



NETWORK

Newsletter of The Retired Employees of San Diego County Since 1961

Vol. 44, No. 3

Honoring Yesterday—Protecting Tomorrow

March 2013

PRESIDENT'S MESSAGE

By Susan Mallett



At the end of January, Executive Director Denise Price and I attended an Investment and Retirement Symposium sponsored by the County of San Diego's Deferred Compensation Program. These events, held periodically, provide valuable financial information to active and retired County employees. It was a good opportunity for us to meet some fellow County employees

and retirees as well as to provide RESDC information to attendees. I was interested to hear the guest speaker, Mellody Hobson, a nationally known investment and finance expert who is a regular contributor to "Good Morning America" and is on ABC's "World News Tonight."

Ms. Hobson provided some troubling findings from a recent study, "401(k) Plans in Living Color" by Ariel/Aon Hewitt (2012). The study analyzed the investing practices of 2.4 million employees of 60 of the largest U.S. private sector employers. Generally, these employees were not contributing enough to their plans to ensure retirement security.

The research shows disparities among racial and ethnic groups despite similarities in age and salaries. There were lower contribution rates and less accumulated retirement savings for African-Americans and Hispanic employees when compared with their White and Asian-American co-workers, Hobson said. Specifically, the report cites this example: "for those earning \$30,000-\$59,000, Blacks have 43% less saved than their White counterparts and Hispanics have 35% less."

Obviously all employees have been affected by the economic downturn of the past few years. However, the report notes that African-Americans and Hispanics, to a lesser extent, may view their 401 (k) plan as cash reserve savings rather than a retirement nest egg. In that regard, they are more inclined to take out loans and make hardship withdrawals from their plans, thereby reducing their plan value. Ms. Hobson, who is Afri-

can-American, remarked that traditionally African-Americans have not thought of retirement as a time for full-time leisure but rather expect to continue working in some reduced capacity. The study recommends companies use automatic enrollment for employees rather than a more traditional voluntary opt in method to save for retirement. They also suggest a number of government regulation changes related to 401(k) loans and an array of investment communication and education services for employees "to reinforce the value of saving and investing for the long term."

As retired County employees with a defined and predictable monthly pension, we are fortunate to have a degree of security in retirement that other American workers may not have. How many of us would have waited a few years or until "we could afford it" to opt in to our retirement plan if joining had been optional?

When I invested in the County's deferred compensation plans, I did so as a supplemental savings option and dare say I didn't manage it with much financial understanding. I certainly feel fortunate that was not my sole source of retirement savings. What about you?

We should encourage our children and grandchildren to gain financial knowledge and confidence so they are prepared to build their own retirement security. Ultimately, without better planning for the future, many seniors specifically, and our society as a whole are in for some dire consequences.



WELCOME NEW MEMBERS

Nannette L. Bauer
Genevieve Begay
Nancy Burhans
Myrna L. Castillo
Robert W. Eisele
John Escandon
Lamees Mansur
Pamela Medlock
Yvonne Williams-Blackbourne

Public Works
Health & Human Services
Social Services
Child Support
County Fire Authority
District Attorney
Superior Court
Sheriff

March Calendar of Events

- 7—(Thurs.) SDCERA Board of Retirement Meeting**
2275 Rio Bonito Way, Suite 200, 8:30 a.m.
- 14—(Thurs.) RESDC Board of Directors Meeting**
7860 Mission Center Ct., Suite 209, 9:30 a.m.
- 21—(Thurs.) SDCERA Board of Retirement Meeting**
2275 Rio Bonito Way, Suite 200, 8:30 a.m.

COMPARING SAN DIEGO COUNTY AND CITY RETIREMENT SYSTEMS

By Stan Coombs, Benefits Committee Chairman

The San Diego County Employees Retirement Association (SDCERA) and the San Diego City Employees Retirement System (SDCERS) are separate, autonomous programs for separate public agencies, authorized under separate California state laws, governed by separate boards of retirement and operated by separate staffs.

The one notable connection is an agreement between the two that allows reciprocal transfer of retirement benefits when employees move from one agency to the other, fairly common between local government agencies.

For both systems, independently published, fiscal-year-ending snapshots of the status of their programs are provided, termed Annual Actuarial Valuations. Since we have copies of both agencies' June 30, 2012 Annual Actuarial Valuations, and there's been much criticism about the City of San Diego program, which sometimes bleeds-over to the County, let's see how they compare.

