

Retirement Chronicles

October 2006

Remember to Cast Your Ballot this November

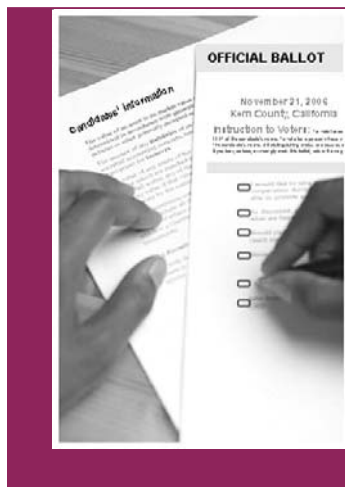
Elections will be held for three members – the Second, Seventh and Seventh Alternate member – of the Board of Retirement of Kern County Employees' Retirement Association (KCERA) on November 21, 2006.

The Second member is elected by KCERA's general members, while the Seventh and Seventh Alternate members are elected by KCERA's safety members. Terms for newly-elected Board members will begin in January 2007 and expire December 31, 2010.

Notice of Election and other information from the County Clerk Elections Division was mailed to all members who are eligible to vote in early September.

Elections will be conducted by mail. Ballots and ballot return envelopes will be mailed to all eligible voters no later than November 6, 2006. Voted ballots must be received at the Election Office by 5 p.m. on Election Day, November 21, 2006. Ballots that are defaced, illegible or are received after the election day cannot be counted.

These decision-making positions on the Board of Retirement are very important to you as KCERA members. Please take the time to learn about the candidates and to vote accordingly.



Additional information about the Board of Retirement and election procedures can be found at KCERA's Web site, www.kcera.org/pdf/election_procedures.pdf. Also, results will be posted on the Web site after the election.

If you have questions about election procedures, you also can contact the Election Office at 661-868-3590.

Contact KCERA

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Upcoming Events

Retirement Planning Seminar

Wednesday, December 6, 2006
Board of Supervisors Chambers
1115 Truxtun Avenue, 1st Floor

2006 Investment Board Meetings

October 11
November 8
December 13

2006 Regular Board Meetings

October 25
November 2
December 27

Board Meeting Location
Multi-purpose Room
1115 Truxtun Avenue, 3rd Floor

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Retirees' Corner

Closing or Changing Your Bank Account

If you are closing or changing your bank account or plan to do so in the near future, please remember to contact Northern Trust at 1-866-776-4655 or KCERA at 1-800-548-0738 and inform them of this change.

New E-mail Address

Please note that KCERA's e-mail address to the editor has changed to info@kcera.org. To contact a service representative, send your e-mails to servicerep@kcera.org.

Benefit Payment Mailing Dates

October 26, 2006

November 27, 2006

December 26, 2006

Board of Retirement

John DeMario, Chair
Claude Fiddler, Vice-Chair

Brad Barnes
Phil Franey
Joseph Hughes
Jordan Kaufman
Sharon E. Lesser
Donald Maben
Tony Plante
Norman Briggs, Alternate
Jackie Denney, Alternate
Howard Eddy, Alternate

Investment Performance

by Michael C. Schlachter, CFA

The KCERA investment portfolio generated solid returns for the 2005-06 fiscal year, posting an 11.7% return. The fund continues to earn higher rates of return than most other public pension plans, outperforming its median peer group by 2.4% during the same period. The performance was also well above the 8% assumed actuarial rate.

The KCERA portfolio is diversified across a number of asset categories, helping to limit losses when one market performs worse than the others. During the 12-month period ending June 30, 2006, domestic equity composite returned 10.5%, while the fixed income composite performed at 0.9%. Diversification however was especially fruitful, with international stock investments returning 27.2%, and real estate returning 24.4%.



During the fiscal year, the KCERA Board hired a hedge fund manager and replaced two small cap index funds with more actively managed portfolios in order to potentially increase the return to the fund. Currently, the Board is reviewing the fund's asset allocation, in addition to options for replacing the emerging market manager.

The fund's assets under management are \$2,455,391,000 at the end of the fiscal year.

