

MCERA PENSION NOTES

UPCOMING BOARD ELECTIONS

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Upcoming MCERA Brown Bag Lunches are August 16, 2017 & November 15, 2017 12:00 noon at the MCERA Office 3199 M Street, Merced
Be sure to RSVP.

On December 31, 2017, the terms for three MCERA Retirement Board seats will end. These seats include one of the Board's Miscellaneous members, a Retired member and a Retired Alternate member. Board terms are for 3 years. While the Miscellaneous Board seat is to be elected by active Miscellaneous members, the Retired and Retired Alternate seats are elected by MCERA retirees.

Notices for the elections will be distributed on October 4th by the Merced County Registrar of Voters. Ballots are to be distributed on November 1st with November 21st being the final date that ballots are to be submitted.

The MCERA Board is comprised of nine members and two alternate members. Members include the County Treasurer; four members appointed by the Board

of Supervisors; two members elected by Miscellaneous members; one member elected by Safety members; and one member elected by retired members. Safety and retired members also elect an alternate.

MCERA Board member responsibilities include determining investment strategy and managers; selecting outside actuaries; and reviewing and ruling on disability retirement applications and special cases. The Board's management functions are governed by the applicable provisions of the California Government Code, and the by-laws and policies of MCERA. Board member requirements include attending at least two MCERA Board meetings a month and have an continuing education requirement.

DEAR YOUNGER ME...

Retirement signals the beginning of a new lifestyle. At MCERA, over the years we've heard a number of comments from retirees on things they wished that they had done earlier while working. So before you clock out for the last time, here are several considerations MCERA hopes will be helpful in planning for retirement.

1. Focus on your health and plan on staying active in retirement.
2. Begin planning for retirement early; retire with a plan and consider if

you can you afford to live on a reduced income.

3. Consider putting money away in a deferred comp plan while working to help with your financial goals.
4. Pay off debt while working and try to head into retirement debt free.
5. Meet with a financial planner early.
6. Prepare a budget for retirement.
7. Keep your beneficiaries up to date.
8. Assess your home to determine if it's suitable as a retirement home.

WILL MCERA RETIREMENT BE ENOUGH?

How much money will you need to retire on? There are differing opinions on how much of your pre-retirement yearly salary you can live comfortably on. 70% may be enough if you've paid off your mortgage and are in excellent health when you leave your job. But if you plan to build your dream home or travel around the globe, more than 70% may be needed.

Make realistic estimates about what kind of expenses you will have in retirement. Be honest about how you want to live in retirement and how much it will cost. These estimates are important when it's time to figure out how much you need to save to comfortably afford your retirement. One way to begin estimating retirement costs is to take a close look at your current expenses in various categories, and then estimate how they will change. For example, your

mortgage might be paid off by then - and you won't have commuting costs. Then again, your health care costs are likely to rise.

Once you begin receiving your pension, keep in mind that there are some expenses that you will no longer be subject to. You won't see deductions such as for Social Security deductions, retirement contributions and union dues on your MCERA pension benefit.

Consider that MCERA pensions are subject to federal income tax and California tax if you live in California. If you are not a resident of California, check with a tax expert about taxation in your state. Non-residents may also want to notify MCERA to not withhold state taxes from pension payments as MCERA only forwards state taxes collected to the State of California and no other state.

Retirement Board

Darlene Ingersoll,
Chair

Ryan Paskin,
Vice Chair

Alfonse Peterson,
Secretary

Karen Adams

Jason Goins

Ronald Kinchloe

David Ness

Jerry O'Banion

Michael Rhodes

Sam Spangler

Scott Johnston

INVESTMENTS

As of the end of May, MCERA has increased its investment position by 10.7% from last year.

MCERA Board has recently contracted with consulting firm, Cliffwater LLC, to advise the MCERA Board on matters regarding private equity, hedge, natural resource real estate, and infrastructure investment funds. Cliffwater brings a breadth of knowledge in these fields and the Board is optimistic about what they can bring to the Association.

Thus far the Board has made a commitment to a natural resources fund, EnCap, under their advisement and we look forward to other future investments. Verus Investments continues to advise the Board on general investment matters.

OPEN ENROLLMENT FOR RETIREE VISION

MCERA retiree Open Enrollment 2017 for vision coverage is tentatively being planned for the month of October beginning October 2, 2017 with the last day being October 31, 2017. Mark your calendars!

REMINDER

Just a reminder for members to keep MCERA updated of any beneficiary changes. This is important for active member as well as retired members, especially if your marital status has changed. Retired members need to ensure that MCERA has their most updated address, phone number and email address as well. Active members may update MCERA of address/phone changes via their respective employers.

MCERA Board Meetings

July 13

July 27

August 10

August 24

September 14

September 28

Meetings are held on the second and fourth Thursday of every month, with some exceptions.

Meetings begin at 8:15 am