

Free Spirit

San Diego City Employees' Retirement System

Volume 5, Issue 1 Summer 2004

Message from the Administrator

Working through litigation, audits, and constant public scrutiny is never easy. But your SDCERS staff continues to keep the work flow moving while identifying ways to improve our systems and processes for administering your retirement benefits.

In May, the Board approved our proposed FY2005 budget. One of the highlights in the budget this year is a special project to develop an electronic data management system (EDMS). Implementation of this EDMS system will significantly streamline our records management process and greatly improve the security of your personal information on file with SDCERS. The initial analysis has already been completed and the first phase of development is set to begin this summer.

We're also continuing to process the huge volume of Purchase of Service Credit (PSC) requests we received from City employees late last year. In May, PSC rate increases for Unified Port District and Airport

Continued on page 3

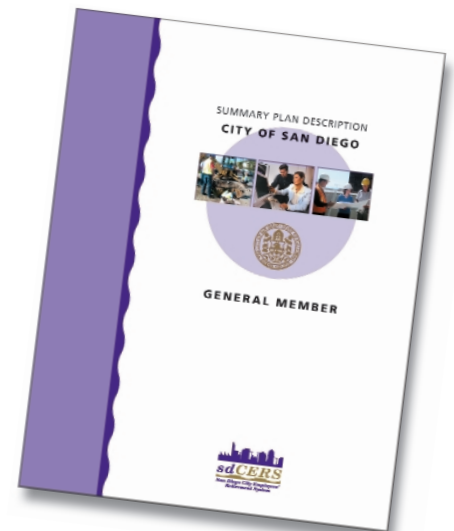
Summary Plan Description Updated for City General Members

After months of anticipation the new SDCERS Summary Plan Description (SPD) for City of San Diego General Members, is now available.

Summary Plan Descriptions provide information about retirement, disability, death and survivor benefits available to specific member groups and their eligible beneficiaries. Within the pages of the SPD you will find eligibility guidelines, contribution rates, benefit calculation rates and worksheets, payment option descriptions, and more.

In early June, SDCERS mailed each City of San Diego General Member a copy of the new SPD to their home address. If you did not receive one or have misplaced the one we mailed you, please visit our website at www.sdcers.org under Publications/Summary Plan Descriptions to download a free replacement copy or call our office at (619) 525-3600 to request one.

Please note that the information in the City General Member SPD is only applicable to those active City employees who meet the eli-



gibility criteria for the General Member benefits group. Police, Fire, & Lifeguard Safety Members will receive their own updated SPDs later this summer. Unified Port of San Diego and San Diego County Regional Airport Authority members will receive updated SPDs later this year.

The SDCERS Summary Plan Description booklet is a valuable reference tool. We encourage all our members to keep a copy of their SPD in a safe place along with other important financial documents for easy future reference.

State Law Changes Benefits to Include Domestic Partners

by Roxanne Story Parks, Assistant General Counsel

On September 19, 2003, (former) Governor Gray Davis signed into law the Domestic Partner Rights and Responsibilities Act of 2003, which grants to registered domestic partners virtually all of the same rights, benefits and responsibilities afforded to married spouses under California law. California has allowed domestic partners to register with the state since 1999, but this new law will greatly expand the significance of registration when it takes effect on January 1, 2005. The new law does not affect federal rights or benefits, such as immigration rights, social security benefits, federal tax law, or coverage under federal employment benefits laws.

To be eligible to register, either: (1) both partners must be members of the same sex, or (2) at least one of the partners must be over 62 and meet the definition of an “aged individual” under the Social Security Act. In addition, both partners must be at least 18 years old, unmarried and share the same residence. Domestic partners who have already registered with the state will automatically be covered by the new law unless they terminate their registration before January 1, 2005.

Under the new law, any right or benefit offered by an employer to married employees must be extended to employees with registered domestic partners. This

includes the retirement benefits offered under SDCERS. For example, the “maximum benefit” available when you retire currently guarantees your “spouse” at the time of retirement a 50% automatic continuance for his or her life, if your spouse outlives you. A member who retires on or after January 1, 2005, will be able to name his or her registered domestic partner to receive this 50% continuance.

The new law also affects the death benefits available under SDCERS. For instance, the “industrial death benefit” and “death while eligible [to retire]” benefits currently provide a monthly continuance to the member’s surviving spouse. These benefits will be extended to registered domestic partners of members who die on or after January 1, 2005.

