



# What's Up?

## How To Ditch Retirement Savings Anxiety

Will you have enough money in retirement? Half of you reading this probably already feel a groan in your stomach. Let's help you get rid of that feeling. Spending 30-60 minutes today could save you decades of these pains. We are here to get you through this. Let's peek into the future:

**In retirement, you'll need income to live off of. Here's how that might break down:**

### Your Income During Retirement

- 1 ACERA monthly retirement allowance
- 2 Other pension allowances you may have
- 3 Social security monthly payment (if eligible)
- + 4 Withdrawals from your savings/investment accounts

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= 70 to 80% of your income while you were still working

### Running a Few Quick Numbers Right Now

Looking at the bottom line of the equation above, most financial planners estimate that you will need at least 70 to 80% of your pre-retirement income each year during your retirement to maintain your current lifestyle. Running these numbers right now will help you adjust the 4th line in the equation, savings and investments. But before we get there, let's start at the top of the equation to familiarize you with these concepts.

### ACERA Retirement Allowance Estimate

The most efficient way to get an accurate estimate of the lifetime allowance you'll get from ACERA every month after retirement is to use the retirement calculator inside Web Member Services. You can always access it from any page at [www.acera.org](http://www.acera.org) by clicking on the "Your Personal Account" button. Once you've logged in, go to the Benefit Estimator. Alternatively, you can look for the Get a Ballpark Estimate page at [www.acera.org/getting-estimate](http://www.acera.org/getting-estimate).



## Continued from Cover Page

### Other Pension Allowances

If you worked for other employers with pension plans (CalPERS, for example) that you expect to get payments from when you retire, you should get estimates from those pension plans. They may have online estimators like ACERA does, or you may need to give them a call.

### Social Security Payments

If you participate in Social Security (i.e., social security contributions are deducted from your paycheck), you will get to collect a monthly payment from Social Security when you become eligible. For an estimate of this monthly payment, go to [www.ssa.gov/estimator](http://www.ssa.gov/estimator).

### Your Savings and Investments – Putting it All Together

Once you've determined the amounts you may receive from ACERA, Social Security, and any other pension plans, you can go ahead and total the first three lines. You now get an idea of if they get you 70-80% of your pre-retirement income. If they don't, you'll probably want to save additional money before retirement. But how much? And where should you keep your money?

**Where to Consider Keeping Your Money** – Keeping your money in financial instruments that can earn you interest (rather than under your mattress) can help you beat inflation, and can also help your money increase through the magic of compound interest. To that end, through the County's deferred compensation program, you can put additional pre-tax money away into an interest-bearing 457(b) account that's invested in mutual funds. You choose what funds you want to invest in, so you choose the level of risk appropriate for you. The fees are extremely low compared to investments you might find on your own because you're gaining a financial advantage from pooling your money with thousands of other county employees. And you can even set it up through payroll deductions, so you don't even have to think about it. Visit [www.acgov.org/treasurer/deferred.htm](http://www.acgov.org/treasurer/deferred.htm) for more information.

**How Much to Save** – Estimate how much to save by utilizing the many retirement calculators available online. The most useful ones allow you to include your ACERA pension. Each of these will give you slightly different answers, so try a few of them. Here is a list; addresses are case sensitive:

- AARP [www.goo.gl/sS9Mav](http://www.goo.gl/sS9Mav)
- Vanguard [www.goo.gl/5Vrrof](http://www.goo.gl/5Vrrof)
- T. Rowe Price [www.goo.gl/vaUOdi](http://www.goo.gl/vaUOdi)
- Kiplinger [www.goo.gl/mnPJjJ](http://www.goo.gl/mnPJjJ)
- Charles Schwab [www.goo.gl/Lp1QvX](http://www.goo.gl/Lp1QvX)

### Get Financial Assistance From 1st United Services Credit Union

1<sup>st</sup> United Services Credit Union was created by county employees, for county employees. If you open an account with them, you can access their free licensed financial advisors to help you set a course for additional retirement savings. They also offer a web app called 1st Money Manager, where you can connect data from all of your financial accounts to help you see your overall financial picture. Visit [www.1stuscu.org](http://www.1stuscu.org).

### Get Financial Assistance From Prudential

If you enroll in the County's deferred compensation program, you get free access to licensed financial guidance professionals through Prudential Financial Retirement Services, the plan's Third Party Administrator. They function as record keeper and process all participant transactions. Visit [www.acgov.org/treasurer/deferred.htm](http://www.acgov.org/treasurer/deferred.htm) or call 855-969-4572 and follow the prompts.

