In May 2015, retirees who receive a retirement benefit from SCERS (Sacramento County Employees’ Retirement System), our retirement system, received mailings entitled “Retired Member Statement as of March 2015” and “Annual Financial Report Summary for Fiscal Year Ended June 30, 2014 and 2013”.

The “Retired Member Statement” included the following:

1. Your annual cost-of-living adjustment;
2. Your benefits, which include:
   - Benefit amount at retirement;
   - Cumulative cost-of-living adjustment;
   - Total benefit amount; and
   - Increase in benefit amount to date to annual cola.
3. Your current beneficiary.

The “Annual Financial Report Summary” is prefaced by the “Message to SCERS Members” by Mr. Richard Stensrud, Chief Executive Officer of SCERS, which reports on the state of the retirement system. Quoting from the report, “our goal in providing this report is to help you confirm that SCERS is responsible, accountable and transparent with respect to the management of the nearly $8 billion SCERS pension trust and that we are successfully meeting our long-
term responsibilities to our stakeholders. Further quoting the report “The investment performance has also been strong over the long term, with an annual investment return of 8.7% over the last 28 years, comfortably above the investment return target of 7.5%. In summary, we believe this report will allow you to confirm the financial health and fiduciary integrity of your retirement system”. Encouraging words indeed from the CEO of our retirement system. Security in retirement is the primary concern of retirees and Mr. Stensrud’s message tells us SCERS benefits remain secure and will be paid as promised.

The report tells us that as of June 30, 2014, SCERS has approximately 12,000 active members and approximately 10,000 retired members. It also tells us the average benefit for retired members is $2,950 per month. However, the graph that shows distributions to current retired members based on their years of service shows low to modest income to many retirees, such as the following groups:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Average Monthly Income</th>
<th>Approximate # in Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>0—5</td>
<td>$ 562</td>
<td>600</td>
</tr>
<tr>
<td>5—10</td>
<td>$1,081</td>
<td>1,200</td>
</tr>
<tr>
<td>10—15</td>
<td>$1,483</td>
<td>2,000</td>
</tr>
<tr>
<td>15—20</td>
<td>$2,194</td>
<td>1,500</td>
</tr>
</tbody>
</table>

WELCOME NEW MEMBERS

Wanda Archbold, Personnel Services  
Thomas Scott Bell, Child Support  
Jane Beauchamp, Superior Court  
James & Cecilia Dotson, DGS Fleet Services  
Rodolfo E. Echipare, Corrections Health Sheriff  
Felix Flores, DTECH  
Beverly Gardley-Streeter & Jessie Streeter, DHA  
Ron & Gay Giles, SRCSD  
Stephanie Hall, DHA  
Charles Hancock, Sheriff  
John Havicon, Regional Parks  
Kim Kelly-Strong, Corrections Health Sheriff  
Patricia Crane, DCSS  
Sonia Funakoshi, DHHS/CPS  
David & Caroline Latzen, Water Resources

Merrianne Mathies  
Deanna Niles, Finance  
Stephen Oesterreicher & Susan Mar, DTECH  
Antoinette Palmer, DHHS  
Vicky & William Rodgers, Clerk of the Board  
Greg Rowe, Airports  
Joseph Smith  
Rebecca Snyder, Superior Court  
Larry & Cheryl Steuck, Sheriff  
Cynthia Storelli, Community Development  
Robert & Terry Stovall, DPS  
Carolyn Sulli  
Flora Taylor, Probation  
Leonora Vail, DPS  
Xinh & Nghi Vo, DHA
“Public Pensions Should Not Follow Private Sector Failures!”
By Mike DeBord, Co-Chair CRCEA Retirement Security Committee

How should California’s government retirement plans be funded? Most are designed to be “fully pre-funded”, but what about “pay-as-you-go” or “partially pre-funded”? The challenges facing future retirees and the taxpayer are described in the various approaches listed below.

Social Security is largely a “pay-as-you-go” program where current workers pay the annual cost of retiree benefits. Any year’s excess income goes into a Trust Fund. But when the cost of the monthly benefits exceeds the income from payroll taxes, the Trust Fund is drawn down to keep the checks going. Social Security reports that the Trust Fund will be fully exhausted by 2034 and without changes would only be able pay 77% of scheduled benefits. With the increase of retirees and fewer American workers in the future, this program faces real funding problems!

