



Retirement Chronicles

News Today About Your Tomorrows

April 2003

Quarterly Newsletter

Reader Feedback

You may reach us at:

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

E-mail: Editor@kcera.org
Fax: (661) 868-3779

Upcoming Events

Retirement Planning Seminar
May 22, 2003

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

Regular Board
4th Wed. of each month

“Democracy does not guarantee equality of conditions - it only guarantees equality of opportunity.”

Irving Kristol

New Legislation for 2003

With the beginning of the new year, many pieces of legislation became effective that can have an impact on KCERA members.

AB 2766 - Assembly Bill 2766 added Sections 31629.5 and 31831.3 to the County Employees' Retirement Law of 1937 (CERL). Section 31629.5 allows members who are terminating their employment with Kern County or a participating Special District to leave their contributions and interest on deposit with KCERA whether or not they will be eligible for a deferred retirement. In the past, a member could choose to leave contributions on deposit only if he or she was vested with five years of service and therefore eligible for deferred retirement, or was eligible to establish reciprocity by virtue of entering employment with a reciprocal retirement system within six months of termination of employment with Kern County. This new code section will now allow any member to elect to leave their contributions on deposit and to have those contributions continue to draw interest (See related information FAQs, Page 2). By leaving contributions on deposit, the member retains membership status even though the member may not be eligible to receive a retirement benefit. Further, a member who elects to leave contributions on deposit may revoke that election at any time if the member has not returned to service with a KCERA covered employer or other public pension fund.

Section 31831.3 allows certain former Safety members to redeposit previously withdrawn contributions under certain circumstances. To qualify, the former Safety member's employment must have been in either an active fire suppression or an active law enforcement capacity as those terms are defined in the retirement law. Further, at the time of redeposit, the former Safety member must be employed in either an active law enforcement or active fire suppression position, making him or her a member of a retirement system administered under the CERL or the California Public Employees' Retirement System (PERS).

See "Legislation," Continued on Page 2

Kern County Employees' Retirement Association
1115 Truxtun Avenue, 1st Floor, Bakersfield California 93301
(661) 868-3790 Fax (661) 868-3779
(800) 548-0738 - In California (800) 735-2929 - TTY Relay
www.kcera.org E-mail - servicerep@kcera.org

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

In This Issue

Reader Feedback	1
Upcoming Events	1
New Legislation for 2003	1
FAQ's	2
New Board Assignments	2
Board Member Honored	2
Ventura Settlement Update	3
Profile - Meet the KCERA Staff	3
Of Interest to Our Retirees	3
NEWS FLASHES!	4

KCERA Retirement Chronicles

FAQ's

Q. If I leave employment before I am eligible to retire, do I have to withdraw my retirement contributions?

A. If you leave employment with Kern County or a participating Special District and you are not eligible to retire, you may choose to leave your retirement contributions on deposit with the KCERA. Your contributions will continue to accrue interest, compounded bi-annually at the rate credited by the KCERA.

Q. If I leave my contributions on deposit, will I be eligible to retire later?

A. Simply having contributions on deposit with KCERA does not guarantee a retirement benefit. You must still meet minimum eligibility requirements for retirement. To be eligible for a deferred retirement, you must have at least five years of retirement service credit or you must be eligible to establish reciprocity by virtue of entering employment with a reciprocal retirement system within six months of your termination from Kern County employment.

Q. If I will not be eligible for a retirement benefit, why would I want to leave my contributions on deposit?

A. Leaving your contributions on deposit will allow your contributions to continue to accrue interest. Further, you will avoid any taxes or early withdrawal penalties that you may otherwise incur by withdrawing deposits from a qualified tax-deferred, retirement account such as the KCERA plan.

“Legislation,” Continued from Page 1

AB 1982 and AB 2131- Assembly Bill 1982 added Section 4850.4 to the Labor Code. This section provides that employers who are subject to the CERL must make advanced disability payments to qualified Safety employees who have filed for service-connected disability retirements. To qualify for advanced payments, the Safety employee must have exhausted all salary and sick leave as well as any benefits available under Section 4850. Further, the employee must have filed for disability retirement and must be fully cooperating with the KCERA disability retirement evaluation process.

Assembly Bill 2131 amends Section 4850.4 of the Labor Code, which was added by AB 1982. AB 2131 also adds Section 31897.6 to the CERL. The amendment to Section 4850.4 adds language dealing with the repayment of advanced disability payments in the event that a Safety employee's disability retirement is ultimately denied. The addition of Section 31897.6 adds language to the CERL to deal with the repayment of advanced disability payments to the employer once a Safety employee's disability retirement has been granted. The employer is reimbursed for the advanced payments out of retroactive disability payments owed the member by the retirement system. If the disability application is ultimately denied, there are provisions for the employer to recover advance disability payments from the member.

