SDCERS Welcomes New Board President

At the July 12, 2019 Board meeting, Carol Broad was unanimously elected to fill the position of SDCERS Board President. Carol has been the Vice President of SDCERS' Board of Administration since July 2017. She also served as the Chair of the SDCERS Investment Committee and has more than 30 years of experience in the financial industry, particularly in providing investment advice to major public and corporate pension funds.

“I have admired the talent and dedication of this Board since I joined in 2015, and I’m honored they have selected me to lead them for the next two years,” said Carol. “I have great respect for my fellow Board Members and SDCERS staff, and I look forward to working closely with them in this new position.”

Please join us in welcoming our new Board President!

A Note from the New Communications Manager

Hi SDCERS Members, my name is Jessica Maloney and I am excited to introduce myself as SDCERS' new Communications Manager. Before moving to this position in May, I was a paralegal in SDCERS' Legal Services Division. Now I am focused on improving SDCERS' website, planning seminars and other SDCERS events, and keeping our Members updated on what's happening here at SDCERS.

I met many retirees at SDCERS-sponsored events earlier this year, and I look forward to meeting some of our active Members at upcoming pre-retirement seminars and at this year's annual membership meeting in October. If you see me at SDCERS' offices or at an event, please don't hesitate to introduce yourself! Also, I'd love to hear your comments or ideas to improve SDCERS' website and communications – please submit any feedback or suggestions through the “Contact Us” page on our website.

Annual Member Statements

Every summer, all non-retired SDCERS Members receive an Annual Statement of Benefits in the mail. The purpose of this mailing is to show you certain information about your SDCERS account according to the data we have in our records. Besides keeping you apprised of the details of your account, this annual communication also gives you the opportunity to correct any outdated or incorrect information listed in our records – the most important being your beneficiary designations. When you receive your Annual Statement of Benefits this year, be sure to review the “Beneficiary Information” section at the bottom. If this section is blank or if any of the beneficiaries listed in this section need to be updated or removed, including their “Relationship” classification (e.g., from spouse to ex-spouse), please update your beneficiary designations as soon as possible. You can do this by logging in to your Member Portal account on the SDCERS website, or by calling SDCERS and requesting a Change of Beneficiary Designation form.
**Amendment Number Six to Airport Authority’s Retirement Plan**

In February, the Airport Authority’s Board approved Amendment No. 6 to the Airport’s Retirement Plan, which implemented four changes:

- First, section 0102 now includes a definition of “Inactive Non-Vested Member.”
- Second, if an Inactive Non-Vested Member of the Airport leaves their Member contributions with SDCERS, the funds in their account will now earn interest at the rate attributed to DROP accounts, rather than at the interest crediting rate.
- Third, when an Airport Member works less than 80 hours in a single pay period, their Member contribution for that period will be based on a full 80-hour pay period and they will receive 80 hours of service credit as long as their pay for that period is sufficient to make the required contribution. If their pay for that period is not enough to make their Member contribution, then they will not make a contribution or earn any service credit for that pay period.
- Lastly, this Amendment deleted section 1100(a) of the Airport’s Plan, which eliminated an Airport Member’s ability to purchase service credit for a period during which the Member was employed by the City, Port, or Airport, but not making contributions to any SDCERS-administered retirement plan.

At its May 10th meeting, SDCERS’ Board approved revisions to Board Rules 2.41 and 4.00 to reflect these changes to the Airport’s Retirement Plan.

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**Cost of Living Adjustment (“COLA”) for Fiscal Year 2020**

At its May 10, 2019 meeting, SDCERS’ Board of Administration approved two Cost of Living Adjustments (“COLA”) that will be applied to eligible retirees’ monthly pension benefit amounts effective July 1, 2019 through June 30, 2020. You will receive a COLA for Fiscal Year 2020 if you retired or entered the Deferred Retirement Option Program (DROP) on or before June 30, 2019.

The two COLAs differ depending on the Member’s retirement date, as follows:

- Members who retired or entered DROP before July 1, 2018 will receive a COLA increase of **2.0%**
- Members who retired or entered DROP between July 1, 2018 and June 30, 2019, and the remaining Members who are in the 1981 retirement plan, will receive a COLA increase of **1.9%**

The COLA is calculated every year based on the change in the cost of living between the two previous January firsts, as published by the Bureau of Labor Statistics Consumer Price Index, United States – All items. However, the maximum allowable increase in any given year is 2.0%. If you were eligible to receive a Fiscal Year 2020 COLA, the applicable increase is reflected in your July 2019 pension benefit payment.

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**New Member Contribution Rates for Fiscal Year 2020**

*Important: These rate changes only apply to (1) active City Members, and (2) Port Safety Members who were hired on or after January 1, 2013.*

Member contributions are the required pre-tax deductions from a Member’s paycheck that are deposited into the SDCERS Trust Fund, where they earn interest and are eventually used to fund the Member’s pension benefit. The amount each Member contributes every pay period is calculated as a percentage of their salary, called the Member contribution rate, which varies according to plan tier and age of entry into SDCERS. At its March 8, 2019 meeting, SDCERS’ Board of Administration approved the contribution rates for Fiscal Year 2020 based on the recommendation of SDCERS’ actuary, Cheiron. These rate changes apply to Port Safety Members hired on or after January 1, 2013 and all City Members, but do not affect other Port plan tiers or any Airport Members. The new rates are reflected on City Members’ paychecks dated July 26, 2019, and affected Port Safety Members will first see the new rates on their paychecks dated July 12, 2019. Members impacted by the new contribution rates will likely only notice a minor adjustment on their paycheck, with most rates increasing by less than 1%. To see your Member contribution rate for Fiscal Year 2020, view your Retirement Plan Summary, which can be found under the “Resources” tab on SDCERS’ website.

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**2019 Annual Membership Meeting**

Join SDCERS at its Annual Membership Meeting on Friday, October 18th at the Balboa Park Club Ballroom from 11:00 a.m. to noon. Learn more about your benefits, SDCERS’ investments, and the general health of SDCERS’ Trust Fund. All Members are welcome and will receive a postcard invitation in the mail prior to the event. We hope to see you there!