



The Retirement View

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SPRING 2011

INSIDE THIS ISSUE:

Investment Update	1
Did You Know: Purchase Additional Service Credit	2
Temporary Annuity Option or TAO – What is this?	3
Calendar	3
Payment Schedule	3
Live Audio Broadcast	3
Board members	3
Meet Staff	4

From the Retirement Administrator: Investment Update



During calendar year 2010, FCERA continued its transition to the new investment asset allocation approved in 2008. FCERA funded new investment mandates for Distressed Debt, International Small Cap, Commodities (Passive) and Hedge Fund of Funds, to name a few. Investment returns for the calendar year were good, with the S&P 500 posting 15.06%; the MSCI EAFE index, a benchmark for international equities on developed markets, 8.21%; the MSCI EMER MKTS index, a benchmark for international equities on emerging markets, 19.2%; and the Barclays Aggregate Bond Index, an industry standard benchmark for the bond market, 6.54% compared to 26.4%, 32.5%, 79.0% and 5.9% benchmark returns, respectively, for the 2009 calendar year.

The FCERA investment portfolio performed very well in 2010 posting an investment gain of 16.0% net of fees, good for a 5th percentile ranking among the Independent Consultant Cooperative (ICC) Universe of Public Funds in the nation. This return helped FCERA's assets grow during the 2010 calendar year from \$2.602 billion to \$2.902 billion, an increase of \$300 million. The investment returns outperformed both the fund's policy benchmark by 3.2% and the ICC Median Public Fund (MPF) by 3.3% for the calendar year. The fund's policy benchmark is the expected return that would be earned if FCERA's asset class balances exactly matched the required balances by the investment asset allocation. The MPF is the average return for all public funds included in the ICC universe. The two comparisons provide FCERA a mechanism to gauge the results of its investment portfolio and managers.

For the last three, five and ten years, FCERA's investment portfolio returned 1.6%, 5.6% and 5.7%, respectively, net of fees, for a 31st, 15th and 17th percentile ranking in the ICC universe of Public Funds. A 50th percentile ranking means half the public funds posted higher and half posted lower returns, so FCERA's returns are "better than average" when compared to the ICC universe of public funds. More detailed information on FCERA's investment program can be found on our website at www.fcera.org.





Did You Know: Purchase Additional Service Credit

DID YOU KNOW . . . You may be able to purchase additional service credit if you had an unpaid leave of absence from which you later returned to active service (for example, a medical or military service leave, but not a personal or educational leave).

If you believe you qualify, complete a Request for Service Credit Calculation and return it to FCERA. The application can be accessed on FCERA's website at www.fcera.org, or can be ordered by calling the FCERA office at (559)457-0681.

After verifying your service and calculating the cost to purchase, we will send you a Notification Letter, along with a Service Credit Payment Schedule and Payment Contract. If you are interested in making a service credit purchase, return the completed paperwork to FCERA.

The cost of your eligible service varies depending on your date(s) of membership in FCERA, and your prior and/or current retirement plan. The actual cost can't be calculated until FCERA receives your Request for Service Credit Calculation and verifies your service.

Terms vary according to the length of time you were out. Terms on purchases of periods of absence without pay due to illness are limited to the number of months you are purchasing, but no more than one year per absence can be purchased. Under the Pension Protection Act, service credit may be purchased with any of these types of funds:

- Trustee to Trustee Transfers from:
 - Qualified Plans: 401(k)/401(a)/KEOGH
 - 457 Fund Plan Transfers: In-Service or after Termination
 - IRAs: Non-Roth/Non-After Tax
 - 403(b)
- After-Tax Dollars

If you retire before your contract is paid in full, you may complete payment within 120 days after your retirement date.

As always FCERA is here to serve you. Should you have any questions, please contact us at (559)457-0681 or e-mail us at FCERAwebmail@co.fresno.ca.us.





Spring 2011



Temporary Annuity Option or TAO – What is this?

Temporary annuity option (TAO) is an advance available to FCERA members who were covered by Social Security during their membership and are retiring before age 62. This option is intended to level out your retirement income over your lifetime and has no effect on your future social security benefits or any continuance available to an eligible beneficiary.

Under this option, your monthly retirement benefit will increase based on your projected social security benefits until you reach age 62. At age 62, your monthly retirement benefit will be permanently reduced by the full amount of the social security estimate.

If you are interested in receiving the temporary annuity option, contact the Social Security office to obtain an estimate. Be sure to let the Social Security office know that you plan on quitting work at the point you retire so that your estimate will not anticipate future earnings through age 62. Once the estimate is received, contact FCERA for an appointment to review the TAO. FCERA will apply an actuarially determined temporary annuity factor based on your age and classification at the time of retirement to your Social Security estimate to arrive at the amount of your pre age 62 advance from FCERA.

Choosing your payment option when retiring is a personal decision; you are the best judge of what will work for you. FCERA encourages you to discuss your retirement options with an appropriate financial planner or tax advisor to ensure that you are well informed of the impact of your decision. Please review the member handbook or contact a Retirement Coordinator for more information regarding all of the benefit options.



Calendar



Next Regular Board Meetings:

April 6, 2011

April 20, 2011

May 4, 2011

June 1, 2011

June 16, 2011

Location:

FCERA Boardroom

1111 H Street

Fresno, California 93721

Time: 8:30 A.M.

Retiree Payroll Payment Schedule

Friday, April 29 2011

Tuesday, May 31 2011

Thursday, June 30 2011

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
- Nick Cornacchia
- Franz Criego
- Vicki Crow
- Steven J. Jolly
- Phil Larson
- John P. Souza
- Regina Wheeler, Retiree Alternate
- Roberto L. Peña, Retirement Administrator





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Meet FCERA Staff: Daljinder Sanghera - Account Clerk



My name is Daljinder Sanghera. I have been with Fresno County since 2006 and with FCERA since March 2010. I am employed as an Account Clerk II. I am happy to be working in our delightful new FCERA offices located on H Street, where I work with a great bunch of people.

It has been a long journey to get here. I was born in Punjab, India and, before coming to Fresno, I lived in England for most of my life. I love sunny Fresno and really feel at home here. I am the proud parent of a daughter who is currently studying at London University in England. I love to travel and visit new places. I try to live a healthy lifestyle by exercising and jogging, and I have been a vegetarian for many years now. But my passion has always been Soccer. Although not an active player these days, I do sometimes go to watch the Fresno Fuego soccer team play at Chukchansi park.

