



Retirement Chronicles

A quarterly publication of the Kern County Employees' Retirement Association

News & Views

July 2015

KCERA Seminars Get Green Light

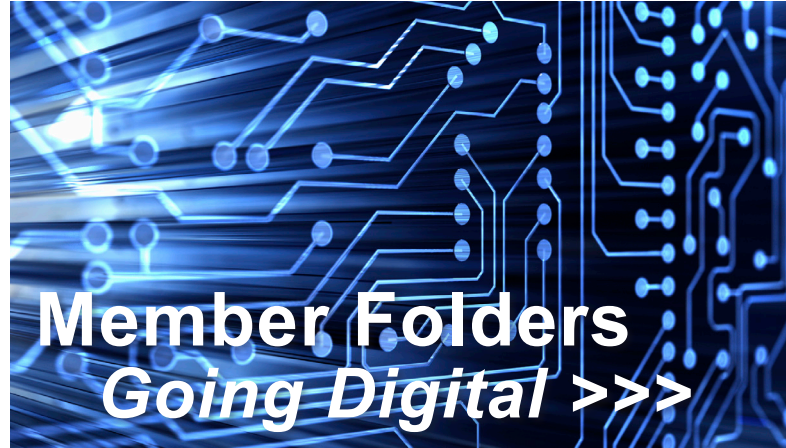
This spring, KCERA received the green light to restart its semiannual retirement planning seminars, which were discontinued in 2010. The Board of Supervisors approved the seminar's relaunch at its April 21, 2015 meeting.

The three-hour seminar, held in the Board of Supervisors Chambers, brings together speakers from KCERA, CAO-Health Benefits, Deferred Compensation, Social Security and the Retired Employees of Kern County (REOKC). Each speaker presents information about their respective area to employees planning to retire in the next few years.

When the seminar's restart was publicly announced in early May, KCERA received hundreds of attendance requests via its website. Due to the seating capacity limitations of the Chambers, only 120 members (and one guest each) were invited to the June 25, 2015 event. Members who were placed on the seminar's waiting list will be given priority for the December 2015 seminar.

KCERA is pleased to report that the June 25 seminar was a success, thanks to its speakers: Josiah Vencel (KCERA), Phil Franey (REOKC), Merita Martinez (Social Security), Eric Nisbett (Health Benefits) and Susan Leedy (Deferred Compensation).

We hope to see you at a future seminar!



Since the 1940s, KCERA has stored member documents in hard-copy folders. Each folder contained all retirement-related documents, from a new member's enrollment to the death of a retiree's beneficiary – and everything in between! Over the decades, KCERA has accumulated tens of thousands of member folders.

Two years ago, KCERA launched a new pension administration system that included digital imaging software. This tool allowed KCERA to scan incoming documents into the new system so that staff could view them electronically. Although several efficiencies were gained by the imaging system, staff still needed to reference the physical folders for certain service requests. It was determined that the time had come to digitize all member documents.

(continued on page 3)

INSIDE
This Issue

Page 1 Seminars Get Green Light
Member Folders Going Digital
Page 2 Election Just Around the Corner

Page 2 FAQ: Death Benefits
Page 3 Retiree News: SRBR 3
Page 4 KCERA Nominated for Award



ELECTION just around the corner ...

An election will be held in November 2015 to fill three seats on the KCERA Board of Retirement.

The available positions are the *Second Member* seat, elected by general members, and the *Seventh Member* and *Seventh Member Alternate* seats, elected by safety members. The highest vote-getters will serve on the Board for a three-year term starting on January 1, 2016.

The trustees whose terms are ending are Dominic Brown (Second Member, Auditor-Controller's Office) and Rick Kratt (Seventh Member, Fire Department). Both trustees are permitted to run for reelection. The Seventh Member Alternate seat is currently vacant.

All KCERA members eligible to vote will be mailed election information, including how to file as a candidate, from the Elections Office approximately 60 days before the election.

Additional information about the Board of Retirement, its responsibilities and its members can be found at www.kcera.org.



Dominic Brown



Rick Kratt

FYI

Member Contribution Rates Changing

KCERA members will see changes in their contribution rates in pay period 15-14 that begins on July 11. New rates are calculated each fiscal year by KCERA's actuary and can vary based on a member's entry age, benefit tier and/or membership date (PEPRA). You can view the FY 2015-16 rates in Appendix A of KCERA's 2014 [actuarial valuation](#).

faq

What benefits are available to my beneficiary when I die?

