



SUMMER/FALL 2010

# WHAT'S UP?

NEWS FOR ACERA MEMBERS

## Active Members: Know Your Death Benefits

**A**s an ACERA member, your retirement is a hedge against the unexpected twists and turns on life's mountain road. Part of that hedge is the death benefits ACERA provides to members. Death benefits are funds left to the person(s) of your choosing after you pass away. Retired members choose their death benefit option upon retirement. But for active members who are not yet retired, ACERA offers active member death benefits to give you peace of mind in knowing that your loved ones would be supported.

The Basic Death Benefits highlighted below are provided by law. A greater benefit called the Active Death Equity Benefit (ADEB) was created by the Board of Retirement for active members who are vested (having over 5 years of service credit) and have a spouse or state-registered domestic partner.

### Your beneficiary's choice

If you pass away as an active member and your death is not duty-related, your named beneficiary(ies) will be offered the choice of ONE of the death benefit options in the tables below. If you

are not vested with 5 years of service credit, the only option for your beneficiary(ies) is the Basic Death Benefit—Lump Sum. The same goes if you are vested, but do not have a spouse, state-registered domestic partner, or eligible children. If you are vested, and have named an eligible child or children as your beneficiary(ies) but have no spouse or domestic partner, your beneficiary(ies) can choose between the two Basic Death Benefits. Eligible children are under 18, or under 22 if unmarried, full-time students.

If you are vested and do have a spouse or domestic partner, they can choose either of the **(continues)**

(continued from cover page)

BASIC DEATH BENEFIT—ACTIVE MEMBERS (NON-DUTY)		
Benefit Options	Who is eligible	Beneficiary can be
<b>Basic Death Benefit—Lump Sum</b> <ul style="list-style-type: none"> <li>Return of employee contributions and interest</li> <li><b>plus</b></li> <li>One month of salary for each year of service, not to exceed 6 years</li> </ul>	Both Non-Vested and Vested Active Members	Anyone. Funds will be divided equally among multiple beneficiaries.
<b>Basic Death Benefit—Allowance</b> <ul style="list-style-type: none"> <li>Monthly survivor allowance based on the retirement Unmodified Option up to age 18 (or 22 if an unmarried full-time student)</li> </ul>	Vested Active Members	One or more of your minor children. Funds will be divided equally.

ACTIVE DEATH EQUITY BENEFIT (ADEB) (NON-DUTY)		
Benefit Options	Who is eligible	Beneficiary can be
<b>ADEB</b> <ul style="list-style-type: none"> <li>Monthly survivor allowance based on retirement Option 2</li> </ul>	Vested Active Members	Spouse or state-registered domestic partner.
<b>Reduced ADEB w/Lump Sum</b> <ul style="list-style-type: none"> <li>One month of salary for each year of service, not to exceed 6 years</li> <li><b>plus</b></li> <li>Reduced monthly ADEB survivor allowance</li> </ul>	Vested Active Members	Spouse or state-registered domestic partner.

ADEB options or the Basic Death Benefit—Lump Sum option.

**The ADEB**

In 2000, ACERA's Board of Retirement created the ADEB to give some equity to beneficiaries of active members who passed away before they could sign their retirement paperwork and select the maximum continuance. A continuance is a monthly allowance provided to your beneficiary after you pass away. Retired members have the option of providing their beneficiaries with a 100% continuance by selecting Retirement Option 2. In kind, the ADEB allows a deceased active member's spouse or domestic partner a 100% Option 2 continuance.

The ADEB continuance is based on the life expectancy of the spouse or domestic partner, so the younger your beneficiary is, the lower his/her continuance will be. The ADEB is not available to deferred members.

For more information on the various options that members have

at retirement (such as Option 2), visit the Membership section of [www.acera.org](http://www.acera.org).

**Keep your beneficiaries up to date**

It's important to keep your beneficiary information up to date with ACERA so that ACERA can contact them and process benefits in a timely manner. Your beneficiaries are noted on your annual Active/Deferred Member Statement that you receive each April. If you need to update your beneficiaries or their contact information, complete an Active/Deferred Beneficiary Designation Form from the Downloads section of [www.acera.org](http://www.acera.org). Fund custodians for beneficiaries under age 18 can be named on this form to avoid court appointment.

