



# What's Up?

## Understanding How Your Salary Contributes to the Amount You Get in Retirement

It will be much easier for you to plan for retirement if you get an early understanding of the formula that ACERA will use to calculate the retirement allowance you'll receive every month for the rest of your life. Visit [www.acera.org/formula](http://www.acera.org/formula) for more on the formula.

One of the three factors that we multiply together in the retirement formula is your Highest Average Monthly Salary, also known as your Final Average Salary. Essentially, the higher the salary you get paid while you're still working, the higher your Highest Average Monthly Salary will be, and the higher your lifetime monthly retirement allowance will be.

Here's how ACERA calculates your Highest Average Monthly Salary: Using your payroll records, ACERA will determine your period of highest pay, and calculate how much salary you made on average per month during that period. Your period of highest pay (also known as your Final Compensation Period) for Tier 1 and 3 members is your highest consecutive 26 biweekly or 12 monthly pay periods, and for Tier 2 and 4 members it's your highest consecutive 78 biweekly or 36 monthly pay periods. (Visit [www.acera.org/tiers](http://www.acera.org/tiers) to find out what tier you're in.)

### What Types of Pay Are Included in My Salary Calculation?

ACERA will include the following pay earned during your Final Compensation Period in your Highest Average Monthly Salary:

1. **Your gross base pay**
2. **Footnotes**, which are other types of pay based on skills and education. To see whether your other pay types are included in your Highest Average Monthly Salary calculation, visit [www.acera.org/paycodes](http://www.acera.org/paycodes). Overtime is not included.

**Tiers 1, 2, and 3 Only:** Additionally, if your employer pays you for earned but unused vacation during your Final Compensation Period through Vacation Sell (AKA Vacation Sale) and/or Vacation Payoff (AKA Vacation Cash Out), ACERA will include this payment in your Highest Average Monthly Salary up to a limit.

3. **Vacation Sell** (or sale) is when you sell your earned vacation to your employer while you're still actively working and receive monetary compensation for it.
4. **Vacation Payoff** (or cash out) happens when you have vacation time that is still on the books at the time you stop working (e.g., at retirement). At that time, your employer will compensate you monetarily for it.

ACERA must limit the amount of combined Vacation Sell and Vacation Payoff salary that can be included in your Highest Average Monthly Salary calculation. The limit is generally the amount you are allowed to sell during your Final Compensation Period, although the limit can be lower. For more on the limits of vacation pay in your salary calculation, visit [www.acera.org/vacation](http://www.acera.org/vacation).

## How Do I Get an Estimate of My Highest Average Monthly Salary?

The best way is to use the Benefit Estimator in your account on ACERA's Web Member Services. Visit [www.acera.org/wms](http://www.acera.org/wms) to set up an account if you haven't already. Once you log in, click on Benefit Estimator. Enter a projected Separation Date (your projected last day of work in this scenario) and a Projected Retirement Date (which should be at least the next day after your last day of work).

Once you get down to the third box, you will see a dollar amount next to Projected Final Average Monthly Salary. This is your projected Highest Average Monthly Salary for this scenario. Depending on how far into the future you would be retiring in this scenario, the benefit estimator may

be creating a projection of future pay based on your last pay check. For a detailed explanation of how the benefit estimator makes this projection, visit [www.acera.org/web-member-services](http://www.acera.org/web-member-services).

## For More Information

Visit [www.acera.org/fas](http://www.acera.org/fas).

## Want to work after your ACERA retirement? Read this:

### Working For Any Non-ACERA Affiliated Employer After Your Retirement Is Okay

You may work for any employer other than an ACERA participating employer for any amount of time without affecting your retirement allowance. See [www.acera.org/participating-employers](http://www.acera.org/participating-employers) for a list of ACERA participating employers.

### Working For an ACERA Participating Employer After Retirement Has Restrictions

Once you retire as an ACERA member, and begin receiving an ACERA benefit, there are rules, regulations, policies, and laws which govern your ability to return to work with an ACERA participating employer.

Retired members may not be paid for service to an ACERA Participating Employer and continue to receive their retirement allowances except in limited and specific circumstances. In situations where the participating employer believes an ACERA retiree possesses special skills or knowledge, the law allows the participating employer to hire that retiree,

for a period of 960 hours per fiscal year, without suspending the retiree's retirement allowance; however, the following restrictions apply:

- **You May Not Have a Prearranged Agreement to Return to Work:** A member who retires cannot have a prearranged agreement (either written or oral) to return to work for the employer after retirement, regardless of the length of the break in service.
- **General Members Must Wait 180 Days:** Regardless of your age at retirement, general ACERA members who have retired won't be eligible to return to work (in any capacity, in any form) for an ACERA employer for a period of 180 days following retirement, except under special circumstances. (This even applies to work under contract or via an employment agency).
  - » If there are special circumstances, the employer can certify in writing it is necessary to fill a critically needed position and the hiring has been approved by the Board of Supervisors or governing body of the Participating Employer in an open public meeting and not on the consent calendar.

