

Happy Holidays from VCERA!

Members of the Board of Retirement

William W. Wilson, Chairman
Appointed by Board of Supervisors

Tracy Towner, Vice Chairman
Elected by Safety Members

Lawrence L. Matheney, Treasurer
Ex-officio Member

Karen Becker
Elected by General Members

Arthur E. Goulet
Elected by Retiree Members

Robert Hansen
Elected by General Members

Albert G. Harris
Appointed by Board of Supervisors

Joseph Henderson
Appointed by Board of Supervisors

Judy Mikels
Appointed by Board of Supervisors

Chris Johnston
Elected by Safety Members

Will Hoag
Elected by Retiree Members



Administration

Tim Thonis, Administrator
Debbie Juul, Operations Manager
Brenda Cummings, Program Administrator



Board of Retirement Meetings
are held on the first and third
Monday of the month at 9:00 a.m.,
1190 South Victoria Avenue,
Second Floor, Ventura, CA 93003.



Website: www.ventura.org/vcera



Comments and suggestions should
be directed to Brenda Cummings
at the address below.

NEW RETIREMENT ADMINISTRATOR APPOINTED

The Board of Retirement at their January 9, 2006 meeting voted to appoint the current Chief Financial Officer, Tim Thonis, to the position of Retirement Administrator effective April 1, 2006. Tim has been in administrative positions with VCERA for the past 14 years.

The Board of Retirement and the staff of VCERA look forward to a continued smooth transition and believe that the members of VCERA will be served greatly by Tim's strong work ethic and conscientious attitude. Welcome to the position of Retirement Administrator Tim, and thank you for accepting this very responsible and challenging position!

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RETIREMENT ADMINISTRATOR AND RETIREMENT SPECIALIST RETIRE

After almost 30 years with Ventura County, 18 of which were with the Ventura County Employees' Retirement Association, Van Perris retired on April 1, 2006. Many changes occurred during Van's 18 year administration. I'm sure he was amazed to see that VCERA grew from serving about 4,000 active members and 1,800 retirees to over 10,000 active and deferred members and 4,400 retirees, and that assets also grew from \$500 million to approximately \$2.6 billion during his VCERA career! Van's knowledge and assistance to VCERA members, Board members and County agencies will be remembered for years to come.

After almost 29 years with Ventura County, 10 of which were with the Ventura County Employees' Retirement Association, Christine Longbine also retired on April 1, 2006! Christine worked with our active members and disability retirement applicants. Christine has been a tremendous asset to both the members and staff of VCERA.

A heart felt "Thank you" to Van and Christine for all they did for the County and the members of VCERA. We are proud to have worked with them and we wish them a long and happy retirement!

INVESTMENTS

The fiscal year ending June 30, 2006 was another good year for investments. The return for the fiscal year was 9.5%. This exceeded the actuarial assumption rate of 8.0% and brought the VCERA investment portfolio's value to approximately \$2.6 billion.

Over the summer, the Board of Retirement hired two new real estate managers. The new managers are Guggenheim Real Estate, LLC and RREEF. The Board anticipates positive growth to the real estate portion of the portfolio with the acquisition of these new managers.

PENSION PROTECTION ACT

On August 17, 2006, President Bush signed H.R. 4, The Pension Protection Act of 2006, into law. Included in the Act is a provision that will allow retired Safety members (as defined by Ventura County) to exclude from their gross income up to \$3,000 annually in order to pay insurance premiums that are deducted from their retirement checks. This provision will become effective December 31, 2006 (for the 2007 tax year). VCERA is working diligently on learning more about the implementation of this new law. Many questions are still unanswered, but we will keep you informed as additional information becomes available.

DEFINED BENEFIT vs. DEFINED CONTRIBUTION PLANS

As an update to our last newsletter, there is still discussion in the California legislature regarding the elimination of the Defined Benefit retirement plan for future public sector employees. If it doesn't pass through the legislature, this issue may eventually appear as a ballot measure. Current members of VCERA would not be affected. For more information about the difference between a Defined Benefit and Defined Contribution plan, please see our April 2005 newsletter on our website. We will keep you informed in future newsletters to any updates on this situation.

COST-OF-LIVING ADJUSTMENT

Many of you have noticed that the number of employees retiring always increases around March each year. This increase is due to the cost of living adjustment that is paid each April 1 to some retirees. In order to qualify for the cost of living adjustment, the employee must be retired on or before April 1 and they must be covered by a cost of living benefit. This includes all Tier 1 General members, all Tier 1 Safety members, and Tier 2 General members covered by the Service Employees' International Union (SEIU) with service credit after March 16, 2003.

Cost of living adjustments for Tier 1 General and Tier 1 Safety members are based on the Consumer Price Index (CPI) for the Los Angeles-Riverside and Orange County area. This year the CPI as of December 31, 2005, for this area was 4.46%. Cost of living is adjusted to the closest ½% making the official cost of living 4.5% for VCERA. The Retirement Law of 1937 that governs VCERA only allows a maximum 3% cost of living adjustment each year. Therefore, this year, all qualifying Tier 1 General and Safety members who were retired by April 1, 2006, received a 3% cost of living and the remaining 1.5% was placed in their cost of living "bank" to be drawn on in future years when the CPI is less than 3%.

