



SFERS
San Francisco Employees' Retirement System

milestones

Volume 6 ~ Issue 1 February 2011

A Message from the Executive Director



SFERS like most of the pension industry welcomes the New Year. 2010 proved to be a challenging time for the industry in general and public pension funds in particular. The

Retirement System continues to weather the storm of challenges and remains on course, with an experienced Board and senior management team maintaining a steady hand on the "tiller." The Trust Fund is prudently invested, the Plan's benefits soundly funded, and the staff consistently provides unyielding service to the members.

The Trust returned 12.55% for the fiscal year ended June 30, 2010, and totaled a market value of \$13.1 billion, up \$1 billion from the previous year, with an actuarial funding ratio of 91%—evidence of SFERS' resiliency.

A piece of legislation directly impacting the Plan was approved since our last newsletter. In June 2010 the voters approved Proposition D; a Charter amendment increasing the amount of contributions new safety employees (i.e. those hired on or after July 1, 2010), will pay into the pension. This legislation also modified the average final compensation calculation for all new members (i.e. those hired on or

after July 1, 2010), from a one-year formula to a two-year average formula. SFERS is implementing these new plan provisions.

I continue to reiterate the message conveyed in the last newsletter: SFERS is dedicated to its mission of securing, protecting and prudently investing pension Trust assets, even through such epic times.

With an accomplished, well-informed Board at the helm, SFERS remains an industry leader in both performance and funding. In July, the Mayor appointed two new members to the Board filling once vacant seats. Our new Commissioners—Wendy Paskin-Jordan and Victor Makras, bring vast experience to the Board, and complete a formidable group.

In closing, I commit to assuring all members confidence that the Retirement System continues its work to uphold the soundness of the pension while providing the level of service that you have come to rely and expect. Integrity, service and accountability are our core values and the hallmark of SFERS' business service model.

Respectfully,
Gary A. Amelio
Executive Director

The Retirement Board Approves Supplemental COLA for 2010

Each December, the Retirement Board determines whether the Trust gained sufficient earnings to pay a Supplemental COLA. The Supplemental COLA Analysis, prepared by SFERS consulting actuary was presented at the December meeting. The analysis reflected sufficient excess earnings on the Trust in Fiscal Year 2009-10 to warrant a Supplemental COLA.

The Supplemental COLA may be paid in addition to the Basic COLA in years when the Retirement Fund realizes sufficient excess earnings to pay for the Supplemental COLA. When combined with the Basic COLA, the Supplemental COLA can increase your monthly retirement benefit up to a maximum of 3.5% over your previous June 30th retirement allowance.

As a result, the Supplemental COLA, effective on July 1, 2010, will be paid retroactively to members or survivors whose benefits became effective on July 1, 2010 or before, in the February 2011 monthly allowance.

The benefit payment amount received in the February 28, 2011 allowance, will reflect the regular monthly benefit amount for February (which includes the Basic and Supplemental COLA increases), plus the retroactive Supplemental COLA amount owed from July 1, 2010 – January 31, 2011.



Heart of the City - Combined Charities Campaign

The Retirement System extends its sincere gratitude to the generous retirees who contributed to the City's Combined Charities Campaign. SFERS' retired members donated more than \$10,000 to Combined Charities. Without doubt, your dollars will help to make someone's life a little brighter. A BIG thank you to all who participated!

Good Health... a Good Resolution for the New Year

Many of us resolve at the beginning of the New Year to improve our health. 2011 should be no exception! The City and County of San Francisco offers low cost movement classes at City Hall and 1 South Van Ness to help you along the way. All movement classes are open to retirees as well as employees. Depending on the class and location, fees range from \$2 to \$5 per class. The class calendar is available at www.myhss.org/events/seminars.html.

Also, all retirees are welcome to join a Weight Watchers at Work group at any time. The cost for a four month series, which includes 17 weekly meetings and e-tools, is \$186. For those who join after the first three meetings, fees will be pro-rated. For more information about Weight Watchers dates, times and locations visit www.myhss.org/events/ww.html.

Retirees who are enrolled in the Blue Shield 65 Plus Medicare Advantage plan are now being offered a Silver Sneakers fitness benefit. Enrollees in Blue Shield 65 Plus are given, at no additional cost, fitness club access to a large number of gyms nationwide, including participating Curves and YMCA locations. 65 Plus enrollees can call Blue Shield at (800) 776-4466 to get more details about this benefit.

1099R Tax Forms Mailed in January

1099R forms for Tax Year 2010 were mailed to all benefit recipients beginning the last week of January (but no later than January 31, 2011). Your 1099R form is mailed to the address of record with SFERS. Be sure to keep your mailing address current with SFERS to avoid a delay in receiving your 1099R.

The amount of SFERS benefits paid to you beginning December 1, 2009 through November 30, 2010 is included on the 1099R for tax year 2010, and the amounts reported on the 2010 1099R are the same as your year-to-date balances on the retirement allowance dated November 30, 2010. General descriptions and definitions of all reporting boxes on the 1099R form, can be found on the back of this Form.

If you have questions regarding the amounts reported on your 1099R, you can call us at 415-487-7062 or submit your questions in writing to:

SFERS, 1099R Processing
30 Van Ness Avenue, Suite 3000
San Francisco, CA 94102.