The County SDCERA Valuation reports 36,662 members, including 16,457 active employees, 5,039 previous employees who left the County early and deferred their retirement, and 15,166 retirees, a reported ratio of 1.23 to 1 non-active to active employees. The City SDCERS Valuation reports 18,821 members, 7,724 active employees, 2,892 previous employees who deferred retirement, and 8,205 retirees, an estimated ratio of 1.44 to 1.

County monthly pensions are reported to average \$2,733, or \$32,796 annually, and extrapolating from charts it appears city pensions average about \$3,556, or \$42,672 annually.

The County SDCERA Valuation reports net actuarially valued retirement fund assets (the retirement fund) totaled \$8.6 billion in June 2012, the ending date of the valuation period covered, and a \$2.3 billion unfunded deficit resulting in a 78.7% funded level. The City SDCERS Valuation reports City retirement fund assets of \$5 billion, a \$2.3 billion unfunded deficit and a 68.6% funded level.

Both agencies use smoothing accounting mechanisms to dampen volatility in the flow of earnings and reduce the immediate impact of unusually large gains or losses on employer contribution rates. We've explained how the smoothing mechanisms work before. These carefully termed, "actuarial valued retirement fund assets" are those that reflect such smoothing, compared to simple market valuations.

The County's required annual contribution to fund the pro-

gram was increased from 30.02% of total payroll to 34.26%, about \$360 million, primarily because it's the last year of a five-year smoothing cycle when 2008-09 economic crash-year losses will continue to have a material effect. The previous year contribution was recommended to be \$326 million.

Although the County Valuation doesn't project expected future-year gains against the unfunded "actuarial liability" (read that as "the deficit"), other charts show that goal could be achieved about 2030, assuming investments meet the 8.00% annual earnings goal.

The City of San Diego yearly "employer contribution rate," on the other hand, was recommended to increase from 46.59% of total payroll to 59.48%, approximately \$275.4 million, primarily due to lower than expected investment returns and \$101 million in costs resulting from the passage of Proposition B in June 2012. Proposition B prohibited most new employees, excepting police, from entry into the City's defined benefit retirement plan, affecting future contribution levels. The previous year contribution was \$231.1 million.

The City Valuation predicts their retirement assets could rise to eliminate their liability by 2042, again assuming returns average the City's 7.5% annual earnings goal.

Continued on Page 6



REMINDER: SEE'S CANDY CERTIFICATES INCREASE IN PRICE FOR 2013

See's Candy has increased the retail price of their candy commencing January 1, 2013, to **\$17.50** per pound if you buy it at one of their stores.

You can purchase candy at See's Discount Store with your RESDC Membership Card for their discount price of **\$13.50** for a pre-packed 1-lb. box and **\$14.70** for candy certificates.

Our office will mail See's Candy Certificates to you for the price of **\$14.70** for each certificate.

Please send a check payable to RESDC for the number of certificates you want to purchase with a **business-sized (#10) stamped self-addressed envelope** (the certificates won't fit in a small envelope), to RESDC, 7860 Mission Center Court, Suite 209, San Diego, CA 92108-1329. For more than five certificates, please affix .66 cents postage on the return envelope. For orders of more than ten certificates, an extra envelope is required. The certificates will be mailed to you immediately.

ASSOCIATION OFFICERS

President.....Susan Mallett
 1st Vice Pres.....Stan Coombs
 2nd Vice Pres.....Merrilyn Carpenter
 Secretary.....Joan Wright
 Treasurer.....Frank Bittner

ASSOCIATION DIRECTORS

Carlos Gonzalez, Chris Heiserman
 Chris Hinshaw, George Lejeck
 Joe McGuire, Janel Pehau
 George Shoemaker, Mila Thurber

EXECUTIVE DIRECTOR

Denise Price

OFFICE STAFF.....

Karen Hazel
Sharon Kay
Anne Schwartz

NETWORK EDITOR...Karen Hazel



Protect your valuables and keep them safe. Important papers, such as birth certificates, insurance papers and loan documents, as well as special family heirlooms can be hard to replace, or even irreplaceable. To have peace of mind, keep them secure in a Safe Deposit Box at San Diego County Credit Union. Safe Deposit Boxes are available to rent at 19 SDCCU branch locations and come in varied sizes. To see a list of the branches that have Safe Deposit Boxes, visit sdccu.com or call toll-free 1 (877) 732-2848.

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QUESTIONS?

