



SFERS
San Francisco Employees' Retirement System

footsteps

Volume 5 ~ Issue 1 June 2010

A Message from the Executive Director



I am honored by this extraordinary opportunity to serve the public employees of this great City. I cannot imagine affiliating with a finer institution.

news accounts of San Francisco grappling with a challenging budget cycle, serious underfunding of pensions in California and elsewhere and threatening pension reform legislation. Our trust was valued at \$14 billion on April 30, 2010, and determined to be 97% actuarially funded as of July 1, 2009, arguably one of the best funded major plans in the nation. Please do not lose sight of our pension's sound position, amid these troubling news reports.

The Retirement System is guided by a Board, some of whose members you elect. They hold significant accumulated tenure, impeccable integrity and vast knowledge of plan investments and benefits. Our goal is to maintain best-of-class member services.

It is necessary to acknowledge the Retirement Services team for "rallying-to-the-call" in response to the City's recent lay-off and furlough plans. Combined with the Wellness program expiration they have driven an unprecedented number of retirements in 2010. The staff has delivered efficient group counseling sessions and preparation of the newly devised "QWIKCALC" planner, enabling me to assure the City and the unions that every pre-July 1 retirement application will be processed timely. This was accomplished at no additional cost to the City or the plan. It is a privilege to work with such a dedicated group!!!

In closing, I commit to assuring all members confidence that the Retirement System will provide best-of-class service and a sound pension, so that you may enjoy that which you have earned during what will hopefully be a most satisfying time in your life.

Respectfully,
Gary A. Amelio
Executive Director

The decision to move across the country from Washington, D.C. was not difficult to make. The Retirement System has a highly regarded national reputation in the pension industry for integrity, performance and solid funding, making San Francisco an obvious career choice.

This newsletter offers an opportunity to share some of my background with you. I hail from Pittsburgh [Pennsylvania not in the east bay] and am a proud alumnus of the University of Pittsburgh and its Law School. My career spans three decades, the last seven years in our nation's capital, working in the employee benefits, investment and public funds industry.

This experience includes leading the largest public fund in the U.S. and the largest defined contribution plan in the world: the "Thrift Savings Plan" for Federal civilian employees and the military; which now holds \$234 billion in assets and services 4 million participants. I served for several years as a consultant to SUNGARD on international retirement programs, as President of ULLICO aiding the benefit needs of unionized workers, and nearly two decades servicing public and Taft Hartley benefits plans at major U.S. banking institutions.

Among the most important roles that the Executive Director provides is to assure Retirement System members that the trust is well funded and prudently invested. You are no doubt alarmed by the daily

Legislation Proposes Pension Reform

Supervisors Eric Mar and David Campos are sponsoring a charter amendment (Proposition D) aimed at pension and retiree health care costs that will appear on the June ballot. For employees hired after June 30, 2010, the charter amendment proposes to:

- Require public safety employees to pay 9.0% of pay toward pension costs (currently 7.5%)
- Modify the average final compensation calculation for pensions from a one-year formula to a two-year formula

SFERS will provide members with information on the outcome of the proposed legislation and anticipated impact to the System and our members as soon as it is available. And if passed, SFERS is prepared to immediately implement appropriate systems and services to accommodate the reforms.

In the meantime, you can find detailed information about the Charter Amendment mentioned above on the Department of Elections website at <http://www.sfgov.org/site/elections>.



Annual Member Statements Mailed in August

SFERS Annual Member Statements for fiscal year ended June 30, 2010 will be mailed to you in August. Please take a few moments to read your annual statement when you receive it. The statement contains important information about your retirement account including:

- Membership Information
- Account Information
 - account balance (contributions plus interest)
 - account shortage
 - "Gilmore" balance
- Service Credit Information
 - years of service
 - San Francisco Charter section covering Plan membership
- Buyback Opportunities
 - type of buyback
 - years of service purchased
 - cost to buyback service

In addition to details about your personal account, your annual statement includes other valuable information. On the back of your statement, you will find key contact information for SFERS, charter references to help you identify the appropriate Summary Plan Description which describes provisions of the Plan under which you are covered, and descriptions of the various types of buyback opportunities.

If you do not see a "Buyback Opportunities" section on your statement, that means you do not have an account shortage, or that they are not being reported (buyback opportunities for service rendered prior to 1984 is not available). If you believe you should have a buyback opportunity that is not shown on your annual statement, please contact us.

Reciprocity vs. Public Service Buyback

Understanding the difference between reciprocity and public service buyback can be confusing. Following is an explanation of the distinction and how each may help with your retirement goals.