Private Sector workers have, over the last 30 years, been losing their defined benefit plans. Companies discontinued their pension plans and some, not all, replaced them with 401(k) plans that were never designed to be a retirement plan. This scheme is woefully underfunded and 58% of private sector workers now have no retirement savings. This “partially pre-funded” approach is a time bomb for future generations and will significantly increase poverty for retirees. It will have severe repercussions for state and local governments that are responsible for providing services to the elderly who won’t be able to support themselves. The taxpayer impact of these short-sighted retirement changes/losses in the private sector will be huge!

Public Sector workers still have defined benefit pensions that are designed to pay lifetime retirement benefits and be “fully pre-funded” (about 70% from investment returns with the remainder from employer and employee contributions). After the 2007-08 financial crisis, the funding levels of defined benefit plans dropped noticeably but are now improving with the economic recovery. But outspoken pension critics jumped on the projected “unfunded liability” of public pensions saying they could total up to $2-$4 trillion nation-wide (using low return rate assumptions in their projections instead of the actual higher rates of public pension systems). They use this “unfunded liability” figure to persuade the public to vote against public pensions.

But the real question is “What is the “equivalent unfunded liability” for the private sector?” What would it take for the private sector to be on par with the public sector with respect to retirement assets? That shortfall is at least $29 trillion—a true U.S. crisis in the making!

So tell me again why we need to change our pre-funded public retirement systems to be more like the staggering failures in the private sector???

Notice: The information presented in “News Briefs” is believed to be from reliable sources. However, no responsibility is assumed by SCREA, the Editor or the writers for inaccuracies in the articles published.
The surviving spouse of a member is eligible for SCREA membership.
For enrollment assistance please contact our Membership Chair, Sue Murray, at 916-359-6394.

**PLEASE NOTE:** Members are always welcome to join us for our monthly Board meetings. All meetings begin at 9:30 AM and the following meetings are all held at the Rancho Cordova Police Department, 2897 Kilgore Rd. The upcoming meetings are:

- September 8, 2015
- October 6, 2015
- November 2
- December 7
The County Employee’s Benefits Office (EBO) has told the SCREA Board retiree medical plan premiums for 2016 will increase except for several Kaiser Advantage plans for which there will be no increases. In fact, for several Kaiser Advantage plans, there will be a small premium decrease for 2016. The 2015 and proposed 2016 premium rates are shown in the included charts. The chart will show 2016 rates for retirees under 65 will increase 3.7% to 7.45%. For retirees over 65, the increase will be 0% to 16.88%. For this group, the increases for the two United Health Care Advantage Plans are 13.79% and 16.88%. The Kaiser Advantage Plan premium changes are in the range of 0% to 4.49%. The United Health Care Medicare Advantage plans $206.02 monthly premium is the lowest cost Advantage plan for 2016.

The EBO has told SCREA the CalPers 2016 health premiums for the Sacramento area is scheduled for increases in the range of 5.17% to 18.76%.

The EBO has scheduled the 2016 open enrollment period for September 28 to October 23, 2015. The exact date and location for open enrollment will be included in open enrollment material mailed to all retirees. SCREA will provide refreshments at the Foothill Community Center location.
**Change of Address, Telephone or Email?**

Please fill out and mail this notice to:

SCREA Change of Address, P.O. Box 161414
Sacramento, CA 95816

<table>
<thead>
<tr>
<th>Name: ______________________________________________________</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Address: _______________________________________________</td>
</tr>
<tr>
<td>City_________________________ State:__________________________</td>
</tr>
<tr>
<td>Zip:______________________ Telephone:________________________</td>
</tr>
<tr>
<td>Email:_______________________</td>
</tr>
<tr>
<td>Effective date for change:___________________________________</td>
</tr>
<tr>
<td>Previous Address (if applies):_______________________________</td>
</tr>
</tbody>
</table>
Election

The SCREA Board of Directors election was held at the June 8, 2015 General Meeting/Luncheon at the Dante Club. Three incumbents, Phil Fischbach, Nancy Gust, and Linda Kimura, were recommended for three-year terms beginning July 1, 2015. Mike DeBord moved that they be re-elected and the motion was seconded by Martha Hoover. The motion passed by unanimous voice vote of those members present.

Phil Fischbach is serving his second term and is active on the Benefits and SCERS Orientations & Membership Committees. Linda Kimura is serving her third term and has been appointed to serve as SCREA Secretary, following Lyn Scotti, who resigned recently after 13 years of dedicated service. Nancy Gust will be starting her first full term and has graciously accepted the position of Program Chair, following Sandy Carli, who served above-and-beyond for 11 years.