If you have questions regarding your retirement pay, your earning statement, retirement benefits, or health insurance coverage or medical pay allowance, please contact SDCERA (San Diego County Employees Retirement Association) Call Center at (619) 515-6800 or toll free (888) 473-2372.

IN MEMORIAM

Sharon L. Adams	Surviving Spouse
Nancy A. Bartolomucci	Health & Human Services
Lawanda P. Bond	Clerk of the Board
Lorita F. Bullock	Surviving Spouse
Margaret Burgess	Sheriff
Susan Cadwell	Health & Human Services
Richard L. Carpenter	Probation
Bernice M. Cleary	Surviving Spouse
Norma D. Cole	Social Services
Alice J. Fairbrother	Environmental Health
Alice J. Forsythe	Health Services
Thelma M. Fortin	Surviving Spouse
Robert W. Frazier	Assessor
Pamela E. Hampton	Health & Human Services
Donald J. Hatfield	Public Works
Barbara H. Hicks	Auditor & Controller
Rita M. Horany	Revenue & Recovery
Nicholas Kasimatis	District Attorney
Rebecca Ketah-Roxas	County Counsel
David A. Labadie	Probation
William W. Lebar	District Attorney
E.P. Lehnig	Probation
Bernadine L. Martinez	Municipal Court
Marilyn W. Martinez	District Attorney
Duane Morris	Health & Human Services
Lucretia M. Norfleet	Health & Human Services
B. Jeanne Parket	County Counsel
Helene S. Pilz	Public Administration
John Reed	Health & Human Services
Joann J. Reichert	County Library
Harry A. Shiley	Social Services
Doris R. Silva	Health & Human Services
Mary J. Smith	Health & Human Services
Vera H. Speer	Surviving Spouse
Rex Stinchcomb	Municipal Court
Dorothy M. Taylor	
Harold L. Thurston	Health & Human Services
Grace E. Withey	
Mary E. Wyatt	Sheriff

*Active

**Gone from our sight, but never our memories.
 Gone from our touch, but never our hearts.**

The surviving spouse of a member is eligible for RESDC membership. For enrollment assistance, call (866) 688-9229.

MEMBER PRIVACY

Any retiree or surviving spouse who does not want his/her death notice published in the "In Memoriam" section of this newsletter may notify the RESDC office and your privacy will be maintained.

FROM THE EXECUTIVE DIRECTOR'S DESK

By Denise Price

Dear Members:

My mother used to tell me, "The one thing you can always depend on is change." This concept is best illustrated at the beginning of a new year when people commit to their latest New Year's resolution, but people aren't the only ones looking to adjust themselves. Organizations often need to make modifications, too.

This year RESDC starts the year with me, your new Executive Director. I am here to manage the day-to-day responsibilities and activities of our organization, and to ensure our mission is being met through programs and communication. This means, from time to time, I will bring you relevant information through our newsletter.

For instance, RESDC is not the only organization changing this year. The Social Security Administration (SSA) is also implementing a number of changes to the way it operates, which I have summarized for you below.

Remember, change can be good, and you can be part of it, especially here at RESDC. I invite you to contact me throughout the year with any ideas or thoughts you'd like to share about the way we serve you or the way we operate. I look forward to hearing from you and serving you in my new role.

Best,
Denise Price

Social Security Changes Could Affect You

Here's a look at the changes the Social Security Administration will soon be implementing that could affect you:

- **No More Paper Checks.** On March 1st, the SSA will stop mailing paper checks to Social Security recipients. Retirees are required to choose between receiving their benefits through direct deposit payments or a prepaid debit MasterCard. For those of you born on or before May 1, 1921, you are excluded from this change and can still receive a paper check. For more information, call the electronic payment solution center at (800)333-1795 or visit www.godirect.org.
- **Reduced Office Hours.** Starting in January 2013, the SSA began closing at noon on Wednesdays. Some offices are closing 30 minutes early each day and are only open to the public from 9 a.m. to 3 p.m.
- **More Online Services.** Social Security recipients no longer have to go into the office to change their address, change direct deposit information, access online statements or payment history. All these services, and more, will be available to retirees through the SSA website.

Amid all these cost saving measures, there is GOOD news:

- **Bigger Payments!** Starting in January, a cost-of-living adjustment of 1.7% has increased the average monthly benefit from \$1,240 to \$1,261.
- **Increased Earnings Limit.** If you are retired, collecting Social Security AND working, you can earn an additional \$480 before any portion of your Social Security is withheld.