### Additional ACERA Benefits to Consider

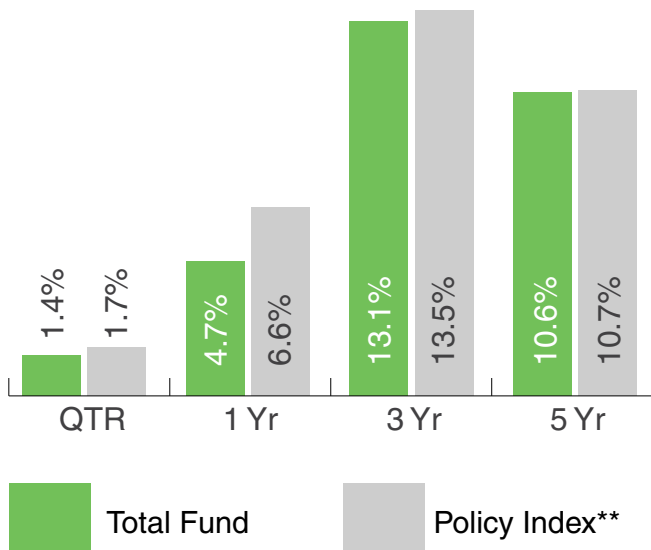
Visit [www.acera.org/other-benefits](http://www.acera.org/other-benefits) to find out more about other ACERA benefits to consider in your retirement planning such as medical, dental, vision, and death.

# What's Up – 4th Quarter 2014

During the fourth quarter of 2014, the Retirement Board adopted the amendments to ACERA's Directed Brokerage Policy. The Board also approved a \$15 million additional commitment to an existing Fund in ACERA's PEARLS Portfolio.

ACERA is a long-term investor with a well-diversified, conservative portfolio. For the quarter ending December 31, 2014, ACERA's Total Fund returned 1.4%, ranking in the 48th percentile and finished the fourth quarter at a market value of \$6.8 billion. Domestic Equities returned 5.9% (26th percentile), International Equities returned -2.9% (38th percentile), and Fixed Income returned 1.2% (37th percentile) during the fourth quarter. ACERA's Real Estate managers composite and Private Equity and Alternatives Return Leading Strategies (PEARLS) composite returned 2.7% and 3.5%, respectively, during the fourth quarter. The Real Return Pool composite returned -9.7%, during the fourth quarter.

## Investment Returns for 4th Quarter, 2014\*



\*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.

# Message From the CEO



Earlier this year I took over for outgoing CEO Vincent P. Brown after he left ACERA for an appointment as a Deputy Treasurer for the CA State Treasurer's office. I was appointed by the Board of Retirement as Interim CEO while the Board goes through its formal CEO search. I've been part of ACERA's executive team since 2001 and Assistant CEO since 2008, so I'm excited to continue the innovative benefits work that our team is known for.

Along those lines, I'm pleased to announce that ACERA's Board has decided to move ahead with a plan to provide individual medical plan coverage to our retirees who 1.) are not eligible for Medicare, and 2.) live outside of California or in rural California outside the service areas for our group medical plans. This new coverage through a private health insurance exchange will take effect in 2016, and open enrollment for the new plans will be in November of 2015.

ACERA already has a few years experience with the private exchange, providing individual plan coverage for over 1,100 of our Medicare-eligible retirees.

Here's how the exchange works: many insurance carriers offer plans in the exchange. During open enrollment in November, if you're an ACERA member who lives outside of our group plan service areas, you can call the exchange, and a non-commissioned benefits facilitator will help you choose and enroll in an individual medical insurance/prescription plan. If you're eligible for ACERA's Monthly Medical Allowance, the facilitator will help you set up a health reimbursement account to offset the cost of the coverage. You will not only be able to find plans through carriers who contract directly with the exchange, but plans in the public health insurance exchanges will also be available. Members enrolled in plans through Kaiser Permanente multi-sites outside of California will be able to find a Kaiser Permanente plan through the exchange if they choose.

More information is coming. This summer, we'll send out the details of which members are eligible to participate and how to and when to enroll. Information will also be included in your October open enrollment packets. Enrollment starts in November.

Sincerely,

Kathy Foster

# LIVE WELL

## Walking and Strength Training Make Your Brain Stronger

Can't find your cell phone?—it's probably right where you left it. But if you often have trouble remembering where that is, trying going for a jog or a challenging walk first. Numerous recent published experiments show that both strength training and cardio exercise increase levels of brain-building proteins.

In one study published in *The Journal of Aging Research*<sup>1</sup>, scientists recruited 86 women ages 70 to 80 who had mild cognitive impairment, a condition that makes a person's memory and thinking more jumbled than would be expected at her/his age. Mild cognitive impairment is also a recognized risk factor for increasing dementia and increased risk of developing Alzheimer's disease.

