



What's Up?

The **ABC's** of Retirement

As an ACERA member, you're earning benefits you can collect when you're eligible. This article is a very basic summary of the benefits and your membership in ACERA, accompanied by web pages where you can find more details.

What are the benefits of ACERA Membership?

Benefits can be categorized as either before-retirement or after-retirement.

▶ Before-Retirement Benefits

Reciprocity | The ability to find a different public sector job with California government agencies and not have to start over from scratch in earning your retirement. www.acera.org/reciprocity

Service Credit Purchase | The ability to purchase certain types of time as ACERA service credit. www.acera.org/service-credit

Death Benefits | If you die in active payroll status, your beneficiaries will receive death benefits; keep your beneficiary designations up to date. www.acera.org/death-benefits

Refund | The option of taking a refund of your retirement contributions + interest 45 days after you've quit your job—you give up all other ACERA benefits though. www.acera.org/withdrawing-contributions

▶ After-Retirement Benefits

Retirement Allowance | A monthly retirement allowance for the rest of your life once you're eligible. www.acera.org/formula

COLA | An annual cost of living adjustment (COLA) increase to your allowance. www.acera.org/cola

\$1000 Death Benefit | A \$1000 lump sum death benefit for your beneficiary(ies).

Healthcare Subsidies and Supplemental COLA | If you're eligible, non-guaranteed subsidies for medical, dental, and vision coverage and a non-guaranteed extra COLA (these benefits can be changed or eliminated).

www.acera.org/non-vested-benefits

Healthcare Access | Access to medical, dental, and vision coverage, even if you're not eligible for a subsidy. www.acera.org/health-plans

Disability Retirement | The ability to apply for disability retirement if you become permanently incapacitated during your career. www.acera.org/disability-retirement

Death Benefits | Death benefit payment(s) to your beneficiary(ies) after you die based on the retirement option you select; some beneficiaries can get monthly payments for the rest of their lives. www.acera.org/retiree-death-benefits

Am I an ACERA member?

You're a member if you work full time in a retirement-eligible position for an employer that participates in ACERA (www.acera.org/participating-employers). Later, you can drop down to part time and maintain active membership in ACERA. You can verify your membership on your pay stub; the "Retirement" line shows a percentage of your paycheck that goes into ACERA's fund (www.acera.org/contributions). If you

Continued from cover page

quit working and leave your contributions on deposit with ACERA, you can maintain your membership as a Deferred Member (www.acera.org/deferring-your-membership).

How will my retirement be calculated?

Your retirement will be calculated at the time you retire based on a three-factor formula:

$$\frac{\text{Age Factor Percentage} \times \text{Years of Service Credit} \times \text{Highest Average Monthly Salary}}{= \text{Monthly Retirement Allowance for Life}}$$

In general, the higher the three factors, the greater your benefit. So retiring at an older age, working more years to earn service credit, and having a higher salary will increase the amount of your retirement allowance, although there are upper limits to these factors. Visit www.acera.org/formula for more on each factor. For an estimate of your future retirement allowance, visit www.acera.org/get-estimate.

What tier am I in and what does it mean?

ACERA has several benefit levels, or “tiers” (www.acera.org/tiers). Which tier you’re in depends mostly on your date of entry (www.acera.org/membership) when you entered ACERA membership. Your tier can determine your set of age factors (www.acera.org/age) and your final compensation period (www.acera.org/final-comp-period) in the retirement formula, and affects your employee contribution rate (www.acera.org/contributions).

What’s important to do right now?

1. Purchase service credit if you have eligible time to purchase. The longer you wait, the more expensive it gets. www.acera.org/service-credit
2. Run a personal benefit estimate in Web Member Services. www.acera.org/wms
3. Check your beneficiary designations in Web Member Services. www.acera.org/wms
4. Attend a pre-retirement seminar if you’re within

3-5 years of retirement, or attend a mid-career seminar if you’re still in the middle of your career. www.acera.org/seminars

If you don’t want to attend a time-consuming seminar, ACERA will be releasing video tutorials this year. We’ll announce these once they go live.

