Death Benefits Reduced
SRBR Lifespan Increased

In December, ACERA’s Board of Retirement eliminated two non-vested benefits—the Active Death Equity Benefit and Lump Sum Death Benefit—to enhance sustainability of the Supplemental Retiree Benefits Reserve (SRBR) fund.

History and mechanics of the SRBR fund

Alameda County is one of three California counties with an SRBR fund established by the Alameda County Board of Supervisors in 1985 under California law. The SRBR’s sole purpose is to provide supplemental benefits to ACERA retirees. The SRBR receives funds whenever ACERA’s general investment fund earns more interest than our actuary assumed it would earn—the SRBR gets half of the interest above the assumption after losses are recouped. As of December 31, 2012 the ending SRBR balance was $571 million, down from $610 million the year before.

Vested vs. Non-vested retirement benefits

Vested means guaranteed, so a vested benefit is a guaranteed benefit for ACERA retirees. In order to supplement your vested retirement benefits, ACERA defrays the cost of certain non-vested benefits with the SRBR. These non-vested benefits are subject to the annual review of the ACERA Retirement Board which may renew, adjust, or eliminate the benefit(s).

<table>
<thead>
<tr>
<th>Retiree Vested Benefits</th>
<th>Retiree Non-Vested Benefits</th>
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</thead>
<tbody>
<tr>
<td>Service Retirement Allowance</td>
<td>Monthly Medical Allowance (MMA)</td>
</tr>
<tr>
<td>*Disability Retirement Allowance</td>
<td>Dental Coverage Subsidy</td>
</tr>
<tr>
<td>Annual Cost of Living Adjustment (COLA)</td>
<td>Vision Coverage Subsidy</td>
</tr>
<tr>
<td>$750 Retiree Death Benefit</td>
<td>Medicare Part B Reimbursement Plan</td>
</tr>
<tr>
<td></td>
<td>Supplemental COLA</td>
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</tbody>
</table>

*As long as a recipient remains disabled to perform job duties.
Non-vested benefits rely on the SRBR
Non-vested benefits are NOT guaranteed. ACERA’s ability to maintain these non-vested benefits relates directly to the how much is in the SRBR fund—which is monitored closely for sustainability.

How long will the SRBR fund last?
ACERA’s Board policy is to annually assess whether the SRBR will last at least 15 years into the future; if our actuary’s projection says it won’t, then the Board may adjust benefits. In the wake of the 2008 worldwide financial meltdown, the SRBR has seen a declining balance since 2007. The actuary provided projections last September reporting 15-years and this May reporting 14-years.

Projected Years of SRBR Lifespan

![Graph showing projected years of SRBR lifespan]

*Actuary made 2 projections; May 2012 and September 2012

Member preferences
A survey of all ACERA members has shown that members consider the Monthly Medical Allowance, the Medicare Part B Reimbursement Plan, and the Supplemental COLA to be the most desired of all the non-vested benefits. Other SRBR non-vested benefits (including the two eliminated) ranked at the bottom in priority.

December 2012 Board action
Taking into account the lifespan of the SRBR as well as the preference of ACERA’s members, ACERA’s Board voted in December to discontinue the two non-vested death benefits that had previously been offered:

1. The Active Death Equity Benefit (ADEB)
2. The (non-vested) Lump Sum Death Benefit

The purpose of the ADEB was to increase the continuance benefit payable to qualified beneficiaries in the event an actively working vested ACERA member died before retiring. The purpose of the Lump Sum death benefit was to provide additional funds (for funeral, burial, etc.) upon death of an ACERA retiree.

Members still have death benefits
Notwithstanding the Board’s action, ACERA retirees continue to enjoy one of the most generous package of non-vested benefits among California county pension systems. Additionally, for active members who die before retirement, California law provides for a continuance payment to your spouse, state-registered domestic partner, or minor children. For retired members, ACERA’s five retirement options provide varying levels of death benefits to your beneficiary(ies). Review your retirement contract for more information. Additionally, retired member’s beneficiaries will still receive the $750 vested lump-sum death benefit payment.