For more information on these and other changes to Social Security, call 1-800-722-1213 or visit www.SSA.Gov.



2013 SCHOLARSHIPS

By La Rue Pierce, Scholarship Committee Co-Chair

Last call for the five \$2,000 RESDC Scholarships for 2013. The deadline for filing is **Friday, March 8th**. All applications must be delivered to our office at 7860 Mission Center Court, Suite 209, San Diego, CA 92108 or in the mail postmarked no later than that date. Be sure to check with references that they have sent their letters to meet the **March 8th** date. Late applications or reference letters cannot be accepted after the deadline date.

The filing date for the Yakel Scholarships at the San Diego Foundation closed February 6th. It is hoped that all applicants filing for the RESDC Scholarships also filed for the Yakel Scholarships. Together they are significantly helpful in defraying the ever-increasing cost of college tuition, fees, and books. The San Diego Foundation evaluates and determines who receives the Yakel Scholarships after verifying that the applicant is a child, grandchild, or great grandchild of a RESDC member.

Many, many thanks to Evelyn and Theo Yakel for establishing this Scholarship Program at the San Diego Foundation for the benefit of immediate family members of RESDC members. Many thank also to Mrs. Joan Liddell who continues to make generous contributions to the RESDC Scholarship Fund in honor of her husband, the late George Liddell, who initiated the RESDC Scholarship Program.

Welcome to Carlos Gonzalez as the new Co-Chair of the RESDC Scholarship Committee.

Good luck to all who filed for our scholarships this year. May your dreams of a higher education come true.

RESDC HELPS BUY SLEEPING BAGS FOR HOMELESS VETS

Dear RESDC,

Thank you for joining with us, the Retired Deputy Sheriffs' Association (SDRDSA), to purchase sleeping bags, clothing and sweaters for homeless veterans. Like last year, we were able to distribute these much needed items before the cold snap, bringing smiles to many faces.

As you might imagine, the number of homeless veterans keeps climbing. In fact, it is estimated that veterans make up approximately 35% of San Diego's current homeless population. In real numbers, that's almost 3,000 people. That is why we set our goal for next year much higher. By December 2013, we hope to have collected/purchased 250 sleeping bags. If all of us work together, we can meet this noteworthy goal. Watch for details later in the year.

Again, thanks to all.

Happy Trails,

Rusty Burkett
President, SDRDSA

OASIS NORTH COUNTY INTERGENERATIONAL PROGRAMS

Oasis Intergenerational programs invite you to share your time and skills in two fabulous programs. Your participation can make a difference in the life of a child!

Intergenerational Tutoring matches adult volunteers with elementary school students needing assistance in reading, writing, and language development. Tutors work one hour, one day a week with a student in an elementary school of your choice. Tutors assist in building literacy skills, self-esteem and love of reading! In North County, call John at **(760) 796-6020**, in San Diego call Roxanne at **(619)881-6262, extension 2203**.

CATCH Healthy Habits is a program that teams adults with children to learn about healthy eating habits. This is a great way to instruct children about food choices and help fight obesity.

Oasis North County also presents other educational programs for your enjoyment at the Escondido Senior Center and Rancho Penasquitos Library. Please visit their website at **www.oasisnet.org** or call them at **(760) 796-6020** for class registration, fees, and location directions.

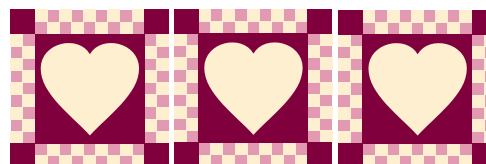
Some of the classes offered in March and April are:

Palomar Observatory: It's History and Science,
March 12, 1:00 pm.

Home Front San Diego in World War II,
March 14, 1:00 pm.

California Wolf Experience,
March 27, 1:00 pm.

Reader's Theater: Tea with Mrs. Roosevelt,
April 9, 1:00 pm.



BITS AND PIECES

George De Void and his wife, Judy, celebrated their 50th wedding anniversary in January. George is retired with 30 years County service between Public Works and Road Departments. George's daughters hosted an open house for the anniversary party.

Robert Canzoneri retired from the Marshal's Office in 1978. He celebrated his 83rd birthday last month! Robert and his wife, Lois, have been married for 61 years and live in La Mesa. He loves singing in his church of 62 years and enjoys square dancing also.