New Board Assignments

At the KCERA Board of Retirement (BOR) meeting held January 8, 2003, some BOR trustees assumed new assignments. Sharon Lesser assumed the role of BOR Chair while Tony Plante assumed the role of Vice-Chair. Ms. Lesser has served as a BOR trustee since 1998, representing General members. Ms. Lesser is currently employed by the Kern County Personnel Office as the Civil Service Division Manager. Mr. Plante has been a BOR trustee since 1995, representing Safety members. Mr. Plante is currently employed by the Kern County Fire Department. The KCERA and the Board extend wishes for success to Ms. Lesser and Mr. Plante in their continuing service to the Board and to the members of KCERA.

Board Member Honored

At the regular Board meeting held February 26, 2003, KCERA Board members adopted a resolution honoring Sharon Clark for her long and distinguished service on the BOR. Ms. Clark was first elected as a General Member representative to the BOR on November 27, 1991. She began a three year term on January 1, 1992 and was subsequently re-elected for three additional terms. She served until her retirement on March 22, 2003. During her tenure with the BOR, Ms. Clark was elected Chairman of the BOR in 1995 and 2002. She also served as Chairman of the Disability Application (Working) Committee from 1996 through 1999, and as Chairman of the Legislative Study Committee in 2000 and 2001. Ms. Clark's abilities were recognized state wide when she was elected President of the State Association of County Retirement Systems, serving two terms from 1998 through 2000.

The KCERA and the Board wish to thank Sharon for her dedicated service and to extend best wishes as she begins her retirement.

Ventura Settlement Update

The Ventura Settlement Agreement was approved by the Court in September 2001. At that time, KCERA administration was already addressing issues related to implementing the Ventura Settlement Agreement. One of the administration's first tasks was to hire temporary workers to assist KCERA staff with processing the many claims resulting from the Ventura Settlement Agreement. Since the fall of 2001, the KCERA Ventura staff have been working diligently to complete those many claims. As of February 21, 2003, KCERA has paid 329 retirees or beneficiaries. Settlement of these claims has resulted in retroactive payments of \$2,725,819.15 and interest payments of \$663,891.99 for a total of \$3,389,711.14. The monthly increase for KCERA's retiree payroll is \$41,147.68.

Additionally, another 1,563 members have been notified that they had no special pay items during their final compensation period and therefore, are due no additional benefits under the Ventura Settlement Agreement. KCERA staff estimates that approximately 43% of claims have been processed to date.

Profile - Meet the KCERA Staff

When you call or visit the KCERA office, you are likely to be greeted with a cheery smile and a friendly voice. That smile and voice belongs to our receptionist, Nadine Hill. Nadine strives to greet each person as though they were the most important person in the world. Further, Nadine tries to do everything in her power to direct our members to the staff member that can best help them. In addition to answering our busy telephone lines and greeting members at the counter, Nadine also sorts and distributes our mail, helps other staff members with preparing mailings, processes never-ending paperwork, and keeps our supply cabinets well stocked.

Nadine was born in Olympia, Washington and spent some time in Santa Barbara and Monterey before coming to Bakersfield in 1981. As a young girl, Nadine was very active in sports, Camp Fire for the Boys and Girls Club, Girl Scouts, and the YMCA. In fact, in elementary and junior high, Nadine won awards for long jump, 100 yard hurdles, 100 yard dash, and team relay runs. Nadine later graduated from North High School and is currently working toward an Associate in Science Degree at Bakersfield College.

When Nadine is not at work, she is busy putting her new home in order. Nadine and J.R., her husband of two years, recently moved into a new home with their five children. And, as if taking care of a home and five children were not enough, Nadine also finds time to be actively involved with her church.

Nadine says that one of the most rewarding aspects of her job with KCERA is the opportunity to work with people she enjoys and the opportunity to provide great member service. The KCERA certainly appreciates Nadine's dedication to great member service and we hope that Nadine's cheery smile and friendly voice will greet our members for many years.

Of Interest to Our Retirees Income Verifications

Our retirees and beneficiaries frequently request letters to verify their monthly retirement benefits. Such letters are often needed when applying for loans or housing assistance and KCERA staff are more than happy to provide income verification letters. However, requests for income verification letters should be made directly to the KCERA office to avoid delays in processing your request for income verification. Often, requests are sent to Northern Trust. Northern Trust must then forward the request to the KCERA office for processing, resulting in a four to six week delay in processing requests for income verification. So, for fastest service, please call or write the KCERA office directly to request income verification letters.

Cost of Living Increase

On April 1, each retiree or beneficiary will become entitled to a Cost of Living Adjustment (COLA) increase. The increased COLA amount will appear on April 30, 2003 retirement warrants.

The COLA amount to be applied this year is 2.5%. Retirees and beneficiaries will realize a 2.5% increase to their annuity, pension, and previous COLA amounts. The COLA is not applied to any amounts paid from the Supplemental Retiree Benefit Reserve.

Did You Know?

KCERA provides monthly benefits to over 4,400 retirees and beneficiaries. As of June 30, 2002, KCERA included 4,485 retirees and beneficiaries.

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
1115 Truxtun Avenue
Bakersfield CA 93301-4639

Return Service Requested



**KCERA's annual report for the fiscal years ending
June 30, 2002 and June 30, 2001 is included with this issue.**

See Page 3 for a Ventura Settlement Update