**Non-vested benefit**

Remember that the Active Death Equity Benefit is a non-vested benefit, which means it's not guaranteed by law. It's voted upon each year by the Board of Retirement, so it may be reduced or eliminated.

**TELL US YOUR OPINION**

We need your help. ACERA is striving to improve communications with you and our other ACERA members, so we need some information about your internet and website preferences to better serve you. ACERA will send you a link to a survey at your work email address. Or you can take the survey right now by going to <https://2010acera-survey.questionpro.com>.



In the future, ACERA is considering converting some of the paper communications you receive into email communications to save funds and natural resources. Providing your email address and name in the survey enters you to win one of ten \$20 gas cards. Winners will be notified via that email address on September 24, so take the survey by then.

Call us at 1-800-838-1932 if you don't have internet access, but still want to take the survey.

Dear Members,

The majority of benefits ACERA pays to members are funded by income earned on ACERA's strategically allocated investments. ACERA is a long-term investor with a well-diversified and conservative portfolio. Every investment requires ACERA's intense due diligence before it can pass the high bar we've set for investments, and we closely monitor each investment to ensure that it is meeting or surpassing our expectations.

All investment strategies undergo a thorough due diligence process well before the investment managers are hired. Typically, ACERA selects candidate investment managers by conducting fundamental research using a series of qualitative and quantitative measures. ACERA conducts site visits to the managers' offices and meets their investment professionals. Background checks are conducted as necessary. Managers are selected only if ACERA gains confidence in the manager's investment strategy and investment professionals, and the investment fits well with the current portfolio.

Concurrently, ACERA's investment consultants conduct a similarly meticulous process. Only those managers that both ACERA's investment staff and ACERA's consultants agree are exceptional will be recommended to the Investment Committee of ACERA's Board of Retirement. Managers must then present to the Investment Committee, giving Committee members the opportunity to interview them and members of the public an opportunity to provide their viewpoints. Because of its rigor, this process can take months to complete.

ACERA's due diligence continues after investments are made and for the entire life of each investment. The typical process is that the investment managers undergo comprehensive performance review regularly conducted by the Investment Committee, investment staff, and consultants. Managers are required to submit compliance materials and performance results monthly, quarterly, and/or annually as applicable. Additionally, ACERA's investments staff monitors the investments continually to ensure that each investment stays within its investment guidelines.

This extensive due diligence and monitoring process is one of the reasons ACERA ranked in the upper 9th percentile in 2009 among all U.S. public funds larger than \$100 million and in the upper 10th percentile annualized over the last 20 years.

*Charles F. Conrad*

Charles F. Conrad  
Chief Executive Officer



investment performance

In the first quarter of 2010, the Board adopted ACERA's proposed International Equity manager structure, specifically: 40% to International Growth, 30% to International Value, 20% to International Quantitative, and 10% to International Small Cap. A new benchmark, the Morgan Stanley Capital International Barra All Country World Excluding U.S. Index Investable Market Index for ACERA's International Equity Asset Class was adopted. To implement the new structure, the Board authorized a search for a dedicated international small cap equity manager.

In addition, the Board adopted the 2010 Investment Plan for ACERA's Private Equity and Alternatives Return Leading Strategies (PEARLS) Portfolio.

For the quarter, every major domestic equity index posted a positive return. The DJIA, S&P500, and NASDAQ returned 4.8%, 5.4%, and 5.7%, respectively. The Barclays Capital Aggregate Bond Index returned 1.8%.

ACERA's total Fund returned 3.8% in the first quarter 2010 and ranked in the upper 35th percentile among public funds greater than \$100 million (3.6%). The fund beat its policy index of 3.7% during this time period. Longer term, the three-(-0.7%), and five-year (4.6%) returns ranked in the second quartile among public plans. The market value of the total Fund as of 03/31/10 was \$4,817,099,484.

