



The Retirement View

VOLUME 2, ISSUE 4

SPRING 2009

INSIDE THIS ISSUE:

- Impact of Current Financial Environment 1
- 2009 Cost of Living Increase 2
- FCERA's Website 2
- Updated 2009 Pension and Annuity Fund Federal Income Tax Withholding Tables 3
- Information Technology Roadmap Project 3
- Payment Schedule 3
- Calendar 3
- Live Audio Broadcast 3
- Board members 3
- Meet Staff 4

From the Retirement Administrator: Impact of Current Financial Environment



As many of you know, we are in the midst of a severe financial and economic downturn that has eroded a significant portion of the FCERA plan value over the last calendar year. Specifically, the total market value of the plan decreased from about \$2,917,166,000 as of December 31, 2007 to approximately \$2,161,492,000 at the end of 2008.

Most major investment indexes/benchmarks posted a negative return over the 2008 calendar year, as did the FCERA plan. The S&P 500 index, a benchmark for large capitalization equities, returned -37.0%, the NASDAQ Composite index, a benchmark for small capitalization equities, returned -40.54% and the Lehman (now Barclays) Aggregate Bond Index, the industry standard benchmark for the bond market, returned 5.2%; while, FCERA's total return for 2008 was -25.4% gross of investment fees. This return ranked FCERA in the 59th percentile of the Independent Consultant Cooperative (ICC) Universe of public pension plans in the country.

Please note that as an institutional investor, FCERA has participated in the ups and downs of the markets over the years, although most recently, it has been a deep downturn. We recognize that the financial headlines are a concern to our members and while the FCERA portfolio will lose value as a result of a steep downturn across the entire financial market landscape, please be reassured that the financial health of our pension plan and its investment strategy is built upon long-term assumptions. The FCERA Board of Retirement has carefully diversified the fund's portfolio into a number of different asset classes and investment strategies to mitigate the negative impact of a market decline and we feel that over the long run, we have positioned our fund to earn the returns necessary to properly fund your retirement benefits.

FCERA is a defined benefit public pension plan that guarantees its benefits to its eligible members; therefore, the recent market losses will have no impact on your monthly retirement benefit. The FCERA plan has adequate funds to pay all retirement benefits for years to come and there is no reason to be concerned about our ability to deliver the promised benefits. However, like you, we too look forward to returning to a more normal economic environment and better financial market conditions. In the meantime, we thank you for your trust, patience and understanding throughout these unprecedented and difficult times.





2009 Cost of Living Increase:

The Board of Retirement (Board) of Fresno County Employees' Retirement Association (FCERA) approved a cost of living (COL) increase for all retirees and beneficiaries at its regular meeting on February 4, 2009.

This action was taken in accordance with provisions of the retirement law that require the Board to determine the percentage increase in the COL each year. For 2008, the increase in the Average Consumer Price Index for All Urban Consumers (CPI-U) for the Western Region of the U.S. as calculated by our actuary, The Segal Company, was 3.49%, which is rounded to 3.5%. Since this 3.5% increase is greater than the 3.0% COL maximum permitted by law, there is an excess of 0.5% available to increase the retiree's COL bank balance.

As a result, all retirees and beneficiaries who retired prior to April 2, 2009 will receive a 3.0% increase in their cost of living benefit. Please note that these increases will go into effect on April 1, 2009 and will be reflected in the benefit check for the month of April which will be issued at the end of the month.

As per the Board's decision on May 18, 2005 to freeze the Supplemental COLA (Supp COL) benefit for those members that retired on or prior to April 1, 1981 and that have lost over 25% of their purchasing power during their retirement, the supplemental cost of living benefit amount will remain unchanged for the upcoming year.

If you would like to review examples of how to calculate your cost of living increase or if you are interested in reviewing the COL Bank balances, please visit FCERA's website at www.fcera.org. If you would like a paper copy of the example or COL Bank balances, please contact us at 559-457-0681 and one will be mailed to you.

FCERA's Website:

Did you know that we update our website, www.fcera.org, with new and current information on a regular basis? Some of the information you can find on our website are:

- Updated active member handbook
- New retired member handbook
- Updated investment information
- Updated tax information for retirees and beneficiaries
- Board of Retirement meeting schedules, agendas, and minutes
- FCERA strategic plan
- Board governance and policies
- Retirement payroll schedule
- Benefit and contribution calculator
- Forms, FAQ, and links to other related websites

We invite you to visit the FCERA's website regularly to view new and updated information posted there for your convenience.





Updated 2009 Pension and Annuity Fund Federal Income Tax Withholding Tables:

Effective April 1, 2009, the Federal Income Tax Withholding Tables will be updated as part of the tax law changes called for by the American Recovery and Reimbursement Act of 2009.

If you currently have federal income tax withheld from your retirement benefit, you may notice a change in your tax withholding amount as the newly revised withholding tables do not require tax to be withheld from monthly payments that are less than \$2,240, unless of course, you have a fixed withholding amount.

Please note that you are not required to make any changes to your federal tax withholding amount; however, if you prefer to adjust your withholding amount in light of the new tables, you must submit a new W-4P withholding form. You may download a form by accessing our website at www.fcera.org or by contacting our office at 559-457-0681.

Information Technology Roadmap Project:

FCERA administration is currently working on the Information Technology (IT) Roadmap, an information technology plan that will serve as a high level blueprint for the assessment, implementation and support of information technology over the next five years.

FCERA's Board and its administration strongly support a well planned long term IT Roadmap project approach. The project serves as the basis for implementing and upgrading those technologies that would better serve our members and position the organization to better manage the challenges of our very dynamic retirement industry in the future.

Based on our project timeline, we anticipate to have the final presentation of the IT Roadmap to the Board of Retirement in the second quarter of this year.



Calendar



Next Regular Board Meeting:

- April 1, 2009
- April 15, 2009
- May 6, 2009
- June 3, 2009
- June 17, 2009

Location:

FCERA Boardroom
1111 H Street
Fresno, California 93721

Time: 8:30 A.M.

Pension Payroll Payment Schedule

- Thursday, April 30 2009
- Friday, May 29 2009
- Tuesday, June 30 2009

Live Audio Broadcast

FCERA broadcasts all board meetings live via streaming audio. Visit www.fcera.org for more information.

Board of Retirement

- Alan Cade, Jr., Chair
- Eulalio Gomez, Vice Chair
- Michael Cardenas
- Vicki Crow
- Nick Cornacchia
- James E. Hackett
- Steven J. Jolly
- Phil Larson
- John P. Souza
- Ron Frye, Retiree Alternate
- Roberto L. Peña, Retirement Administrator





Fresno County Employees' Retirement Association

1111 H. Street

Fresno, CA 93721

Phone: 559-457-0681

Fax: 559-457-0318

Internet: www.fcera.org

Intranet: <http://www2.co.fresno.ca.us/9200/default.htm>

Email: FCERAwebmail@co.fresno.ca.us

Meet FCERA Staff: Janice Wells - Office Assistant



Janice began working at FCERA in December of 2006. Prior to joining the FCERA family, she worked as an Office Manager/Bookkeeper for a local business for 27 years before they ceased operation. Her duties include greeting members at the front desk, answering phones, assisting in the new hire process, preparing letters, photocopying medical records for disability applications, and a multitude of other assignments that come her way.

Janice spends much of her free time with Stan, her best friend and husband of 43 years. When she's not helping her mother, or spoiling her dog, Abigail, she likes to cook, and putter in the garden. Her hobbies include needlepoint and reading, and she enjoys beautiful glass artwork.

