



CITY OF SAN JOSE, CALIFORNIA

RETIREMENT SYSTEM NEWSLETTER

Department of Retirement Services - 1737 N. First Street, Suite 580, San Jose, CA 95112
Federated City Employees' Retirement System ~ Police and Fire Department Retirement Plan
1-408-392-6700 or 1-800-732-6477

MARCH, 2004

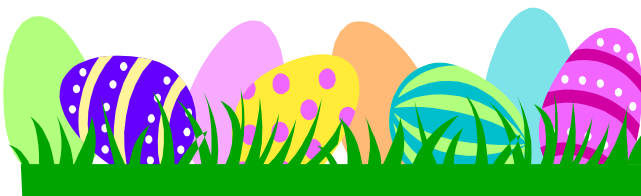
ISSUE No. 00033

Determination of Cost-Of-Living Adjustments (COLA)

The Federated City Employees' Retirement System provides a COLA to pension benefits payment every April 1st. To determine the adjustment, Retirement Staff uses the percentage increase or decrease between the current and prior year's December Consumer Price Index (CPI). The CPI is for All Urban Consumers in the San Francisco-Oakland Metropolitan Area with a base of 1967=100, published by the U.S. Department of Labor's Bureau of Labor Statistics. This information may be found on the internet at <http://www.bls.gov/home.htm>. Below is the detail calculation of the current year's COLA.

December 2003 CPI	600.5
December 2002 CPI	594.0
Difference	6.5
COLA Increase (6.5 / 594.0)	1.1%

Based on the above calculation, the COLA for current year is 1.1% for retirees who retired on or before March 31, 2003. For retirees who have carryover from prior years, the increase may be up to a maximum of 3% for the current year.



Service Credit for Returning Activated Military Reservists

Retirement Services recently sent out Retirement Statements summarizing members' status in the respective plans. On these statements, you will note your total service credit balance as of December 31, 2003.

If you are a military reservist who, within the last several years, has been called to active military duty and has since returned to City employment, you may be entitled to the service credit that did not accrue while you were on military leave ((SJMC 3.36.620 (P&F) or 3.28.630 (Federated))).

Retirement Services is working with Payroll to identify any service credit adjustments that need to be posted. However, if you see that you are still owed service credit in either the Police & Fire or Federated systems and want a status on your service credit posting, please contact Dave DeLong in the Retirement Services Department at 392-6707.

2003 Medicare Part B Reimbursement Eligible P&F Retirees Only

Attention Police & Fire Retirees: On March 1, 2004, Retirement Services mailed Medicare Part B reimbursement packets to only those retirees eligible for the reimbursement in 2003.

Please return your request for reimbursement along with your proof of 2003 Medicare Part B premium payments no later than April 1, 2004.

If you did not receive a packet and you feel that you are eligible for the reimbursement, please contact Carol Bermillo at (408) 392-6720.

Retirement Planning is a Matter of Mindset

Throughout the year, the Retirement Services Department sponsors educational classes on various topics related to retirement planning. In these classes our focus is not only to prepare you with the technical tools to plan out the retirement of your dreams, but to get you into the right mindset for retirement planning, too.

For instance, in our class on *Selling A Home*, participants are encouraged to evaluate not only what it takes to sell a home, but assess the reasons for selling a home. Questions like “Are my reasons based on needs or wants?” or “Will a new home affect my current lifestyle and future financial goals?” illustrate the point that creating the right perspective is just as important

as being equipped with the right technical knowledge when building the retirement of your dreams.

Without getting heavy on the philosophy of retirement planning, in this class participants will learn the importance of reviewing the economics of home selling, identify when it’s better to remodel or trade up, and come to recognize the importance of timing when placing a home on the market.

Although *Selling A Home* is only one of the many retirement preparation courses offered by the Retirement Services Department, all of our courses are designed to show you how building the retirement of your dreams is possible with the right training and perspective.

Please take advantage of these valuable opportunities while your retirement is still in the distant future. The retirement of your dreams is closer than you think!

Upcoming Retirement Classes

The Retirement Services Department is sponsoring the following Brown Bags scheduled for active employees in April, May, and June. Registration fliers will be sent out with payroll via e-mail prior to the class. Attendees are selected in a random drawing. If you have questions, or need additional information, please call Karin Carmichael at (408) 392-6712.

CLASS	DATE
How to Invest \$25 a Paycheck	Tues.- April 6, 2004
Selling A House	Fri.- April 16, 2004
Federated Retirement Benefits	Tues.- April 20, 2004
How to Choose a Financial Professional	Tues.- May 11, 2004
Alternative Types of Homes & Financing	Tues.- May 25, 2004
Organizing & Managing Your Finances	Tues.- June 8, 2004
How to Research and Select Stocks	Tues.- June 22, 2004

The Retirement Services Department also sponsors classes for Retirees at the Willow Senior Center, 2175 Lincoln Avenue, San Jose from 11:00 a.m. to 2:00 p.m. These classes are presented by Financial Knowledge Network and are strictly educational in nature. Retirees interested in these classes should call Karin Carmichael at (408) 392-6712 to get enrollment information.

CLASS	DATE
Planning for Long Term Care & Aging	Tues.-April 13, 2004
Rollover/Withdrawal Strategies for IRA's	Tues.- May 4, 2004
Successful Retirement Living	Tues.- June 1, 2004