Investment Returns for 1st Quarter, 2010\*

	1st Quarter	1 Year	3 Year	5 Year
TOTAL FUND	3.8%	42.8%	-0.7%	4.6%
Policy Index**	3.7%	39.8%	0.5%	5.3%

\* Returns for periods greater than one year are annualized. Results of all publicly traded investments are presented in accordance with CFA Institute standards.

\*\* The Policy Index is 37% Russell 3000/ 18% Barclays Aggregate/ 3.6% Citigroup WGBI - ex US/ 2.4% Barclays High Yield/ 23% MSCI AC World - ex US/ 6% NCREIF Property Index/ 10% Russell 3000+150 bps.

# LIVE WELL

## Knowledge: The 1st Step in Preventing Pre-Diabetes

**P**rediabetes is a term that is used when you are at risk for type 2 diabetes. It means that your blood sugar is higher than it should be. Most people who get type 2 diabetes have prediabetes first. The good news is that lifestyle changes may

help you get your blood sugar back to normal and avoid or delay diabetes.

Type 2 diabetes is a life-long disease that happens when the pancreas can't make enough insulin and/or the body's tissues can't use insulin properly. Insulin is a hormone that helps the body's cells use sugar (glucose) for energy. It also helps the body store extra sugar in muscle, fat, and liver cells. Without insulin, the sugar can't get into the cells to do its work. It stays in the blood instead. This can cause high blood sugar levels. A person has diabetes when the blood sugar stays too high too much of the time.

Over time, high blood sugar can cause serious problems with the eyes, heart, blood vessels, nerves, and kidneys. High blood sugar also makes a person more likely to get serious illnesses or infections.

Making the changes in

the box above may help delay or even prevent diabetes. You may also avoid or delay some of the serious problems that you can get when you have diabetes, such as heart attack, stroke, and heart, eye, nerve, and kidney disease. Source: Kaiser Permanente

### What causes prediabetes?

Doctors don't know exactly what causes prediabetes. However, they do know that people who are overweight, aren't physically active, and have a family history of diabetes are more likely to get prediabetes. Women who have had gestational diabetes are also more likely to get prediabetes.

### Can prediabetes be prevented?

Staying at a healthy weight, eating healthy foods, and getting regular exercise can help prevent prediabetes.

**What are the symptoms?** Most people with prediabetes don't have any symptoms. But if you have prediabetes, you need to watch for signs of diabetes, such as:

- Feeling very thirsty
- Urinating more often than usual
- Feeling very hungry
- Having blurred vision
- Losing weight without trying

**How is prediabetes diagnosed?** A blood test can tell if you have prediabetes. You have prediabetes if:

- The results of your hemoglobin A1c test are 5.7% to 6.4%.
- The results of your fasting blood glucose test are between 100 and 125 milligrams per deciliter.
- The results of your oral glucose tolerance test (OGTT) are 140 to 199 mg/dL (2 hours after the beginning of the test).

**How is it treated?** The key to treating prediabetes and preventing type 2 diabetes is getting your blood sugar levels back to a normal range. You can do this by making some lifestyle changes.

- Watch your weight. If you are overweight, losing even a small amount of weight may help.
- Make healthy food choices.
- Eat real foods. Avoid foods with hydrogenated oil.
- Limit how much fat you eat, and try to eat foods that are high in fiber.
- Try to eat about the same amount of carbohydrate at each meal. This helps keep your blood sugar steady.
- Talk to your doctor, a diabetes educator, or a dietitian about an eating plan that will work for you. There are many ways to manage how much and when you eat.
- Be active. You can do moderate activity, vigorous activity, or both. Bit by bit, increase the amount you do every day. You may want to swim, bike, or do other activities. Walking is an easy way to get exercise.

This forum presents information of interest to the soon-to-be-retired and the Retired ACERA Member.

# RETIREE PAGE

## Choosing Well—Living Well: ACERA's 2010 Health Fair

**A**CERA's Annual Retiree Health Fair will take place once again at the Oakland Airport Hilton on Friday, October 29, 2010 from 10 a.m. to 2 p.m. We encourage you and your spouse/domestic partner or caregiver to attend this informative, social event. The theme this year is *Choosing Well—Living Well*, and your wellness choices at this year's fair will be many.

