

## Straight talk about the COLA

**T**here is understandable confusion regarding **Cost-of-Living Adjustments (COLAs)** and SCERA retirement benefits. SCERA has what is called an **ad hoc Purchasing Power COLA**.

The words ad hoc mean that the COLA is not a guaranteed benefit. It can only be granted when there are what is called "excess investment earnings" to pay for it. SCERA is different from other retirement systems in California that operate under the County Employees' Retirement Law (CERL) because we don't have a COLA that is automatically granted whenever there is inflation measured by the Consumer Price Index. The automatic COLAs are paid for by contributions from the employees and employers participating in those other retirement systems during employment. Employees and employers that are covered by SCERA have not been making any contributions to pay for a COLA.

To give some background, the benefits that SCERA administers are part of a body of law called the **County Employees' Retirement Law (CERL)** and the **Public Employees' Pension Reform Act (PEPRA)** adopted by the Sonoma County Board of Supervisors for County employees and the governing body of the other participating employers for those agencies that are not governed by the Board of Supervisors. This includes the retirement benefit a member receives in retirement and whether a COLA will be part of that benefit. Sonoma

County did not adopt an ongoing COLA, so the COLAs that have been granted in the past were a combination of the many COLA statutes in the CERL and they were paid for in various ways, including contributions from the employer and excess investment earnings.

As mentioned above, the COLA program in place today is the ad hoc Purchasing Power COLA. It can

only be granted when there are enough excess investment earnings to fully fund it. This means that before SCERA can recommend a COLA to the Board of Supervisors, who would then decide whether or not to approve it, we must first credit interest to our reserves (contributions we have received and set aside to pay benefits), fill up a reserve that is track-

ing the interest we weren't able to credit when we earned less than our assumed investment earnings rate, then put 3% of the plan's assets in a contingency reserve and finally have enough left over to fully fund the COLA over the assumed life of the benefit recipients. As you may have guessed, SCERA has not been able to recommend a COLA since 2008 because we have not had any excess investment earnings to fund it.

The SCERA Board understands how important a COLA is to our benefit recipients. They have initiated policy discussions aimed at determining the best way to measure the plan's financial health and analyze whether we can recommend a COLA be granted by the Board of Supervisors. The Board *Continued on back page.*







#### SCERA Board of Retirement

Brian Williams, Chair  
Bob Williamson, Neil Baker,  
Travis Balzarini, Chris Coursey  
Amos Eaton, Greg Jahn,  
Erick Roeser, Joe Tambe,  
Tim Tuscany

#### Board of Retirement Meetings

Meetings are generally held at 9:00 a.m.  
on the third Thursday of the month in  
the SCERA Board Room.

#### Executive Staff

Julie Wyne, Chief Executive Officer  
Jim Failor, Chief Investment Officer  
Cristina Hess, Assistant CEO/CLO

The SCERA Times is published for  
members of the Sonoma County  
Employees' Retirement Association.

Comments and suggestions  
should be directed to:  
Retirement@sonoma-county.org

Or contact SCERA at:  
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Santa Rosa, CA 95403  
(707) 565-8100

**This Newsletter** is not intended or designed  
to be financial advice, tax advice or legal  
advice. SCERA does not render financial, tax  
or legal advice. Please consult with your  
financial, tax and legal advisors regarding  
your personal circumstances.

**This Newsletter** was prepared by SCERA  
staff to help members understand issues  
surrounding many aspects of their retirement  
benefits. Every effort has been made to ensure  
the accuracy of the information provided.  
However, you should not rely solely on the  
information contained in the newsletter. If  
there is any discrepancy between information  
in this newsletter and legal requirements  
under State or Federal law, the law will  
govern.

## SCERA Retirement Seminars

Scheduled upcoming seminars that are  
currently open include the following:

TITLE	START DATE	TIME
Planning to Retire	11/14/2023	9:00 AM
Planning to Retire	12/5/2023	2:00 PM
Planning to Retire	1/10/2024	2:00 PM
Path to Retirement	1/17/2024	8:30 AM
Planning to Retire	1/19/2024	9:00 AM
Planning to Retire	1/31/2024	9:00 AM
Planning to Retire	2/7/2024	2:00 PM
Planning to Retire	2/13/2024	2:00 PM
Path to Retirement	2/29/2024	3:00 PM
Planning to Retire	3/11/2024	2:00 PM
Planning to Retire	3/14/2024	2:00 PM
Planning to Retire	4/3/2024	1:00 PM
Planning to Retire	4/11/2024	2:00 PM
Planning to Retire	4/23/2024	2:00 PM
Planning to Retire	5/3/2024	9:00 AM
Planning to Retire	5/8/2024	2:00 PM

A complete description of the seminars is available at [scereta.org](https://scereta.org). For those considering retirement  
please note attending a seminar is not a requirement. You can enroll in the seminars by logging into  
your [MySCERA](https://myscera.org) account and clicking on [Seminar Registration](#).