One of the most significant changes made by the new law is to extend community property rights to domestic partnerships. In California, retirement benefits that you earn while you are married are considered community property. Generally speaking, community property is everything acquired by a husband and wife during their marriage that is not defined as separate property. This includes the earnings of either spouse, everything bought with the earnings of either spouse, and

the benefits earned by either spouse.

Under the new law, salary and benefits earned by registered domestic partners on and after January 1, 2005, including SDCERS retirement benefits, will be considered community property. If the partnership is terminated, the Superior Court will have jurisdiction to divide these assets, just as it would in marital dissolution (divorce) proceedings. Current domestic partners must terminate their registration before January 1 if they want to avoid the community property treatment.

If you are currently in, or are considering entering into, a registered domestic partnership, and have questions regarding this new law, you should consult an attorney experienced in family law. If you would like to register your domestic partnership, the required forms and instructions are available on the California Secretary of State’s website at www.ss.ca.gov/dpregistry/index.htm or by calling that agency at (916) 653-4984.





San Diego City Employees'
Retirement System

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BOARD MEETINGS

(Open to the public)

Date: Third Friday
of every month

Time: 1:30 p.m.

Location: 401 B Street, Ste. 400
San Diego, CA 92101

Phone: 619-525-3600

♿ This facility is wheelchair accessible!

RETIREMENT BOARD ELECTION

The SDCERS' Board of Administration will be holding an election in the coming months to fill the Retiree Representative seat. The new six-year term will begin as of December 2004.

If you are a SDCERS Retiree and interested in running for the seat, please contact Joanne Leebolt, Board Secretary at (619) 525-3655 for more information.

Election results will be published in the Winter 2004 edition of *Free Spirit*.



Administrator's Letter, continued from page 1

Authority members created yet another flood of requests that were put into the cue for processing. While we're making great progress in processing all of the requests we have on file, we still have a long way to go. So, if you've sent in a request in the last 6 months but haven't heard from us yet, don't worry, we'll be contacting you just as soon as we can.

Lastly, on the investment front, things are looking up. When I first began writing this column last spring, we were knee deep in the longest bear market since the great depression and total assets for the Fund were valued at \$2.6 billion. Since then, we've watched the markets make some impressive gains as well as take a tumble or two. But while world events and a lack of consumer confidence continue to plague stock markets

around the globe, at print time, the San Diego City Employees' Retirement System Trust Fund had increased total assets to \$3.1 billion.

This significant increase in the Fund is a strong indication that we will be able to tell our retirees later this summer that they will be receiving their 13th check and Corbett payments in November. Of course, the final word on this subject will come after we close our books in June 2004, so stay tuned for the official announcement in the next issue of *Free Spirit*.

In the meantime, make sure to visit our website at www.sdcers.org where you can find the most up to date news and information about SDCERS and your retirement benefits.

Long-Term Care Insurance: Who Needs It?



WHAT IS LONG-TERM CARE?

Long-term care is the assistance you may need with regular personal care due to a serious accident, chronic illness or the frailties of old age. Some people may require help with bathing, dressing, eating or other activities of daily living. Others may suffer from a cognitive impairment such as Alzheimer's disease and require monitoring and support to help them live comfortably. Long-term care can include personal care in an adult day care facility; assisted living facility; home health, hospice, or respite care, among others.

HOW MUCH DOES LONG-TERM CARE COST?

Costs can vary depending on your personal needs, the area you live in, whether the individual assisting you has medical training, and the size of the facility. Nursing home costs in California can range between \$90 to \$200 a day. Residential care facilities providing assisted living can cost between \$45 to \$70 or more a day. A live-in companion or homemaker can cost \$155 or more a day. Today, the cost for one year in a nursing home averages over \$53,000 per year.

WHAT IS LONG-TERM CARE INSURANCE?

Long-term care insurance is designed to help pay for extended care when you need assistance or supervision of normal activities of daily living. Depending on the plan you choose, this could include either in-home assistance, community based care, or both.

IS LONG-TERM CARE INSURANCE EXPENSIVE?

Long-term care insurance is relatively inexpensive at any age, but the younger you are when you apply, the lower the cost will be. Given the high cost of long-term care, individuals who carry long-term care insurance plans are better able to protect their families, income and resources from financial hardship in the event of a long-term care need.