Board Vacancies

As of this writing, there are four vacancies on the Board of Directors. Interested members have submitted letters of interest and those who met the qualifications of being members in good standing having their dues paid up to date were interviewed by Linda Kimura and Sue Murray in June. The Nominations Committee has made its recommendations to President Kiyoshi Adachi. Appointments are scheduled to take place at the August 3, 2015 Board of Directors meeting. Because these appointments were not made in time for publication of the NEWS BRIEFS, letters of interest are still being accepted.

The Nominating Committee is establishing a list of members interested in future Board appointments. Members in good standing are urged to submit letters of interest to Nominating Committee Chair Linda Kimura at any time. The letters should include consent to place their name in nomination and stating their willingness to serve if elected. Letters can either be mailed to SCREA, Attn: Nominating Committee, P. O. Box 161414, Sacramento, CA 95816 or by email to kimurafour@aol.com.

For your information here are some important phone numbers and addresses:

**SCERS:** 916-874-9119
980 9th St. Suite 1900
Sacramento, CA 95814-2739

**Employee Benefits Office:** 916-874-2020
700 H St. Suite 4667
Sacramento, CA 95814

Two antennas met on a roof, fell in love and got married. The Ceremony wasn’t much, but the reception was excellent.
I serve as the Co-Chair of the Retirement Security Committee for the California Retired County Employees Association (CRCEA). CRCEA represents 170,000 retirees from the 20 California counties that operate under the “1937 Act” retirement laws. Our Retirement Security Committee has been very active lately working with key representatives in the State Department of Finance, State Legislative Analyst Office and the State Attorney General’s Office related to a new State-wide initiative that would severely impact all “defined benefit” retirement systems in California.

On June 5, 2015, a group of proponents submitted to the Attorney General’s Office a public pension initiative (Initiative 15-0033) to amend the State Constitution. It would prohibit new employees hired on or after January 1, 2019 from enrolling in “defined benefit” retirement plans without specific voter approval. Without these voter approvals, the current retirement plans would be “closed to new employees”. New voter approvals would also be required for other actions such as any pension enhancements, or the employer paying more than 50% of the total retirement benefit costs for new employees. The initiative overrides many current laws and impacts future bargaining.

The new election requirements would apply to all 5,000+ public agencies. How much would it cost for all these new elections and who would pay them? Sacramento County says that the cost to put a measure on the ballot for just the County would be $400,000—$600,000 for a primary or general election, or $2 million if it was a special election. The cost for all of the 5,000+ public agencies across the State to put similar measures on their ballot would be in the hundreds of millions, all at taxpayer expense. Also, nearly one-half of California’s public employees, including law enforcement, teachers and some entities currently do not participate in Social Security. Without a mandatory employer contribution to a retirement plan of 7.5%, nearly one-half of all new public employees in the State will need to be enrolled in Social Security, at additional taxpayer expense.

The initiative submittal must go through several steps prior to being qualified for the November 8, 2016 General Election. The State Department of Finance and Legislative Analyst Office are responsible for co-authoring the “fiscal impact” statement for the initiative. The Attorney General’s Office is responsible for writing the ballot “title and summary” that would be used for the circulating petition to collect the 365,880 signatures to qualify for the November 2016 ballot.

CRCEA’s Retirement Security Committee immediately began analyzing the proposed initiative and prepared several critiques that we forwarded to the applicable State agencies. As a result, we have now met with their key representatives and provided our input for preparation of the fiscal impacts, ballot title and summary. This measure, if approved by the voters, could impact retirement security for public employees in California and add significant costs to the taxpayer. We are fully engaged in this critical issue and we will provide you with periodic updates in the future.
ANNUAL SCREA FOUNDER’S PICNIC
By Nancy Gust

September 14, 2015, Monday
11:00 – 2:30 pm

I am happy to be serving as your new Program Chair and would like to share information on the Founder’s Picnic for this year. It will be at Elk Grove Park in the Rotary Grove. This is where it was held last year and has shade and ample parking to the right of the location. Handicap parking and restrooms are located nearby.

There is NO ENTRY FEE TO THE PARK

The directions to the Park are as follows:

<table>
<thead>
<tr>
<th>Main Gate #1</th>
<th>Main Gate #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take Highway 99 toward Elk Grove</td>
<td>Take Highway 99 toward Elk Grove</td>
</tr>
<tr>
<td>Exit on Elk Grove Blvd.</td>
<td>Exit on Elk Grove Blvd.</td>
</tr>
<tr>
<td>Turn left on Elk Grove Blvd.</td>
<td>Turn right onto East Stockton Blvd.</td>
</tr>
<tr>
<td>Turn right on Elk Grove-Florin Rd.</td>
<td>Turn left into Gate 2 of Elk Grove Regional Park</td>
</tr>
<tr>
<td>Turn right into Elk Grove Regional Park</td>
<td>Follow the signs to Rotary Grove</td>
</tr>
<tr>
<td>Follow the signs to Rotary Grove</td>
<td></td>
</tr>
</tbody>
</table>

A map of Elk Grove Regional Park is on page 10 of this issue. Watch for the SCREA banner at the picnic site and directional signs pointing your way to the party.