I have big changes in my life; what do I do?

If you’re leaving employment, getting married or divorced, adopting children, changing employers, going on medical or military leave, switching to part time, or other changes, check out these two pages: www.acera.org/changing-employment-status and www.acera.org/life-events.

When can I retire?

You can retire when you meet the minimum eligibility requirements at www.acera.org/when-can-you-retire.

Where can I ask questions?

Contact us at www.acera.org/contact-us.

Message From the CEO



2016 Goals

We are excited to begin a new year at ACERA. Here are a few of our goals that will have a positive effect on our members:

- If you’re ready to start financial planning for retirement, we’ll provide seminars on our website to assist you not only in understanding the high value of ACERA’s benefits, but also with deferred compensation and social security benefits, important components to retirement security.
- For members preparing to retire, we plan to make improvements to the Ready-to-Retire Group Counseling process.

What's Up – 2nd Quarter 2015

- In an effort to save costs and the environment, we'll provide retiree direct deposit statements electronically through Web Member Services unless you choose to receive paper. This initiative can save the retirement fund \$6,200 and 3 trees per month.

Reed Initiative

Former San Jose Mayor Chuck Reed and former San Diego Councilman Carl DeMaio submitted 2 pension reform initiatives to the California Attorney General's (AG) office for the November 2016 ballot, but have now decided to hold off on pursuing these initiatives until the 2018 ballot. The first initiative would effectively close defined benefit pensions to new members (unless voters decide otherwise) by putting all new state and local employees hired after a future date into 401(k)-style retirement savings plans. The second initiative would cap the amount of money government employers could pay for most new hires' retirement benefits at no more than 11% of wages, or a maximum of 13% for public safety workers.

Even though these particular initiatives won't come up again until 2018, ACERA will continue to report on this type of potential legislation. Here are a few facts about ACERA pension benefits and how past reforms have already affected retirement allowances and costs:

- In 1983, Alameda County employers took initiative to lower costs by creating Tier 2
- Avg. general member monthly retirement allowance— Tier 1:\$4,083 Tier 2:\$2,264
- Avg. safety member (no Social Security) monthly retirement allowance—Tier 1:\$7,279 Tier 2: \$5,464
- Only 3.5% of active members are in Tier 1
- Tier 4 (employees hired after 12/31/12) is even further reduced

Sincerely,

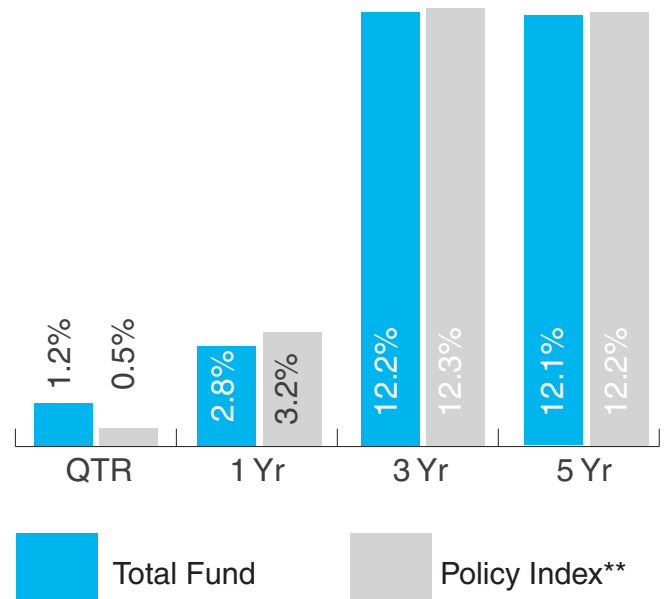


Kathy Foster

During the second quarter of 2015, the Retirement Board hired Callan Associates Inc. as Real Estate Investments Consultant.