## Message From the CEO



Hello, I'm Dave Nelsen, ACERA's CEO as of this past April. I'm extremely delighted to join ACERA's team of hard-working, dedicated public employees.

To introduce myself a little, I come to ACERA with over 20 years' experience in public pension administration, finance, and policy. I previously served in various executive and staff roles for the State of Washington's Office of the State Actuary and Washington State Department of Retirement Systems (DRS), which is a state agency administering eight retirement systems with 470,000 members and \$70 billion in pension trust funds.

My most recent position was Assistant Director for Customer and Policy Services at Washington State DRS where I led over 100 team members in providing direct customer service, as well as overseeing the legal and legislative activities of the agency.

To put it simply: my background is in pensions, with a focus on and passion for customer service.

At ACERA, I'm looking to build on the excellent work that ACERA already does in delivering service to ACERA's members. I will be working on finding new ways to provide and improve services, while balancing the costs of the pension system.

The future investment environment is uncertain, so we're doing all we can to reach ACERA's investment goals and streamline the organization to ensure efficiency, transparency, and accountability, while maintaining the high level of service that our members have earned and have come to expect.

Sincerely,

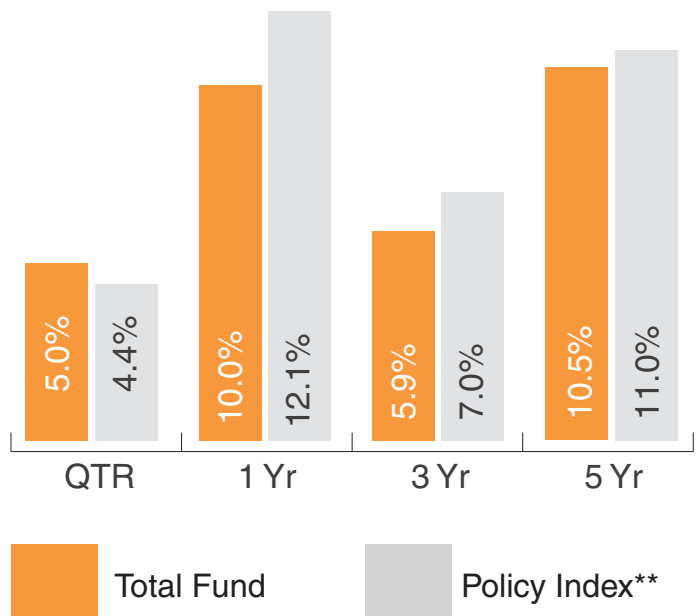
David Nelsen

## What's Up – 3rd Quarter 2016

During the third quarter of 2016, the Retirement Board approved a \$35.0 million investment in a PEARLS (private equity and alternatives) buyouts manager. The Board also adopted the proposed timeline, search criteria, and evaluation matrix for ACERA's Passive Indices (U.S. and International Equities) Manager Search.

ACERA is a long-term investor with a well-diversified, portfolio. For the quarter ending September 30, 2016, ACERA's Total Fund returned 5.0% gross, ranking in the 1st percentile and finished the third quarter at a market value of \$6.9 billion. Domestic Equities returned 5.9% gross (15th percentile), International Equities returned 7.2% gross (44th percentile), and Fixed Income returned 2.2% gross (24% percentile) in the quarter. ACERA's Real Estate managers composite and Private Equity and Alternatives Return Leading Strategies (PEARLS) composite returned 2.0% and 5.2% gross, respectively, during the third quarter. The Real Return Pool composite decreased 1.3% gross.

For more information visit [www.acera.org/investments](http://www.acera.org/investments).



\*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.



# LIVE WELL

## Sugar's Effect on Your Sleep, and How to Quit

Consuming excess sugar leads to more awakenings when you're trying to sleep through the night, according to a 2016 sleep study conducted by Columbia University, where 26 adults were studied in a sleep lab<sup>1</sup>. And completing the vicious circle, the more sleep deprived you are, the higher your desire for high calorie foods like sugary treats, according to a 2013 UC Berkeley sleep lab study of 23 adults<sup>2</sup>.