If you discover that you need to increase, decrease or stop tax withholding from your SFERS

retirement allowance, you may download a SFERS Tax Withholding Form from the SFERS website at www.sfers.org, and mail or fax the completed form to the SFERS office. You may also contact our office at 415-487-7000 to request the form. The deadline for processing changes to the retirement payroll is the 10th of the month in which the change is to occur. For example, if you want to change your withholding for the month of March, your request must be received by the SFERS Office by March 10th.

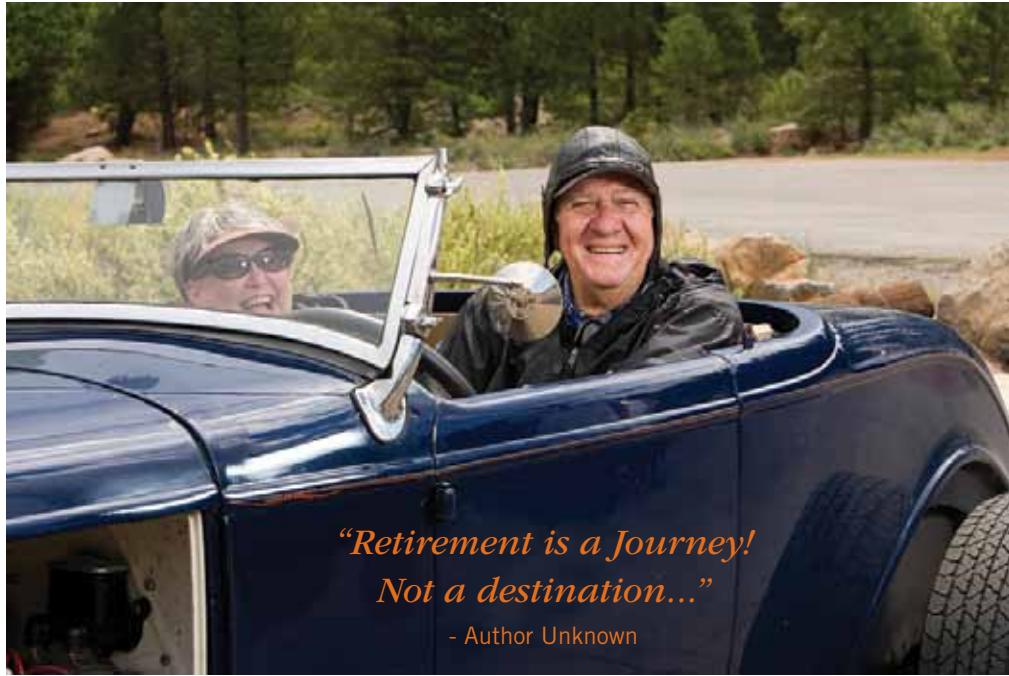
Requests to change tax withholding received by the SFERS Office after the 10th of the month will be processed for the retirement allowance payable at the end of the following month.



Need Verification of Your Pension Income for a Loan?

SFERS regularly receives requests for verification of member pensions from financial institutions. In order for SFERS to disclose pension information to a third party such as a mortgage company, we require written authorization signed by the member, mailed or faxed to our office (SFERS does not accept verification requests by telephone or e-mail).

Each request is processed according to the date on which it is received. SFERS understands the urgency of these requests and therefore, makes every effort to respond to each request in a timely manner.



Important Dates

It's not always easy to remember when COLAs are paid, when to report a check lost or stolen, or when to expect your 1099R. For your convenience, SFERS is providing a brief guide to help you keep track of important dates regarding your monthly retirement allowance.

Pension Checks Mailed:	Always on the last day of the month.
EFT Funds Credited:	First business day of the month for your financial institution. Monthly allowances deposited directly into your bank are transmitted electronically to your bank on the last day of the month (e.g. if the last day falls on a weekend, the funds are transmitted on Friday).
Report a Check lost or stolen:	Tenth day of the month following the mailing (e.g. August 10th if July 31st check is lost).
Basic COLA paid:	Paid in July 31st check, effective July 1.
Supplemental COLA paid:	In years when a supplemental COLA is paid, it is paid in the February 28th check, retroactive to the previous July 1.
1099R Released:	Last week in January for tax year ending 12/31 of prior year.
Last Check for tax Year:	November 30 (year-to-date earnings and tax deductions data that will appear on your 1099R).



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

Victor Makras
Appointed Member

Herb Meiberger, CFA
Elected Member

Wendy Paskin-Jordan
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:

1/1/11 – 3/30/11	3.60%
10/1/10 – 12/31/10	3.60%
7/1/10 – 9/30/10	3.55%
4/1/10 – 6/30/10	3.45%



SFERS

San Francisco Employees' Retirement System

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



Contact Us:

30 Van Ness Avenue
Suite 3000 (3rd Floor)
San Francisco, CA 94102

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

Website: www.sfers.org

Organizations of Interest	Internet Link	Phone
Health Service System	www.myhss.org	(415) 544-1750
Social Security Administration	www.ssa.gov	1 (800) 772-1213
The Retired Employees of the City and County of San Francisco	www.reccsf.org	(415) 681-5949
CalPERS	www.calpers.ca.gov	1 (888) 225-7377
SFDPC (GWRS)	www.sfdcp.org	1 (888) SFDPC4U 1 (888) 733-2748