DOES SDCERS OFFER A LONG-TERM CARE INSURANCE PLAN?

SDCERS does not offer a long-term care insurance plan. However, all California public employees and retirees (including City of San Diego, Unified Port of

San Diego, and San Diego County Airport Authority employees) are eligible for long-term care insurance directly through CalPERS. This coverage is also available to public employee's siblings (age 18 and older), spouses, parents, and parents-in-law.

HOW CAN I GET MORE INFORMATION ABOUT LONG-TERM CARE?

For general information about long-term care in California visit the California Partnership for Long-Term Care home page on the Department of Health Services website at www.dhs.ca.gov/mcs/cpltc (click on the Comprehensive Brochure link under the "Of Special Interest" section on the right side of the page).

For information about the CalPERS Long-Term Care Program visit the CalPERS website at www.calpers.ca.gov or call (800) 266-1050.

The Retiree Report

Retiree Update

*By Dave Crow,
Retiree Representative*

By now you should have received notice of the proposed Settlement and Fairness hearing on the four lawsuits filed against the City and SDCERS. The hearing has been re-scheduled for July 7th in Superior Court. The final results of the lawsuits will be made known after the hearing.

Keep in mind that the settlement of any or all of the lawsuits will have NO effect on your 13th check or Corbett payments. Both the 13th check and Corbett are contingent benefits that are paid when SDCERS investments have realized sufficient "surplus undistributed earnings."

Additionally, settlement of these lawsuits WILL NOT provide any new benefits to SDCERS retirees.

Lastly, some questions have been asked about the impact on retiree health benefits as a result of the new Medicare rules. The new rules take effect in January 2006. Thus far, no decisions have been made by the City regarding the Medicare rules and any effect they may have on the current retiree health care benefits. Any impact of the new rules will probably be subject to meet and confer sessions in FY 2005 for the health care year beginning on August 1, 2006.

My best to all of you. Stay well and enjoy your retirement years.

CARECOUNSEL TIP

HEALTHCARE ASSISTANCE PROGRAM

At the April meeting, the SDCERS Board of Administration voted in favor of extending our contract with CareCounsel through April 2005. CareCounsel serves as a personal healthcare advocate providing confidential, independent assistance to SDCERS retirees at no cost as they use their healthcare benefits.*

CareCounselors are Registered Nurses and Masters level healthcare professionals, available by phone to help SDCERS retirees with a variety of healthcare issues.

How can CareCounsel help you? Their assistance services include:

- Open enrollment assistance
- Choosing a health plan
- Selecting a primary care provider or specialist
- Getting the most from your doctor's visits
- Resolving questions and concerns regarding managed care services
- Identifying affordable community resources and support groups

...and much more!

Just call 1-888-227-3334 weekdays between 8:30 am and 5:00 pm PST to speak with a personal healthcare advocate.

Visit CareCounsel on the web at www.carecounsel.com for more information.



**CareCounsel does not provide medical advice or treatment.*

"My CareCounselor helped me choose a health plan that made sense for my family."

"The CareCounselor was great to work with. It would have been helpful to have her involved right from the beginning of the problem with my insurance company. Her greatest contribution was to keep me going in the fight and to continue the months of work I had done before she was assigned."

"This program is such a great help. It is very difficult to understand a lot of the health care language. Thanks for all the help!"

Corbett Benefit

Each year the question of whether the Corbett benefit will or won't be paid becomes a hot topic of discussion for our City retirees. It's something of a waiting game each summer to see whether the Fund will end the fiscal year with enough money to pay the contingent benefits.

While we won't have an official answer to that question for another month or so, we thought it might be helpful to include some basic information about the Corbett benefit to help you better understand the subject.

- The settlement of the Corbett lawsuit resulted in an annual 7% increase of retirement benefits for all City retirees who retired on or before June 30, 2000.
- The 7% increase accrues monthly but is paid annually only in years in which the Fund has realized sufficient "surplus undistributed earnings."
- In years when the Fund does not have enough "surplus undistributed earnings," the increase is carried forward to be paid in a future year.
- When the retiree dies, any amount accrued for that year or previous years not paid, will be paid to the retiree's estate or beneficiary.