Michael C. Schlachter, CFA is a Managing Director for Wilshire Associates Inc., which provides investment consulting services for the KCERA Retirement Board.

KCERA Investment Results

	1 Year	3 Year	5 Year	10 Year
TOTAL FUND	11.69%	13.27%	7.82%	8.52%
Policy index*	10.62%	12.37%	7.02%	7.92%

* The Policy Index is 40% Wilshire 5000+, 28% Lehman Aggregate+, 20% MSCI ACWI Fr ex US (G), 3% WRE Securities Index, 3% NCREIF, 3% ML High Yield Master II, 1.5% Lehman B 2% Issuer Cap, 1.5% Lehman U.S. High Yield Ba – 2% Issuer Cap.

for Fiscal Year 2005-06

Know Your Options for Working after Retirement

Nowadays, many people see retirement as an opportunity for a career change. Following retirement, they make plans to find new jobs, either full time or part time. Some may seek employment with the County while others explore working for another employer.

If you are thinking about continuing employment after retirement, make sure you understand how your decisions may affect your retirement benefit.

Working outside of County employment following your retirement will have no effect on your KCERA retirement benefit payments. You will continue to receive your benefit as usual. However, if you return to work with Kern County or a participating Special District, your employment could affect your benefit.

You may return to work as a temporary County employee without affecting your monthly retirement benefit. Such positions are limited to no more than 120 working days or 960 hours during the year following your re-employment and must be approved annually by the Board of Supervisors.

New Staff at KCERA

Sandra Avant joined KCERA staff July 10, 2006 as the new Marketing and Promotions Associate. A 25-year veteran in the communications field, Sandra is a University of Mississippi graduate and holds a Bachelor's degree in Journalism and a Masters in Radio/Television News Broadcasting. She brings extensive broadcast and print media experience to KCERA.



Sandra Avant

Before coming to KCERA, Sandra served as media specialist for Target Distribution Center in Shafter. Her experience also includes working as an assistant marketing specialist (extra help) for the Kern County Department of Human Services, and as an editor and communications specialist for several universities, including Louisiana State University and Texas A&M University.

Temporary re-employment with the County of Kern means you would not make member contributions to KCERA, and you would not earn additional retirement service credit.

... if you return to work with Kern County or a participating Special District, your employment could affect your benefit.

If you are re-employed as a permanent employee with the County working at least 50% of the regular hours required of the position, you will re-enter active KCERA membership and your retirement payments will stop. You may also be required to make member contributions to KCERA during your re-employment period depending on the position's governing Memo of Understanding. When you retire the second time, your initial retirement benefit will resume and include any cost of living allowances that would have been added to your retirement benefit had you not been re-employed. Plus, you will receive an additional benefit earned during your second phase of employment. The additional benefit will be calculated separately from your original benefit.

If you were retired for disability retirement, you may work outside the County as long as the position you hold is not the position you were deemed disabled from the County. If you wish to return to your position within the County from which you were disabled, and your department agrees to reinstate you, you will need to apply to the Board of Retirement for reinstatement to active KCERA membership and provide medical evidence of fitness of duty.

FAQ: Frequently Asked Question


"Does the time I purchased go towards my eligibility for Retirement Health supplement benefits?"

No. Purchases do not count towards eligibility for County benefits, such as vacation or sick leave accrual, longevity pay or health care supplement at retirement. However, purchasing any type of service credit can increase your retirement benefit.

Sign Up for Retirement Seminar

Use this form to reserve a seat at an upcoming Retirement Planning Seminar.

Name		SSN (Last 4 Numbers)	
Address			
City		State	Zip
Home Phone	Work Phone		Dept. Name/Number
Please add my name to the reservation list for the Retirement Planning Seminar to be held: The December 6, 2006 Retirement Seminar is full. <input type="checkbox"/> May 24, 2007			
Mail reservation form to: KCERA 1115 Truxtun Ave. Bakersfield CA 93301	You may 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 approximately 130 people. Make your reservation early to ensure a seat at the next seminar.	


 Prudent investment + quality service
 Kern County Employees' Retirement Association
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 Return Service Requested