Focus on sustainability
The Board’s decision to eliminate the two non-vested death benefits will save roughly $1 million annually, and this is only one of a number of things ACERA has done in recent years to increase the sustainability of the non-vested benefits.

<table>
<thead>
<tr>
<th>When</th>
<th>What we did</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010–2013</td>
<td>Held levels of Monthly Medical Allowance steady</td>
<td>$1.7 million</td>
</tr>
<tr>
<td>2011</td>
<td>Accessed federal Medicare prescription rebates</td>
<td>$257,000</td>
</tr>
<tr>
<td>2012</td>
<td>Switched vision plans with little effect on members</td>
<td>$100,000 per yr.</td>
</tr>
<tr>
<td>2012</td>
<td>Implemented Medicare Exchange</td>
<td>~ $3 million per yr.</td>
</tr>
</tbody>
</table>

You may count on ACERA to continue to monitor long-term sustainability of our non-vested benefits.

The Future of Non-Vested Benefits
The Board’s monitoring of SRBR sustainability will continue into the future. During 2013, the Board may look at adjusting eligibility requirement for the Medicare Part B Reimbursement Plan, dental benefits, and/or vision benefits, as well as other adjustments that will increase the lifespan of the SRBR.
Can You Prevent Cancer?

Cancer is not totally outside your control. Although genetic factors may cause cancer, inherited genes are responsible for a fraction of cancers. This means that through lifestyle and environmental strategies, you can considerably reduce your risk of developing cancer.

Cancer is increasingly common these days. The American Cancer Society estimates that one half of US men and one third of US women will develop cancer. It's the second leading cause of death and impacts about 1.6 million people in the U.S. annually.

What is cancer, anyway?

Cancer is a disease in which cells with abnormal DNA multiply out of control and invade bodily tissue.

Cancer's spread.

The reproduction of cancerous cells most often leads to the formation of tumors in a single area, but sometime the cells will circulate through the bloodstream or lymphatic system and grow in other parts of the body. With time, cancerous tumors replace healthy tissue and disrupt or destroy the normal functioning of bodily organs.

Cancer's causes.

Although a person’s abnormal DNA may be inherited, up to 95% of all cancers are caused by lifestyle or environmental factors (see chart at right). And therein lies the good news: you might be able to prevent cancer by simply making the right lifestyle choices! (Anand et al. 2008, 2097)

List of Cancer Preventing Foods

» Fruits and vegetables
  › Blueberries especially
» Cruciferous vegetables
  › Cauliflower
  › Cabbage
  › Cress
  › Bok Choy
  › Broccoli
» Green tea
» Turmeric
» Oily fish (fresh, frozen, or jarred; not canned)
  › Wild Pacific salmon (U.S., Canada)
  › Herring
  › Rainbow Trout
  › Mackerel
  › Anchovies
» Ground flax seeds
» Dark chocolate
» Pomegranate juice
» Tomato sauce

IMPORTANT
If you’ve already been diagnosed with cancer, definitely check with your doctor before making changes to your diet as some cancer-preventing foods may increase cancer once it’s established.

Things you can do to LOWER cancer risk

Behavior

**Cease smoking** and enjoy a 33% reduction in cancer risk

**Join a team, dance, swim, move.** Being physical helps keep your weight down and increases your happiness, another factor in cancer prevention.

**Get sun in spring and summer.** Getting the sun's UVB rays on your skin for 10-30 minutes per day (less for lighter, more for darker skin) in spring and summer without sunscreen will allow your body to make Vitamin D3, which regulates cells in a way that prevents cancer. (UVB rays don't reach higher latitudes like Alameda County in winter.) Taking a vitamin D supplement may be a good alternative.