Tier 2 General members of SEIU that were retired by March 12, 2005 had a cost of living adjustment applied to their service credit from July 15, 2002 up to their date of retirement that was covered under the SEIU memorandum of agreement. For those retired March 13, 2005 or after, the cost of living adjustment will apply to service credit from March 16, 2003 to their date of retirement that was covered under the SEIU memorandum of agreement. The cost of living adjustment is fixed at 2% each year and is not associated with the CPI. It is applied only to portion of the member's benefit that is based on the service credit dates above.

Cost of living adjustments are compounded and are calculated each April 1 on the Pension, Annuity and existing Cost of Living (if applicable) components of the retirees benefit. Cost of living is not applied to the Vested Fixed Supplemental Benefit, or the Non-vested Supplemental Benefit #2 for all retirees, and the Supplemental Targeted Adjustment for Retirees (STAR) Cola, currently paid to members retired by April 1, 1981.

BOARD MEMBER ELECTION

One of the positions on the Board of Retirement that represent the General Members is coming up for election in late January of 2007. Election announcements were distributed to General Tier 1 and Tier 2 members with the November 9th paycheck. We encourage all General members to participate in the election process either as a candidate or in voting for the member you feel will best represent you on the Board of Retirement.

ANNUAL BENEFIT STATEMENTS

Active County employees who are members of VCERA were mailed their Annual Benefit Statement at the beginning of April. If you haven't had the time to look at your statement, we encourage you to pull it out of the "to do" file and read over it carefully. It provides you with the amount of contributions that both you and the County paid on your behalf from pay period 05-01 through 05-26, and the interest your account earned during 2005. It also provides an estimate of what your beneficiary would receive in the form of a "death benefit" in the event that you pass away as an active member of VCERA. Additionally, estimates for the beginning of the month following when you first become eligible to retire (working 80 hours per pay period), age 55 and age 62 (if you are currently under these ages) were printed at the bottom of the statement. Please be aware that the estimates project compensation as of pp 05-26 if you were not eligible to retire as of January 1, 2006. This may overstate or understate your estimated benefit.

For questions regarding the VCERA portion of your Annual Statement, please contact VCERA at (805) 339-4250.

Along with the information from VCERA, information was provided from the County Deferred Compensation department regarding your participation in the County's 401(k) and 457 deferred compensation plans through Fidelity Investments.

For questions regarding the Deferred Compensation portion of your Annual Statement, please contact Deferred Compensation at (805) 654-2620 or email them at deferred.compensation@ventura.org.

PENSION CALCULATOR

There's a tool on our website that can be very beneficial. This tool is our Pension Calculator. You, the member, can use the Pension Calculator to calculate a projected estimate of your pension benefit at any given age. It's interesting and helpful and is intended to assist you in planning your retirement strategy.

The Pension Calculator requires four pieces of information:

1. Your Tier Type: General Tier 1, General Tier 2 or Safety
(Note: Members with service in more than one Tier type should calculate each portion of service separately and add them together for a total estimate of benefits).
2. Age Quarter at Retirement
3. Years of service credit in VCERA
4. Final Average Monthly Compensation - The bi-weekly amount is located on your paycheck stub under Employer Paid Benefits. Look for the item called "Retirement Earnings Final". Remember, to convert bi-weekly compensation to monthly compensation, use 78 pay periods divided by 36 (for Tier 2) or 26 pay periods divided by 12 for General Tier 1 or Safety.

Please click on the explanation button for each input field for further information on the data you need to enter.

PRE-RETIREMENT WORKSHOPS

VCERA is happy to announce that, in collaboration with the Ventura County Deferred Compensation and Human Resources departments, we are now offering Pre-retirement workshops to members within five years or less of retirement.

Topics covered in the workshops are:

- Your 401 (k) and 457 Plan presented by the County Deferred Compensation department and Fidelity Investments.
- Health Benefits as a retiree presented by the County Human Resources department.
- Retirement information and benefits through VCERA including a personalized estimate prepared by VCERA.

The first four workshops were presented on February 22nd, March 22nd, June 28th and September 13th and have met with a very positive response. Each workshop can accommodate approximately 50 participants. We have one remaining workshop for 2006 on December 7th. However, due to the interest the workshops have generated, the December 7th workshop is full. But don't be discouraged! The dates for 2007 are:

February 1st, County Government Center, Lower Plaza assembly room

May 10th, County Government Center, Multi-purpose room

August 8th, County Government Center, Lower Plaza assembly room

October 17th, East County Sheriff's Station (Thousand Oaks)

November 7th, County Government Center, Multi-purpose room

If you are within 5 years (ideally no more than 3-4 years for General Tier 2 or 1-2 years for Safety or General Tier 1) of your retirement date, and you are interested in attending a future workshop, please contact Brenda Cummings at 339-4264 and request to attend the workshop of your choice. Remember, you may not want the earliest date available, the closer you are to your anticipated retirement date, the more accurate the personalized information will be. Spaces are filled on a first come first served basis.