Different "death benefits" are payable based on whether you are an active or retired member when you die. Active member death benefits depend on whether you were vested or non-vested at the time of death and whether the death was job-related. Benefits could include a payout of member con-

tributions, a lump-sum payment based on years of completed service, a monthly benefit payable for life, or a combination thereof. Retired member benefits could include a monthly benefit continuance payable for life and a \$5,000 death benefit. Click on the links above for more information.





Folders Going Digital >>>

(continued from page 1)

Last year, KCERA launched a back file conversion project that sought to digitize the contents of approximately 18,000 member folders. The plan was to convert the documents into searchable PDF files, store them securely in KCERA’s imaging system, and access them via a password-protected online portal. First, however, the project required a year-long “clean up” phase in which staff reviewed and organized every folder and document for scanning.

By May 2015, KCERA had prepared every member folder for digital scanning. Through an RFP (Request for Proposal) process, KCERA identified a highly qualified vendor that would take its 18,000 member folders into the next century.

KCERA will be parted from its folders for about two months as they are stored and processed in a secure facility in San Jose. There, the folder contents will be converted to images, embedded with text-searchable metadata and uploaded into KCERA’s pension administration system. The process is expected to be completed by December 2015.

UPCOMING EVENTS

Board of Retirement Meetings:

Jul 8
Aug 12
Sep 9
Oct 14

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.

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

Retiree News

SRBR 3 UNCHANGED

The Supplemental Retiree Benefit Reserve 3 (SRBR 3) is a non-vested, supplemental benefit that provides 80% purchasing power protection to KCERA retirees and their beneficiaries.

KCERA annually reviews every monthly benefit in relation to the region’s consumer price index (CPI) and previously granted cost-of-living adjustments (COLAs). If a monthly benefit has lost more than 20% of its original purchasing power, SRBR 3 benefits will increase to bring the total benefit back to 80%.

Most retirees received the full 2.5% COLA in April 2015, so their current benefit retains at least 80% of its original purchasing power. *Therefore, only a very small number of KCERA retirees will see an increase in their SRBR 3 benefits in July 2015.* KCERA will notify these few retirees about their SRBR 3 increase by mail.

KCERA Nominated for “Small Public Plan of the Year” Award

FOR THE SECOND TIME in three years, KCERA has been nominated for a prestigious “Small Public Plan of the Year” award by readers of *Institutional Investor*, a leading financial services publication read by investment and pension professionals around the world.

KCERA, a \$3.6 billion pension plan, was selected among hundreds of other hedge fund-investing U.S. pension plans having less than \$15 billion in assets. KCERA’s relatively small size compared to other nominees in the “small plan” category makes KCERA’s nomination even more significant. Also significant is the fact that the other nominees have much larger in-house investment teams.

Competing against KCERA for the “Small Public Plan of the Year” title are the Employees’ Retirement System of Rhode Island, the Orange County Employees Retirement System (Calif.) and the Cook County Pension Fund (Ill.).

To be identified as one of the top hedge fund-investing public pension plans in the U.S., KCERA had to be named repeatedly in *Institutional Investor’s*

call for nominations. The publication’s editorial staff then narrowed the list of candidates based on the plans’ demonstrated excellence in absolute return investing during the last year. Additional consideration was given to the plans’ long-term investment performance and overall ability to construct and manage a hedge fund portfolio. KCERA excelled sufficiently in these areas to be named as an award nominee.

“It is an honor to share the stage with much larger pension funds,” said Gloria Domínguez, KCERA’s Executive Director. “The honor of this nomination speaks well of KCERA’s investment staff and consultants.”

The 2015 Small Public Plan of the Year title was awarded to Cook County on June 25 in New York City. Chief Investment Officer Pete Tirp represented KCERA at the awards ceremony.

“Even though KCERA did not receive the award this year, being a nominee is a tremendous accomplishment for any plan, particularly one of our size,” said Mr. Tirp.

RETIREMENT

BOARD OF

BOARD OF

Dominic Brown, *Chair*
Phil Franey, *Vice-Chair*
David Couch
Dustin Dodgin
Bob Jefferson
Jordan Kaufman
Rick Kratt
Gayland Smith
Michael Turnipseed
John DeMario, *Alternate*

RETIREMENT



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