The USDA has found that Americans consume 29 teaspoons of sugar every day (including natural sources)—4 times higher than recommended.

Too much sugar is not only linked to worse sleep, but also obesity, diabetes, and heart disease, and it can train your body to become used to a high level of sweetness. This can cause you to crave—and consume—more sugar. Get off the cycle!

- » Sugar (White or Brown)
- » Sucrose
- » Glucose
- » Dextrose
- » Honey
- » High fructose corn syrup

- » Corn syrup
- » Maple syrup
- » Molasses
- » Agave and agave syrup
- » Evaporated cane juice
- » Coconut palm sugar

- » Barley malt
- » Cane sugar
- » Turbinado or raw sugar
- » Powdered sugar
- » Brown rice syrup
- » Date sugar

## What can you eat instead?

Real food.

Check out [www.whole30.com](http://www.whole30.com) or [www.100daysofrealfood.com](http://www.100daysofrealfood.com) for some ideas.

What can you drink? Sparkling mineral water, unsweetened tea, infused water with lemon, mint, herbs, or crushed fruit.

What can you do about sugar cravings? There are tons of methods you can find online to deal with sugar cravings, including increasing consumption of foods high in omega-3s, eating fermented foods, taking a walk, and gradually diluting the sweet drinks you're used to. Visit [www.acera.org/live-well](http://www.acera.org/live-well) for a special online-only post with links to articles on dealing with sugar cravings.

## Quitting Sugar Makes You Feel Like \$\$\$\$\$

The good news is you can reset your body to consume less—or no—added sugar, and you will feel incredible. Start by taking the 2-week sugar and artificial sweetener challenge below.

**The Challenge:** For 2 weeks, cut out all added sugars and artificial sweeteners.

1. Don't add sugar or artificial sweetener to any food or drinks.
2. Avoid sweet drinks: soda, bottled tea, sports/energy drinks, juice, etc.
3. Cut out sugary foods: cookies, cake, yogurt, cereal, energy bars, etc.
4. Read labels! Avoid foods with added sweeteners like the one's below.

1. St-Onge MP, et al., Journal of Clinical Sleep Medicine, Vol. 12, No. 4 [www.bit.ly/sleepsugar1](http://www.bit.ly/sleepsugar1)  
2. Greer SM, et al., Nature Communications, Aug. 2013 [www.bit.ly/sleepsugar2](http://www.bit.ly/sleepsugar2)





*continued from: [Want to Work After your ACERA Retirement? Read this:](#)*

- **Safety Members Under 50 Must Wait 90 Days:** ACERA safety members cannot return to work within 90 days of retirement if they retire at an age younger than 50, except under special circumstances, under IRS rules.
- **You May Not Work For More Than 960 Hours Per Fiscal Year:** An eligible retiree may return to work for a period of 960 hours or less in any fiscal year and continue to receive his/her retirement allowance. Sometimes this is called becoming a “Retired Annuitant.” During this post-retirement employment, the member will not accrue any additional ACERA service credit or pension benefits, nor will the member or the employer pay contributions for this service.
- **Your Pay Must Fall Within the Range of Other Employees Performing Comparable Duties**
- **All Incentivized Retirees (General and Safety) Must Wait 180 Days:** ACERA members who received a retirement incentive, such as a golden handshake or early separation program payoff, won’t be eligible to work for an ACERA employer for a period of 180 days following retirement.
- **You Cannot Have Collected Unemployment Compensation Within the Prior 12 Months:** You are not eligible to return to work if you have collected unemployment compensation arising out of prior employment with a public agency during the 12 months before your appointment to the position with one of ACERA’s participating employers.

For more information

Visit [www.acera.org/working-after-retirement](http://www.acera.org/working-after-retirement).



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

February 02	Pre-Retirement Seminar   9:00 AM
February 16	Retirement Board Meeting   2:00 PM
February 28	Check & Direct Deposit Payable Date
March 02	New Employee Seminar   9:30 AM
March 09	Medicare Transition Seminar   9:30 AM
March 09	Post Session: Wills, Trusts, Powers of Attorney   12:15 PM
March 14	Pre-Retirement Seminar   9:00 AM
March 14	Post Session: Impact of Divorce on ACERA Benefits   12:15 PM
March 16	Retirement Board Meeting   2:00 PM
March 31	Check & Direct Deposit Payable Date
April 13	Pre-Retirement Seminar   9:00 AM
April 20	Retirement Board Meeting   2:00 PM
April 28	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](http://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](http://www.acera.org) and click on Retirement Planning Seminars in the Events menu. Guests welcome.



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