The researchers randomly assigned their volunteers to six months of supervised exercise. One group lifted weights twice a week. Another group walked briskly. And a control group stretched and toned instead of doing any of the two types of endurance exercise.

At the beginning and end of the six months, the women underwent tests to study their verbal and spatial memory. Verbal memory includes your ability to remember words, and spatial memory is your memory of how things are placed in space. Both decline the older you get, and this loss is exaggerated in people with mild cognitive impairment.

After six months, the women in the third group that did neither of the types of endurance exercise scored worse on the memory tests than they had when the study began, which means their cognitive impairment had increased. But the group of women who had done walking or strength training scored better on almost all of the memory tests than they had when the study began.

### Find A Sport

To beat the routine of exercise, play a sport; here are some ideas: basketball, softball, tennis, flag football, American handball, pickleball, racquetball, ultimate frisbee, roller-blading, fencing, climbing, and golf (walking, not carting). To find people to play sports with, search for your particular sport or just type in "sports league" at [www.yelp.com](http://www.yelp.com) or [www.meetup.com](http://www.meetup.com). Also try contacting your city recreation department or local YMCA.

<sup>1</sup> Nagamatsu LS, et. al. 2013. Physical activity improves verbal and spatial memory in older adults with probable mild cognitive impairment. *The Journal of Aging Research* Epub 2013 Feb 24.

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**"If walking is the best exercise, how come zombies don't look healthier?"**

## Get Help With Your Technology

How do I get this contraption to do what I need? If you're asking this question about your computer or smart phone, help is available. Many local libraries offer adult computer classes. Many senior centers offer computer training and assistance, for free or for a small fee. Every city in Alameda County has a senior center that offers computer help, and you often don't even have to live in the particular city to attend classes at its senior center:

### Find a Computer Class at Your Local Senior Center

Alameda	510-747-7500
Albany	510-524-9122
Berkeley, North	510-981-5190
Berkeley, South	510-981-5170
Dublin	925-556-4511
Emeryville	510-596-3730
Fremont	510-790-6600
Hayward	510-881-6766
Livermore	925-373-5760
Oakland, Downtown	510-238-3284
Oakland, East	510-615-5731
Oakland, North	510-597-5085
Oakland, West	510-238-7016
Oakland, Fruitvale	510-535-6123
Newark	510-578-4840
Pleasanton	925-931-5365
San Leandro	510-577-3462
Union City	510-675-5495

### Computer Classes at the Center for Accessible Technology in Berkeley

Additionally, the Center for Accessible Technology in Berkeley offers free classes to all seniors (even if you live outside Berkeley) on computer basics, searching the web, email, skype, Facebook, Twitter, connecting with communities (Meetup), connecting with services (library, doctors office), online dating, streaming music, and even online gaming. As of the publishing of this newsletter, classes are Tuesday mornings and Wednesday afternoons. Call 510-841-3224 for more info.

### Senior Centers Outside of Alameda County

If you live outside Alameda County, call your local senior center to see if they offer computer classes. You can find your local senior center by searching the internet or by calling the U.S. government's eldercare locator at 1-800-677-1116.

### Computer Repair and Technical Support

If you're having technical problems with your computer, tablet, or smartphone and it's still under warranty, you can usually get technical support from the manufacturer of the device. As an alternative, whether your device is in or out of warranty, you can seek help from Best Buy's Geek Squad. As of the publishing of this newsletter, the cost is \$10 per month after a \$100 setup fee, or you can purchase a year of technical support for \$200 (setup included). You can get help by taking your device into a Best Buy Store or you can get help from home over the phone.

### Visit ACERA.org Once You're Online

ACERA's website, [www.acera.org](http://www.acera.org), contains a wealth of information about your retiree benefits. Sign up to receive ACERA news delivered to your email inbox at [www.acera.org/get-news](http://www.acera.org/get-news). You can even access your personal benefit information by signing up for an account through our Web Member Services application. Simply click the button labeled "Your Personal Account."

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**"I have a photographic memory, but I don't know how to transfer the pictures to my computer."**

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August						1
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- August 20 Retirement Board Meeting | 2:00 PM
- August 31 Check & Direct Deposit Payable Date
  
- September 10 Medicare Transition Seminar | 9:30 AM – Noon
- September 17 Pre-Retirement Seminar | 9:00 AM – Noon
- September 17 Retirement Board Meeting 2:00 PM
- September 30 Check & Direct Deposit Payable Date
  
- October 8 Mid-Career Seminar | 9:30 – Noon
- October 15 Retirement Board Meeting | 2:00 PM
- October 30 Retiree Health Fair | 9:00 – 2:00 PM
- October 30 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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Kathy Foster

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