ACERA is a long-term investor with a well-diversified portfolio. For the quarter ending June 30, 2015, ACERA's Total Fund returned 1.2%, ranking in the 3rd percentile and finished the second quarter at a market value of \$6.9 billion. Domestic Equities returned 1.5% (4th percentile), International Equities returned 1.0% (54th percentile), and Fixed Income returned -1.6% (72nd percentile) during the second quarter. ACERA's Real Estate managers composite and Private Equity and Alternatives Return Leading Strategies (PEARLS) composite returned 5.1% and 3.8%, respectively, during the second quarter. The Real Return Pool composite increased 0.2%, during the second quarter.

Investment Returns for 2nd Quarter, 2015



*Returns for periods greater than one year are annualized. Results of all publicly traded investments are presented in a format consistent with the CFA Institute's Global Investment Performance Standards®.

**As of December 2012, the Policy Index is 32% Russell 3000/ 11.25% Barclays Aggregate/ 2.25% Citigroup WGBI - ex US/ 1.5% Barclays High Yield/ 27% MSCI ACWI - ex US IMI/ 6% ODCE/ 15% Russell 3000 + 100 bps (net)/ 5% Core CPI + 300 bps.

A Most Important Conversation

The winter is a wonderful time of year to spend with family, having cozy dinners and nice talks. But there may be an additional talk we ought to have, though it may not seem like the right time at all. But perhaps this is the best time, when we are closest to our loved ones. We ought to have a conversation about death.

End of life care is something we all face, yet too many people are dying in a way they wouldn't choose, leaving loved ones feeling burdened, guilty, and uncertain. While we desire to have our health care wishes honored and not be a burden, many of us fail to have "the conversation" with loved ones about what those wishes are before treatment decisions must be made.

By having and documenting "the conversation," we can assure ourselves of a richer life where our treatment preferences are respected, where our loved ones are comforted in the knowledge that we will receive the care we desire, and where our caregivers can be empowered to provide that care in the most effective and compassionate manner possible.

› Why Talking Matters

Sharing your wishes for end-of-life care can bring you closer to the people you love. It's critically important. And you can do it. Consider the facts:

90% of people say that talking with their loved ones about end-of-life care is important.

27% have actually done so.

60% of people say that making sure their family is not burdened by tough decisions is extremely important.

56% have not communicated their end-of-life wishes.

80% of people say that if seriously ill, they would want to talk to their doctor about wishes for medical treatment toward the end of their life.

7% report having had this conversation with their doctor.

82% of people say it's important to put their wishes in writing.

23% have actually done it.

› Use This Starter Kit to Get Started

It's not easy to talk about how you want the end of your life to be. But it's one of the most important conversations you can have with your loved ones. The Conversation Project provides a free Starter Kit that will help you get your thoughts together and then have the conversation. Get it at www.theconversationproject.org

Whether you're getting ready to tell someone what you want, or you want to help someone else get ready to talk, the Starter Kit should be a useful guide.

This isn't about filling out Advance Directives or other medical forms. It's about talking to your loved ones about what you or they want for end-of-life care.



90% of people say that talking with their loved ones about end-of-life care is important.

LIVE WELL

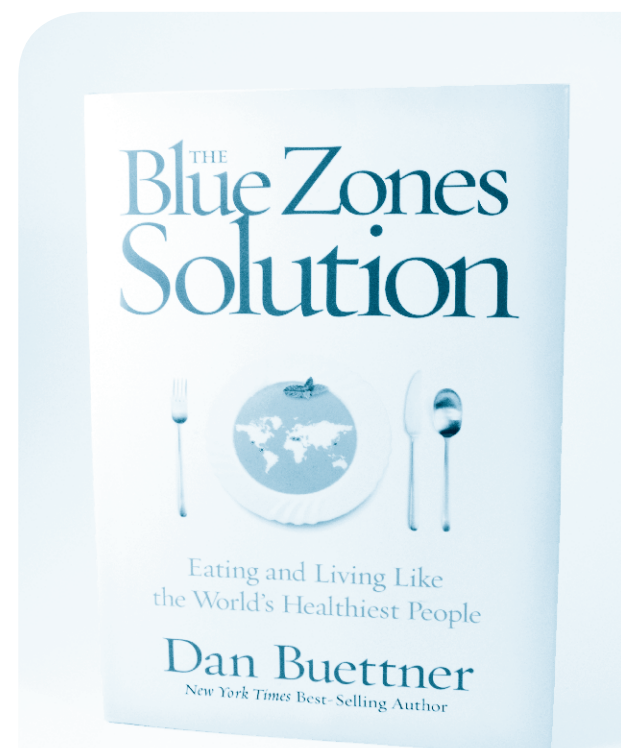
Nine Lessons From 100-Year-Olds in “The Blue Zones”