## SCERA Staff Updates

**SCERA** has had quite the busy year  
with promotions and new hires.

**Yecenia Gonzalez** was promoted  
to a Retirement Benefits Specialist  
II in the Member Services division.  
Yecenia previously worked as a  
Senior Office Assistant for SCERA.

SCERA also welcomed three  
new hires.

**Stacy Vasquez** was hired in  
May as our new Accountant I  
in the Finance & Retiree Ser-  
vices division. Stacy previously  
worked as an Account Clerk III

for the Community Development  
Commission.

In September, **Andrea Robles**  
was hired as our new Senior Office  
Assistant. Andrea previously  
worked as an Office Assistant II  
for Human Services.

**Bobbi Lovold** started in Octo-  
ber as our new Accountant III in  
the Finance & Retiree Services  
division. Bobbi previously worked  
as an Accountant II for the Auditor  
-Controller-Treasurer-Tax Collector  
department.

# Retirees/Recipients: Tax Information

## December Advice of Deposit/ Pay Check Stub.

As the year comes to an end we recommend that you keep your Advice of Deposit or pay check stub from your December 29, 2023 benefit payment. This document will list some year-end information that you will need when filing your taxes. Specifically, it will give you the year to date totals for your out-of-pocket cost of health, dental, and vision care. If you are itemizing your tax returns or claiming the health care credit for safety officers, you may need to list this information.

## 1099R – Pension Tax Document

As a pension payee, if you had taxable income, you will receive a 1099R from SCERA, not a W2 which is the tax document issued by an employer. SCERA will issue 1099Rs no later than January 31, 2024 as required by the IRS. These will be mailed to the address on file so make sure that your information is up-to-date. We will not re-issue any missing 1099Rs until the week of February 12, 2024 to allow for delays in the mail delivery.



**MySCERA Account** You may also access a copy of your 1099R in your MySCERA account ([myscera.org](https://myscera.org)). Please check your account now to ensure that you have created one. If not, please contact SCERA to have an enrollment letter mailed to you. If you have an account and no longer remember your login information, you will need to walk through the links on the home screen. SCERA's turnaround time for helping with MySCERA issues the week that 1099Rs are issued is going to be severely impacted.

**Pro Tip** Never schedule an appointment with a tax preparer until you have **ALL** of your required tax documents. Many companies are not able to process missing tax document requests the same day they are contacted. SCERA is no different!

## IMPORTANT DATES

### Retiree Pay Dates

November 30, 2023  
December 29, 2023  
January 31, 2024  
February 29, 2024  
March 29, 2024  
April 30, 2024  
May 31, 2024  
June 28, 2024  
July 31, 2024  
August 30, 2024  
September 30, 2024  
October 31, 2024  
November 27, 2024  
December 31, 2024



### Holiday Schedule 2023

November 10: Veterans Day  
November 23:  
Thanksgiving Day  
November 24: Day After  
Thanksgiving  
December 25: Christmas Day

### Holiday Schedule 2024

January 1: New Year's Day  
January 15:  
Martin Luther King Jr. Day  
February 12:  
Lincoln's Birthday  
February 19: Presidents Day  
April 1: César Chávez Day  
May 27: Memorial Day

Our office will be closed on these holidays, but we're still available at [scetire.org](https://scetire.org) when you need information on our programs and services. Our personalized, secure portal [MySCERA.org](https://myscera.org) lets you view your account information and conduct much of your SCERA business online at any time.

## Annual Planning Session Recap

### On October 11th and 12th, SCERA hosted its annual Planning Session meeting.

This year the Planning Session was heavily focused on investment matters. Topics covered during the two days included presentations on **China Relations & Economic Impacts**, **Timberland Investing** and an **Economic Review**; panel discussions covered: **Farmland**, **Fixed Income**, **Infrastructure**, **Equities** and **Real Estate**.

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## **Straight talk about the COLA**

recognizes that the COLA program as it is designed currently is not going to result in a COLA recommendation for the foreseeable future. A COLA Committee has been established with four Board members and SCERA staff to analyze the COLA benefit and the policies that affect it and initiate discussions with the County on

the benefit's future. The county discussion is set for early November and on December 14th the SCERA Board will meet to discuss COLA and reserve policy discussions. That meeting is open to the public and an agenda will be posted on SCERA's website with the meeting information.