If you have any questions about the Corbett benefit, please call SDCERS at 619-525-3600 or toll free at 800-774-4977.



RETIRED FIRE & POLICE OFFICERS' ASSOCIATION

President's Message

Well finally, a light at the end of the tunnel. It looks like we may be receiving Corbett payments for this year and two prior years, plus the 13th check toward the end of this year. Check Dave Crow's article for the particulars.

By now, all dues-paying members of the Association should have received a packet of information containing a new roster, a Foundation brochure, and an Association decal, (a lapel badge was also sent to those who hadn't already received one). If a correction is needed, or you didn't receive a packet, please contact our Webmaster, Jim Caster at www.sdrfp.com or call our Message Center at (619) 237-7474.

Since the *Free Spirit* is the only way we have to communicate with non-association retirees, please take a moment to check out our website and if you like what you see, consider filling out the on-line application form and sending it in. We need your support and you will become a member of a great Association.

Our Foundation is doing well, thanks to your generous donations. These funds enable us to not only assist our members who may need temporary help but also to be a positive force within our community by helping select-ed charities. We have chosen the Special Olympics as one of the organizations we will assist both physically and financially. This year's Greater Games was held at San Diego State University June 5th and 6th. The athletes love to compete and we all had a great time. The Law Enforcement Torch Run from Tijuana to Orange County took place prior to the Games and was a major fund-raiser for the Special Olympics. Richard Allen, from our Board followed the runners in a motor home as the support vehicle.

Jim Clem will be working with Stan Elmore on the Retired Issues Committee. This ongoing committee assists the Mayor and City Council in understanding and solving some of the many problems facing San Diego.

Hopefully, by the time you read this, the recent break-in at Local #145's office will have been solved with no major security damage to any of our people. Everyone

concerned has taken proper security precautions.

By now you should also have been given information about the options for health insurance plans that are available, or an update on what is being negotiated.

We have met with both Police Chief William Lansdowne and Fire Chief Jeff Bowman and feel we have an excellent working relationship with both departments. We are very fortunate to have these two men with us as well as Ron Saathoff (Local #145), Bill Farrar (P.O.A.), and all the other organizations we are involved with.

If you have general Association business or questions please call our Message Center at (619) 237-7474. It is checked daily and someone will respond to your call as quickly as possible.

That's it for now, so until next time, enjoy your retirement.