**But totally avoid sunburn.** A handful of serious sunburns can double your risk of skin cancer.

Diet

**Eat more plants, and buy fresh.** More than 25,000 phytochemicals, which may protect against cancer, have been identified in fruits and vegetables. Recently harvested food has the most. Get it at your local farmer's market or Community Supported Agriculture (CSA) group. Find one at www.localharvest.org

**Consume fresh foods.** Avoid processed foods, which often contain nitrates, nitrites, and other carcinogens.

**Drink coffee.** Many studies have shown coffee to reduce risk of oral, esophageal, and liver cancer.

**Avoid sugar and sugary drinks.** Refined sugars increase cancer risk.

**Don't heat food in plastic.** Chemicals in plastic can leach into your food, including carcinogens BPA and vinyl chloride. Avoid canned foods that don't have a "BPA Free Lining" for the same reason.
Seeking a Specialist

Everyone should have a good primary care physician for the ordinary medical problems that come up from time to time. But since the whole science of medicine has become so complex, many doctors specialize in a narrow field that your primary care physician is not equipped to handle. How do you know if you need a specialist? The best way is to ask your primary care physician. If she or he says you have a particular medical problem, ask if there is anyone who specializes in that area, and if you would benefit from consulting with that type of physician.

If you have determined that you need to see a specialist, remember that any doctor can legally use the title “specialist” without having completed any official training or gaining certification from the American Board of Medical Specialties (ABMS). Check www.abms.org to verify that a specialist is board-certified. Here are suggested sources for compiling a list of doctors:

- Request a referral from your primary care physician, or other health professionals
- Request a list of doctors from your insurance provider
- Ask family members, co-workers, and friends for recommendations
- Contact the doctor referral service at your preferred hospital
- Check with the medical society of the society of the specialty you’re looking for
- Search www.abms.org for a board-certified specialist by specialty or location

Whether you’re choosing a primary care physician or a specialist, you should do some investigating during your selection process. You may want to consider the following factors:

- What are the doctor’s technical abilities? Check education background and professional associations, including hospital privileges and board certification at www.abms.org.
- Is the physician easily available? If you have an emergency, he or she should be able to make time to see you the day you call, as well as be available to talk to you by phone and return your call promptly.
- Is the doctor in a solo or group practice? If alone, are their other doctors available who will cover when your doctor is away, and who will have access to your medical records? If in a group, do you have confidence in these associates?
- What is the physicians’ medical philosophy? Does she or he dismiss all your problems—or prescribe medication every time you have a complaint?
- Is the specialist covered by your insurance? What kind of payment is required? Do you have to pay the fee directly, or will the doctor’s office bill the insurance company?
- Finally, do you feel you can confide in the doctor completely and can you expect an informed and considered opinion?

Excerpted from The Wellness Encyclopedia, University of California Berkeley, Houghton Mifflin Co. 1991, as well as www.abms.org

Message From the CEO

Governor Jerry Brown signed the California Public Employees’ Pension Reform Act in September (Assembly Bill 340), which became effective January 1, 2013. The legislation includes implementation of a new tier for new members, a new 180-day limitation on general members returning to work for their employer after retirement, and upcoming changes in the way your employee retirement contributions are calculated.

In September, the Governor also signed Assembly Bill 197, a companion to AB340. This bill is facing legal challenges in several California counties—including Alameda, Contra Costa, Marin, and Merced, on issues including the law’s constitutionality and the methodology used to calculate members’ pensionable salary. Although such law suits will delay full implementation of AB 197, a judicial resolution should lend much-needed clarity to the process. Accordingly, I encourage you to regularly review our pension reform webpage at www.acera.org/pension_reform/ for explanations of the new pension law and updates as to how it will affect ACERA members.

Vincent P. Brown
Pre-Retirement Seminar | 9:00 AM - Noon
August 1

Retirement Board Meeting | 2:00 PM
August 15

New Employee Seminar | 9:30 AM - Noon
August 29

Check & Direct Deposit Payable Date
August 30

Pre-Retirement Seminar | 9:00 AM - Noon
September 19

Retirement Board Meeting | 2:00 PM
September 19

Check & Direct Deposit Payable Date
September 30

Mid-Retirement Seminar | 9:30 AM - Noon
October 10

Retirement Board Meeting | 2:00 PM
October 17

Check & Direct Deposit Payable Date
October 31

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, contact ACERA at 510-628-3000 or 1-800-838-1932 and specify which seminar you wish to attend. Guests welcome.