ACERA is excited to offer the new Wellness Center, where ACERA retirees can receive a FREE health screening as well as a FREE flu shot. A limited number of flu shots will be available, so arrive early.

Representatives from your medical, dental, and vision plans will be there to answer all of your or your spouse's/domestic partner's health plan questions. These representatives can also provide

### Presentation Schedule

- 10:00-10:45** **Preventing Diabetes: How To**  
*Presented by Anthem Blue Cross*
- 11:00-11:45** **Healthy Teeth/Healthy You**  
*Presented by Delta Dental*
- 12:00-1:00** **Wills, Trusts, & Powers of Attorney**  
*Presented by Marguerite Malloy, ACERA*

very useful information on enrolling for the first time or changing to a different health plan. Anthem Blue Cross enrollees are strongly urged to attend and speak with other providers since Alameda County has decided to terminate

### Open Enrollment for 2011 Plan Year

**O**pen Enrollment is your annual opportunity to evaluate your current ACERA healthcare coverage (medical, dental, & vision) and determine if you want to remain in your current plan, switch to another plan, or enroll an eligible dependent. ACERA's Open Enrollment for the 2011 plan year will take place from November 1 to November 30, 2010. Any changes you make will be effective February 1, 2011.

Big news! Alameda County has decided to cancel its Anthem Blue Cross contract as of midnight January 31, 2011. For Anthem Blue Cross members to have medical coverage through ACERA, you must complete a Medical Enrollment Form selecting either PacifiCare HMO or Kaiser HMO and submit the form to ACERA no later than November 30, 2010. Your new coverage will become effective February 1, 2011.

Under new federal health insurance reform rules, you can add your eligible dependents up to age 26 onto your existing medical coverage. You must certify that your dependent is not eligible to enroll in an employer-sponsored health plan other than your ACERA health plan. Dependents can also be enrolled in ACERA's dental and vision plans up to age 26 with the same stipulations.

By October 31, you should receive your annual Open Enrollment packet, including your Retiree Annual Statement, OE brochure, and health plan enrollment forms.

their contract with Anthem Blue Cross as of midnight January 31, 2011. ACERA Retirement Specialists will also be on hand to answer any questions you have about your ACERA membership.

Vendors confirmed to attend include ACRE and REAC, 1st United Service Credit Union, Newport Audiology, and Alameda County's Deferred Compensation vendor, with more vendors still to be confirmed.

More information will be mailed to you in your September 30 retirement allowance envelope.

### Bring Your Old Glasses!

**VSP's Eyes of Hope Campaign will donate them to Haitian relief efforts.**

S	M	T	W	T	F	S
SEPTEMBER						
19	20	21	22	23	24	25
26	27	28	29	30	OCTOBER	
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
31				4	NOVEMBER	
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	1	2	DECEMBER	
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	31	1

# ACERA Calendar

## ■ 2010 PRE-RETIREMENT PLANNING SEMINARS

September 30, October 19, November 4, December 2, ; 9:00-12:00

## ■ 2010 MID-CAREER SEMINARS

October 7; 9:30-12:00

## ○ POST SESSIONS

September 30, 12:15-12:45, Wills, Trusts, and Powers of Attorney

November 4, 12:15-12:45, Impact of Divorce on ACERA Benefits

## ■ RETIREE EDUCATIONAL SEMINARS

October 29, 10:00-2:00, ACERA Health Fair

November 18, 9:30-12:00, Medicare Transition

All seminars (except the Health Fair) are held at ACERA, 475 14th Street, 10th Floor, Oakland. To register, contact ACERA at 510-628-3000 or 800-838-1932 and specify the seminar you wish to attend. Space is limited.

## ■ 2010 CHECK AND DIRECT DEPOSIT PAYABLE DATES

September 30, October 29, November 30, December 30

## ■ 2010 RETIREMENT BOARD MEETINGS

October 21, November 18, December 16

Third Thursday of each month C.G. "Bud" Quist Board Room 10th Floor, 2:00 p.m.

**WEBSITE: WWW.ACERA.ORG**

**TELEPHONE: 510-628-3000**

**TOLL-FREE: 1-800-838-1932**

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