Charles Blalock and his wife, Georgie, celebrated their 50th anniversary with a cruise to all of the Hawaiian islands in December! Charles retired in 1986 from the Planning Department and recently turned 78. He stays busy as a substitute teacher for the Grossmont Union School District.

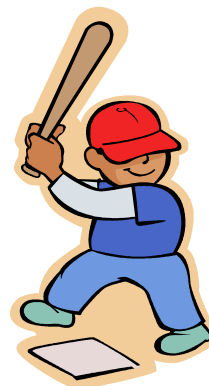
Dolores (Dee) Wells retired in 1986 as a senior systems analyst and moved to Washington State with her music professor spouse, James, in 1990. They opened two nonprofit preparatory classical music schools in Seattle and Bellevue, WA. The school's web address is www.amnw.org.

Ted Vinson will turn 80 years old next month. Ted worked in Probation for 30 years. Ted still lives in San Diego County and has been married to his wife for 53 years.

R.T. Denny will turn 85 years old in March! He retired from the Registrar of Voters office in 1978. He and his wife, Ina, have been married for 55 years and have 12 grandchildren and 17 great grandchildren. They live in Alpine and enjoy traveling in their motor home, spending time with family, and singing Karaoke.

Amos "Ace" Bailey celebrated his 93rd birthday in February with friends and family. He is retired from the Assessor's Office after 30 years of service. Ace lives in a senior community in San Diego.

**First Day
of Spring!
March 20th**





Office Hours: 9 a.m. to 2 p.m. Tuesday, Wednesday, Thursday and Friday.
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E-MAIL: resdc@resdc.net
Web-Site: www.resdc.net
NETWORK is the official monthly newsletter of the Retired Employees of San Diego County, Inc. (RESDC), a private non-profit organization.

Business and Inquiries: Business matters and address changes may be recorded on the office voice mail at any time, call (866) 688-9229. Please spell your last name so the correct member record can be located.

The information printed in the NETWORK is believed to be from reliable sources. However, no responsibility is assumed by the NETWORK for inaccuracies contained herein.

Retired Employees of San Diego County, Inc.
 7860 Mission Center Court, Suite 209
 San Diego, CA 92108-1329

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Daylight Savings Begins March 10th!



HAVE YOU CHANGED YOUR NAME, ADDRESS, OR E-MAIL ADDRESS?

If you have changed your name recently, please let the RESDC office know your new name. We are making a large scale effort to update all the names in our database. Many times our members change their names due to new marriages or various other reasons and we are not notified. We are trying our best to match the names in our database with SDCERA's database. Often our members notify SDCERA about a name change, but we are never told.

If you have moved recently or are planning to move, be sure to provide RESDC with your new address and any changes to your e-mail address. We want to make sure you continue to receive your monthly NETWORK and all important e-mail announcements from us.

Call the RESDC office at (866) 688-9229 or e-mail us at resdc@resdc.net if you have any new changes to your name, address, or e-mail address.

Comparing County and City Retirement Systems, Continued from Page 2

County fund earnings calculated on the market value of assets were 5.46% in 2012 and 20.91% during 2011. The City reported 0.9% in 2012, and 24.2% in 2011.

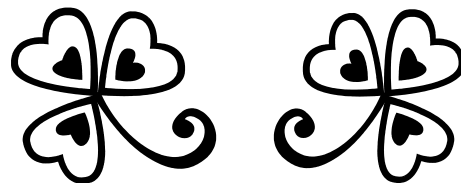
On the flip side, the overall average rate at which County employees contribute to their retirement through payroll deductions is decreased slightly, from 10.80% to 10.59%, although the average rates range widely between the various retirement tier and age groups, from as low as a 7.92% to 13.04%.

An average City employee payroll contribution rate is not provided, but judging from other charts displayed, about a 12% overall average has been the rule, and detailed rates shown for seven date-of-hire and Tier classifications range from 7.92% to 16.76%.

Benefit-wise both retirement systems are in a downward trajectory. The County recently created new Tiers B, and then C in 2012 to comply with the State Legislature's "retirement reforms," substantially reducing benefits for new employees after January 1, 2013.

City voters abandoned their defined benefit system for new employees last spring, for the uncertainty of 401(k) type arrangements.

During November and December, County retirement fund net assets increased \$87.5 million and \$111.6 million, respectively, bringing the fiscal year-to-date increase to \$547 million, and total retirement net assets to \$9.1 billion.



HAPPY ST. PATRICK'S DAY