The menu includes the following: Boneless Chicken and Pork, Mango rice with vegetables, green beans with mushrooms, basil pasta, mixed green salad with cookies for dessert. For the vegetarians there will be vegetarian lasagna and baked vegetable tamales. Water and soda will be provided by SCREA.

As always there will be great door prizes. Everyone will receive a raffle ticket upon checking in for the event at the registration table.

The Health Department has extended food temperatures and holding conditions so the caterer cannot release leftover food to us at the end of the event. Seconds will be allowed after everyone has been served.

Everyone must complete the reservation form found on the back of this newsletter to attend the picnic. The deadline for reservations is Wednesday, September 9, 2015. If you put your check in the mail close to or on the due date PLEASE call me at (916) 725-6752 or email njgust@hotmail.com so I can have the correct count for the caterer.

All meals given for the final count must be paid for. Cancellations due to emergencies can be made up to the reservation deadline.

I HOPE TO SEE YOU AT THE PICNIC
Once again this year Mike Garcia’s Thai-Mex BBQ will be donating a catered event for up to 20 people. This would allow you to sit back and enjoy a party for you and your friends with all the preparation, serving, set up and clean-up being done by Mike and his company.

The bidding for this silent auction starts at the beginning of the picnic and ends before the first raffle ticket is drawn. If you are the winner all you have to do is contact Mike and work out the date, time and place when it is convenient for you. The value of the catered lunch or dinner is $400.00. All proceeds go to SCREA’s Legal Fund.

The bidding document will be at the reservation desk as you pick up your registration envelope. Bidding starts at $25 with increments of $25. Just before the drawing starts for the raffle prizes, there will be a final announcement. The winner will be announced before the first raffle prize is given away.

So think of events you have coming up and bid on this great deal.
REMAINING 2015 LUNCHEON DATES
By Nancy Gust

Below you will find the REMAINING 2015 SCREA LUNCHEON DATES AND DEADLINES FOR RESERVATIONS AND CANCELLATIONS. PLEASE come join us. Mark this on your calendar or enter into the device of your choice, phone, tablet, computer or cut this out and post it in a visible place. All events start at 11:00 am with LUNCH SERVED AT NOON.

SEPTEMBER 14, 2015 (MONDAY)
Annual Founder’s Day Picnic at Elk Grove Park (Rotary Grove)
   Deadline: September 9, 2015

DECEMBER 11, 2015 (FRIDAY)
Holiday Luncheon at the Hilton Hotel off Arden Way
   Deadline: December 2, 2015
SCREA’S GENERAL FOUNDER’S DAY PICNIC RESERVATION FORM
ELK GROVE PARK (ROTARY GROVE)
MONDAY, SEPTEMBER 14, 2015

Member’s Name: ___________________________ Phone: __________________
Member’s Name: ___________________________ Phone: __________________
“New” e-mail addresses ONLY: ___________________________

Non-Member’s Name: ___________________________ Phone: __________________
Non-Member’s Name: ___________________________ Phone: __________________

# ______ Member’s Boneless Chicken/Pork $ 11.00
# ______ Member’s Vegetarian Lasagna/Baked Vegetable Tamales $ 11.00

# ______ Non-Member’s Boneless Chicken/Pork $ 18.00
# ______ Non-Member’s Vegetarian Lasagna /Baked Vegetable Tamales $ 18.00

TOTAL CHECK ENCLOSED ___________________________

REMEMBER NO FOOD MAY BE TAKEN HOME FROM THE EVENT BECAUSE OF HEALTH AND
SAFETY REGULATIONS
RESERVATION DEADLINE: SEPTEMBER 9, 2015

PLEASE NOTE ON YOUR RESERVATION FORM IF YOU HAVE SPECIAL DIETARY NEEDS. ALL CANCELLA-
TIONS MUST BE CALLED IN BY THE RESERVATION DEADLINE. PLEASE DO NOT SEND CASH. SEND THIS
FORM AND A CHECK PAYABLE TO SCREA PICNIC, P.O. BOX 161414, SACRAMENTO, CA 95816