Board Chairman in 1992 and 1993. Both former board members were also presented with plaques recognizing their outstanding service at a luncheon held in their honor.

The Board of Retirement and the KCERA wishes to thank all three individuals for their valuable service to the Board and to the KCERA membership.

## Of Interest to Our Retirees Cost of Living Increase

On April 1, each retiree will become entitled to a Cost of Living Adjustment (COLA) increase. The increased COLA amount will appear on April 30th retirement warrants.

This year, the maximum COLA amount has risen from 2% to 2.5%. Retirees may expect to receive the lesser of an increase of 2.5% or the actual inflation factor. As the inflation factor for the previous calendar year was 3.3%, retirees will receive the entire 2.5% COLA on their annuity, pension and previous COLA amounts. The COLA is not applied to any benefits paid from the Supplemental Retiree Benefit Reserve (SRBR).

## Account Changes

Retirees often need to update information such as address, beneficiary or tax withholding changes. To protect our members, KCERA requires that such changes be made in writing. Further, we cannot accept faxed documents for most changes. We must have an original document with the member's signature. We apologize for any inconvenience this requirement may cause, but we feel that such precautions are necessary in order to preserve member confidentiality and provide accurate record keeping.

## Northern Trust Payments

Please remember that the effective pay date for all retirement checks is the last day of each month. Northern Trust sends all payments to arrive at your mailing address or your bank by the last day of each month. However, the KCERA and Northern Trust have no control over the U.S. mail. Therefore, please allow ample time for your check to arrive before calling KCERA to report your check missing. You may avoid mail delays by having your check electronically transferred to your checking or savings account. Please contact the KCERA office to sign up for Direct Deposit.

Return Service Requested

Bakersfield CA 93301-4639

1115 Truxtun Avenue

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION



**Included in this issue:  
KCERA's annual report  
for the fiscal years ending  
June 30, 2001 and June 30, 2000**