Jim Kline, President



In Memoriam

Jeffrey H. Basham
Fire-Rescue Department

Craig A. Castenada
City Council Office

Donald W. Condee
General Services

Susan Dendekker
Transportation

David P. Fardy
Metropolitan Wastewater

John D. Freeman
Park & Recreation

Harry T. Galloway
Fire-Rescue Department

Larry L. Griffin
Utilities

Amos Lee Hall
General Services

William R. Herndon
Park & Recreation

Frederick Howe
Metropolitan Wastewater

Herbert R. Hunter
Utilities

Lonell B. Malin
Library

Eduardo Medina
Police Department

Silas Puentes
Water Department

Perry C. Scott
General Services
Unified Port of San Diego

Carol Skiff
Community & Economic
Development

Delbert W. Smith
Water Department

Blaisdell Soule
Park & Recreation

W. Ronald Taylor
Fire-Rescue Department

Larry D. Triplett
Police Department

Jean D. Upham
Library

Louie A. Vega
Fire-Rescue Department

Keith G. Wells
Park & Recreation



IMPORTANT PHONE NUMBERS

SDCERS – Retirement
General Information
619-525-3600

To Schedule an
Appointment
619-525-3601

Toll Free
800-774-4977

CareCounsel
888-227-3334

City of San Diego
Risk Management
619-236-7300

American Express
401(K), SPSP
800-626-6504

AIG/VALIC
Deferred Compensation
888-568-2542

Unified Port of San Diego
Human Resources
619-626-6430

Smith Barney
Deferred Compensation
800-821-4593 x444

Airport Authority
Human Resources
619-400-2515

Hartford
Deferred Compensation
619-641-0039

Recent Retirements

Robert T. Agerbeek
Police Department

Jesse R. Almos
Police Department

Jeremy T. Anderson
Water Department

Purita B. Andrews
City Clerk Department

Jose A. Angulo
Park & Recreation

Maria E. Arroyo
Police Department

Eunice C. Au
Library

Henry D. Banks
Metropolitan Wastewater

Joan L. Bennett
Metropolitan Wastewater

Harry W. Besnoy
Unified Port of San Diego

Jagdish L. Bhola
Water Department

Bobbie J. Bishop
Fire-Rescue Department

Ronald E. Bower
Unified Port of San Diego

Glenn A. Breitenstein
Police Department

Robert D. Brown
Police Department

Ronald S. Buchko
Engineering & Capital Projects

James L. Burleigh
Fire-Rescue Department

Kathleen V. Burns
Library

Patricia C. Bush
Library

Leon E. Bryd, Jr.
Metropolitan Wastewater

Samuel T. Campbell III
Police Department

William H. Campbell
Police Department

Arthur L. Candler
Park & Recreation

Donald B. Caro
General Services

Jill M. Carroll
Park & Recreation

Joseph V. Caruso
Water Department

Stewart A. Cerveny
Real Estate Assets

Thomas Choloff
Unified Port of San Diego

Dorothy R. Collier
Environmental Services

James A. Crise
Transportation
Department

Bradley J. Cronk
Fire-Rescue Department

Jeannie Dantzler
Metropolitan Wastewater

Donald A. Dewey
Transportation Department

James C. Duncan
Police Department

Thang Duong
Park & Recreation

Thomas W. Dush
Fire & Life Safety

James L. Dysland
Unified Port of San Diego

Lawrence K. Eyre
Unified Port of San Diego

Susan A. Felkner
Governmental Relations

David A. Foster
Transportation Department

Albert F. Gerber
Metropolitan Wastewater

Esquiu Gonzales
Transportation Department

Pedro R. Gonzalez
Environmental Services

Larry F. Gordon
Police Department

Jorge E. Guevara
Police Department

Josephine Gussa
Water Department

Mark L. Harris
Unified Port of San Diego

James R. Hauser
Police Department

John A. Henson
Police Department



Recent Retirements

Allen R. Ihde
Fire-Rescue Department

Linda L. Ikeda
Environmental Services

Robert F. Jackson
Police Department

William E. Jeffers
Police Department

Jan E. Johnson
City Clerk Department

Nabil Karaman
General Services

Jon L. Kern
Police Department

Don C. Kinney, Jr.
Police Department

Angeles Leira-Alvarino
Planning Department

Larry Leptich
Fire-Rescue Department

Michael V. Lopez
General Services

Richard V. Lowry
Fire-Rescue Department

Daniel D. Luth
Police Department

Neil A. Malmquist
Unified Port of San Diego

Armando Medina
Transportation Department

Jimmie L. McCaskill
Police Department

Richard A. Miro
Police Department

Helene Moeller
Risk Management

Scott D. Nailiboff
Police Department

Clinton Nailon
Transportation Department

James A. Nunez
Water Department

Robert W. Nunley
Police Department

Ronald D. Ogo
Environmental Services

John C. Peterson
Metropolitan Wastewater

Luis R. Posas, Jr.
Metropolitan Wastewater

Barbara S. Poyser
City Treasurer Department

Harry E. Purvis
Environmental Services

Grant E. Raybould, Jr.
Police Department

Billy J. Robinson
Police Department

Robert A. Roche
Police Department

Luis F. Sandoval
Water Department

Robert T. Sawyer
Fire-Rescue Department

Clarence D. Sievert
Airport Authority

David A. Silva
Water Department

Martha L. Smith
Unified Port of San Diego

Frances B. Spear
Environmental Services

Christine M. Stein
Unified Port of San Diego

Thomas F. Steinke
City Attorney Department

Grant R. Telfer
City Attorney Department

Nancee L. Thomas
Library

James F. Tomsovic
Police Department

Artis O. Turman
General Services

Leonard P. Van Doren
Police Department

Michael D. Wahl
Police Department

Robert R. Webb
Park & Recreation

Judith L. West
Police Department

Janette L. Whelchel
City Clerk Department

Larry Wilkins
Police Department

Richard M. Winchup
Unified Port of San Diego

Judith Turner-York
Equal Opportunity Contracting





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retiring and retirement.*

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Rebecca Wilson
Editor

We welcome your articles and suggestions. Please
submit them to Editor, San Diego City Employees'
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WEBSITE – WWW.SDCERS.ORG

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