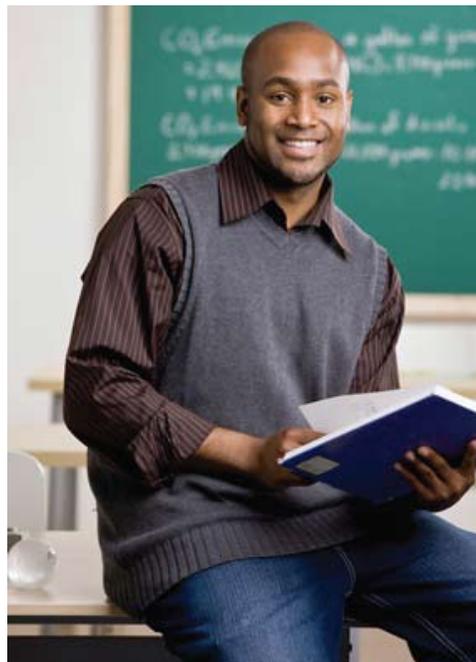
Reciprocity allows members to use the total service credit earned under each qualifying ("reciprocal") public retirement system to help qualify for a retirement benefit **with each qualifying retirement system. Purchase of public service** ("buyback"), allows members to purchase service credit earned with qualifying public retirement systems for **credit with SFERS.**

Under reciprocity, there is no transfer of your retirement contributions or service credit between retirement systems. You continue to be a member of each system and are subject to the membership, benefits, and rights of each system. For example, if a member earns six years of service credit under "Retirement System A", six years of service credit under "Retirement System B", and eight years of service credit under "Retirement System C", and qualifies for reciprocity between all three plans, the member can use the total accumulated service credit (20 years) to help meet retirement benefits eligibility and/or vesting requirements under each plan. However, each plan will pay you a benefit based on the actual service credit you earned under that plan, and you must retire from each plan with the same effective retirement date.

On the other hand, with purchase of public service, members may purchase service credit earned with qualifying public retirement systems in order to have the service credited with SFERS. Eligible public service includes time worked for the federal government (non-military), the State of California, or for a public agency in California, prior to your membership in SFERS.

If a member earns five years of service credit working for the State of California prior to becoming a member in SFERS, then earns 15 years of service credit under SFERS, he or she may be eligible to purchase his or her California service as a public service buyback. When your service or disability pension is calculated with SFERS, the benefit will be based on total years of service including any public service that was purchased. Members may purchase eligible public service at any time prior to retirement. Public service may not be purchased into the SFERS Safety Plans.

If further clarity is required about the difference between reciprocity and purchase of public service, you can find additional information on the SFERS website at www.sfers.org.



*Before you speak, listen.
Before you write, think.
Before you spend, earn.
Before you invest, investigate.
Before you criticize, wait.
Before you pray, forgive.
Before you quit, try.
Before you retire, save.
Before you die, give.*

- William A. Ward



SFCDP Deferrals

Eligible members affected by City layoffs and/or retirement can contribute post severance, sick, and vacation pay to the San Francisco 457(b) Deferred Compensation Plan (SFDCP) up to 2 ½ months after separation of service, if the following criteria are met:

- A SFDCP account is established prior to separation from service;
- A written election to make the deferral is signed by you the **calendar month prior to separation from service**; and
- The written election is provided to both the Retirement System and your payroll officer for processing the **calendar month prior to separation from service**

Annual contribution limits in 2010 are restricted to the maximum allowable amount of \$16,500 or \$22,000 if you are age 50 or older and you elect the catch-up provision. For more information please contact 415-487-7074.

Seminar Dates

Learn about your retirement benefits—Register for a Retirement Seminar today!

Registration is first come, first served and space is limited, so register early. For more information visit our website at www.sfers.org and click on “Forms & Publications.”

**Pre-Retirement
September 8, 2010**

**Mid-Career
October 27, 2010**

**Pre-Retirement
December 8, 2010**



SFERS Board Members

President

Al Casciato
Elected Member

Vice President

Brenda Wright
Appointed Member

Joseph D. Driscoll, CFA
Elected Member

Sean Elsbernd
*Member appointed by the
Board of Supervisors*

Herb Meiberger
Elected Member

Vacant
Appointed Member

Vacant
Appointed Member

Meeting Schedule:

Meetings are held on the second Tuesday of every month.

Meetings begin at 8:30 am at the SFERS Office 30 Van Ness Avenue, Suite 3000 (3rd Floor).

Meetings are open to the public.

Agendas/Minutes:

www.sfers.org/Board
Minutes and Agendas

SFDCP

Stable Value Rates:

| | |
|-------------------------|--------------|
| 4/1/10 – 6/30/10 | 3.45% |
| 1/1/10 – 3/31/10 | 3.40% |
| 10/1/09 – 12/31/09 | 3.30% |
| 7/1/09 – 9/30/09 | 3.25% |



SFERS

San Francisco Employees' Retirement System

30 Van Ness Avenue, Suite 3000
San Francisco, CA 94102



SFERS *has a new look*

Contact Us:

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San Francisco, CA 94102

Telephone: (415) 487-7000
Out of Area: 1 (888) 849-0777

Website: www.sfers.org

Organizations of Interest

Health Service System

Dept. of Human Resources

Social Security Administration

CalPERS

SFDCP (GWRS)

Internet Link

www.myhss.org

www.sfgov.org/dhr

www.ssa.gov

www.calpers.ca.gov

www.sfdcp.org

Phone

(415) 544-1750

(415) 557-4800

1 (800) 772-1213

1 (888) 225-7377

1 (888) SFDCP4U

1 (888) 733-2748