Always remember, you do not need to attend a workshop to retire. VCERA, the County Deferred Compensation department (654-2620) and the County Human Resource department (662-6791) are here to assist you. We have information on our website and any information in the workshop or any questions you have can be discussed on an individual basis. Please call VCERA at (805) 339-4250 to talk to a Retirement Specialist or to make an appointment to come into the office.

S.T.A.R. COLA BENEFIT FOR RETIREES

The Board of Retirement at its August 21, 2006 meeting voted to extend the Supplemental Targeted Adjustment for Retirees Cost of Living (STAR COLA). The benefit is not vested and will currently run for one year from October 1, 2006 through September 30, 2007. The STAR COLA is based on the adoption of Government Code Section 31874.3, subdivision (c) for the benefit of those members who retired on or before April 1, 1981, whose current accumulations as established pursuant to Government Code Section 31870.1 equal or exceed 20% as of January 1, 2006. The STAR COLA will increase by 1 ½ percent for all applicable retirees retired on or before April 1, 1981.

RETIREE CHANGES TO TAXES, DIRECT DEPOSIT, ETC.

As a retiree you may occasionally need to change your tax withholding on your pension check. For your convenience, you may download a tax withholding form on our website at www.ventura.org/vcera. If you do not have access to a computer, you may come by the VCERA office or please contact VCERA to have a form mailed to you. Our website also has direct deposit forms, name and address change forms and beneficiary designation forms. We encourage you to take advantage of this quick and easy way to keep your information current.

HANDICAPPED ACCESS TO VCERA

VCERA is located in the Coldwell Banker Building at 1190 South Victoria Ave., Suite 200, Ventura. Even though our location provides convenience and privacy for most of our members, the second floor location can cause difficulties for those members and retirees who have difficulty negotiating stairs. Please be aware that there is a parking structure beneath the building. The parking structure includes regular and handicapped parking. The entrance is located on the west side of the building, which faces Victoria Avenue. You can park in the structure or in the parking spaces facing Victoria Avenue for easy access to the elevator located in the parking structure. When you enter the elevator, press the "2" to be taken to the second floor. The VCERA Administration office is located to your right as you exit the elevator.

RETIRED MEMBERS MAY QUALIFY TO CHANGE BENEFIT OPTION – DOMESTIC PARTNER LEGISLATION UPDATE

The California Domestic Partner Rights and Responsibilities Act of 2003 took effect January 1, 2005. This act extends most of the rights, protection, benefits, responsibilities and obligations of marriage under state law to persons registered as domestic partners with the California Secretary of State. It allows VCERA members who are registered as domestic partners to name their partner as the primary beneficiary for their retirement benefit - making the partner eligible for the same survivor benefits that apply to an eligible spouse. As enacted, the new law applies only to members who retire on or after January 1, 2005.

Last year, Senate Bill 973 was enacted to apply similar provisions to members who retired on or before January 1, 2006. During a one-year window ending December 31, 2006, some retired members are now able to change their initial VCERA retirement benefit option (on a prospective basis only), establishing eligibility for a domestic partner to receive a lifetime survivor's continuance.

How it works – A member must meet all of the following criteria to take advantage of this opportunity.

- You retired before January 1, 2006;
- At retirement, you named your domestic partner as your beneficiary in your retirement application and option selection;
- You and your domestic partner are registered with the California Secretary of State as domestic partners and provide VCERA with a copy of your Certificate of Registered Domestic Partnership;
- You and your domestic partner sign an affidavit, under penalty of perjury, stating that you would have qualified to register with the state as domestic partners at least one year prior to your service retirement effective date; and
- You file the signed affidavit with VCERA during the 12 months between January 1, 2006 and December 31, 2006. This opportunity expires January 1, 2007.

Impact on Retirement Allowance – If you elected the Unmodified allowance at retirement, your monthly allowance will not be adjusted. If you elected Options 1, 2, 3, or 4 when you retired, and you now file an election, if eligible, for the Unmodified allowance, your monthly allowance will be increased prospectively to the Unmodified Option.

The new benefit amount is effective on the first day of the month following receipt of your new retirement option election and will apply to prospective payments only. In no event will a member's original retirement date be changed.

Please contact VCERA if you have questions about this new law.

RETIREE PAY DATES

The retiree payroll dates for remainder of 2006 and for 2007 will be:

2006

December 29, 2006



2007

January 31, 2007
February 28, 2007
March 30, 2007
April 30, 2007
May 31, 2007
June 29, 2007
July 31, 2007
August 31, 2007
September 28, 2007
October 31, 2007
November 30, 2007
December 31, 2007

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VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
1190 SOUTH VICTORIA AVENUE, SUITE 200
VENTURA, CALIFORNIA 93003-6572

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