Many groups of centenarians (people 100+ year old) are living around the world today. Author Dan Buettner teamed up with National Geographic and sought out these groups and places, compiling his findings into two editions of his book, *The Blue Zones*. The title is what he calls the centenarian groups he found in the Barbagia region of Sardinia, Italy; Ikaria, Greece; Nicoya Peninsula, Costa Rica; Seventh Day Adventists of Loma Linda, Calif.; and Okinawa, Japan.

With a team of medical researchers, anthropologists, demographers, and epidemiologists, the author searched for evidence-based common denominators among all of these places. He found nine things in common between the five groups:

1. **Move naturally.** Emphasize incidental activities such as walking to work or school, cycling, walking when talking on the phone. Work in your garden or yard with hand tools rather than mechanical conveniences.
2. **Know your purpose.** Have a reason for waking up in the morning. According to the author, knowing your sense of purpose adds up to seven years to your life expectancy.
3. **Take it easy / banish stress.** Even people in the Blue Zones experience stress, but they’ve created routines to shed stress, whether it’s meditating, napping, or going to happy hour like the Sardinians.
4. **Don’t over eat.** The Okinawans call it Hara Hachi Bu, and it’s a mantra that reminds them to stop eating when they’re 80% full.
5. **Eat plants.** Beans are a cornerstone of most centenarians’ diets, with small portions of meat consumed five times per month on average.
6. **Drink in moderation,** if you choose. Moderate and regular consumption of alcohol—1 to 2 drinks per day—is also a common theme among Blue Zone inhabitants. But only if this fits with your ethos—a group of Seventh-day Adventists in California abstain from alcohol and are still in a Blue Zone.
7. **Belong to a spiritual community.** Denomination doesn’t seem to matter, but belonging to a spiritual community that shares beliefs was a common theme among Blue Zone inhabitants.
8. **Put loved ones first.** Put families first, including investing in your children, committing to a partner, and keeping aging parents and grandparents nearby.
9. **Stay social.** Build a social circle that supports healthy behaviors. Happiness is contagious.

The Blue Zones, a New York Times bestseller by Dan Buettner, can be found at your local bookstore, or through Powell’s Books (Powells.com) or Amazon.com, or used for less than \$4 at AbeBooks.com.



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Feb. 1	2	3	4	5	6	
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28	29					
Mar.	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
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27	28	29	30	31		
Apr.				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

February 4	Pre-Retirement Seminar 9:00 AM
February 18	Retirement Board Meeting 2:00 PM
February 29	Check & Direct Deposit Payable Date
March 3	New-Employee Seminar 9:30 AM
March 10	Medicare Transition 9:30 AM
March 10	Post Session: Wills, Trusts, & Powers of Attorney 12:15 PM
March 15	Pre-Retirement Seminar 9:00 AM
March 15	Post Session: Impact of Divorce on ACERA Benefits 12:15 PM
March 17	Retirement Board Meeting 2:00 PM
March 31	Check & Direct Deposit Payable Date
April 14	Pre-Retirement Seminar 9:00 AM
April 21	Retirement Board Meeting 2:00 PM
April 29	Check & Direct Deposit Payable Date

Retirement Board Meetings are on the third Thursday of each month.

C.G. "Bud" Quist Board Room 10th Floor; 2:00 PM.

Website: www.acera.org | Telephone: 510-628-3000 | 1-800-838-1932

All seminars are held at ACERA, 475 14th Street, 11th Floor, Oakland.

To register, visit www.acera.org and click on Retirement Planning Seminars in the Events menu. Guests welcome.



Alameda County Employees'
Retirement Association
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