



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
408-392-6700 or 1-800-732-6477

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Vision Plans

The City of San Jose has completed negotiations with their two vision plans for fiscal year 07/08. Cole Managed Vision did not make any changes to the plan design, nor did they increase the rates. Vision Service Plan (VSP) also kept the same plan design, but did increase the rates as follows:

	<u>NEW RATES</u>
	<u>Old Rates</u>
Retiree Only:	\$13.60 / Month \$12.96 / Month
Retiree + 1 Dependent:	\$19.38 / Month \$18.46 / Month
Retiree + Family:	\$34.74 / Month \$33.08 / Month

The new rates went into effect July 1, 2006. All retirees enrolled in VSP should have noticed the rate increase with their June 30th paycheck. For plan comparison information, please visit our web site at www.sjretirement.com. If you have any questions, please call Carol Bermillo @ (408) 392-6720 or 1(800) 732-6477.



April 2006 Medicare Part-D Article Correction

In the April 2006 Retirement Services Newsletter, the Medicare Part-D article stated that the \$5 prescription co-payment for Kaiser Permanente of California members was for a 30-day supply. The \$5 co-payment is for up to a 100-day supply. Please call Carol Bermillo at (408) 392-6720 or 1 (800) 732-6477 if you have any questions.

Police and Fire Plan Revises Definition of Surviving Child

In May, the City Council accepted the Police and Fire Department Retirement Plan Board's recommendation to revise the definition of Surviving Child in the Police and Fire Retirement Plan to include children born or adopted after the members retirement date.

In summary, any surviving children of a deceased member of the Police and Fire Retirement Plan (whose death occurs on or after April 15, 2006) are currently eligible for a survivorship benefit as outlined in the Plan document. You can find a summary of Survivor Benefits on our webpage at <http://www.sjretirement.com/>.

If you are interested in additional information regarding survivorship benefits call our office (408) 392-6700 or (800) 732-6477 to have a Survivorship Benefits Fact Sheet mailed to you.

Registered Domestic Partners of the Police and Fire Plan Eligible for Benefits

Earlier in the year the City Council granted registered domestic partners of the Federated Retirement Plan the same benefits as spouses if they were registered in the California's Secretary of State's Domestic Partner Registry. On May 2, 2006, the City Council approved an ordinance extending retirement benefits to members of the City's Police and Fire Retirement Plan who retire after the effective date of the ordinance (June 14, 2006) and are in a state-registered domestic partnership at the time of their retirement. There is a brief window of opportunity for members who retired prior to June 14, 2006 to register their domestic partnership if they meet certain qualifications, which is explained under the Retiree Section below. Council made this change in the plan because of State legislation "California Domestic Partner Rights and Responsibilities Act" (AB205) which extended to State-registered domestic partners rights that accrue to married couples. These rights include rights granted to spouses, former spouses and surviving spouses.

The eligibility criteria for a State of California domestic partnership registration are:

- Opposite sex couples where one partner is over the age of 62
- Same sex couples who are both over the age of 17.

To learn more about registering a domestic partnership log on to the Secretary of States website at <http://www.ss.ca.gov/dpregistry/>.

Active Employees and Deferred Vested Members

Domestic partners should submit their California Domestic Partnership Certificate to Retirement Services Department in order to be eligible. If you currently have an affidavit of domestic partnership on file with the City's Human Resources Department, the affidavit does NOT entitle your domestic partner to retirement benefits. In order for your domestic partner to be eligible for same benefits as spouses you must register your partnership with the Secretary

of State prior to receiving benefits from the retirement system, as well as providing a copy of the certified registration with Retirement Services.

Retirees

If you were in a state certified Domestic Partnership at the time of your retirement, then you are eligible to add your domestic partner as a beneficiary to your retirement benefits. Your Domestic Partner Certificate must have been issued on or before the date of your retirement. Alternatively, the ordinance contains a window period for those retirees to add their domestic partners if they meet the following conditions:

- ✓ Prior to retirement, the member had filed an Affidavit of Domestic Partnership with the City of San José to enroll the member's domestic partner in the City's health benefits program.
- ✓ The Affidavit of Domestic Partnership was in effect as of the date of retirement.
- ✓ Subsequent to retirement, the member and the member's domestic partner established a registered domestic partnership by filing a Declaration of Domestic Partnership with the Secretary of State pursuant to Division 2.5 of the California Family Code.
- ✓ The Declaration of Domestic Partnership is filed with the Secretary of State and evidence of the establishment and registration of the domestic partnership is filed with the Director of Retirement Services on or before January 31, 2007.
- ✓ The person who is the retired member's domestic partner pursuant to the Affidavit of Domestic Partnership is the same person as the retired member's domestic partner pursuant to the Declaration of Domestic Partnership.

If you would like to submit your State-issued Certificate of Domestic Partnership to the Retirement Services Department or if you have any questions about this new ordinance please contact Amanda Ramos at (408) 392-6706.

New Provider For Deferred Compensation Program

Good News! ING has been selected as the sole investment provider for the 457 Deferred Compensation Plan, and starting October 9th, a new, high performance line-up of investment options will be available. The ICMA Retirement Corporation's contract will end at the end of this transition.

What are the new benefits?

- A superior stable value investment option with a guaranteed crediting rate of 5.8% through December 2007
- A new menu of best-in-class mutual fund options covering the full spectrum of asset classes, and new options like "life-cycle" investments and a socially responsible investing option
- Ongoing, customized education and support from an enhanced team of local representatives
- On-line investment advice at no added fee through Morningstar® Advice Online™
- An enhanced Plan web site customized for San José

What changes will participants see?

- ICMA-Retirement Corporation's agreement will end on October 7, 2006
- ING's new best-of-class investment line-up will be available on October 9, 2006
- The new investment line-up will become simpler yet more diverse, and the number of funds will reduce from 55 to 30
- New investment options: "life cycle" funds and socially responsible fund

Who made this decision?

These improvements were approved by the Deferred Compensation Advisory Committee (DCAC). The DCAC consists of seven employee participants. Along with staff, consultants and a retiree participant representative, the DCAC conducted a request for proposals and found the tremendous improvements available to the deferred compensation participants.

How do I learn more?

- The first of a series of brown bag seminars will be held on Friday, July 14, 12:00 p.m. -1:00 p.m., in the Council Chambers. This will be an opportunity to learn more about what is changing, the enhancements and benefits for participants, and the resources available to you in the transition. Watch for additional seminars through direct mailers.
- Plan participants will receive a detailed "Transition Booklet" from ING in mid/late August that will include important information about the changes, detailed information about the new investment options, and dates, times and locations of upcoming transition meetings.
- Responses to Frequently Asked Questions are available on the City's Internet (http://www.sanjoseca.gov/employeeServices/survey/ee_savings.asp) or you may obtain a copy by calling Human Resources, Deferred Compensation, at (408) 975-1465.

Please plan on attending one or more of the upcoming brown bag seminars or site visits. In the meantime, if you have any questions, contact the Deferred Compensation office in Human Resources at (408) 975-1465.

Office Expansion

To better serve our customers, the Department of Retirement Services recently underwent an office expansion. We added over 2100 square feet on the 6th floor of our building for a larger board room/training room, a second smaller conference room, and a storage room. The larger conference room increased the seating capacity for our public meetings as well as provides more comfortable seating arrangement for our training classes.

The space vacated by the conference room and board offices on the 5th floor has been remodeled into a third small conference room and a larger reception area in which all of the reception staff's functions can be accommodated in the same space. Also, six new cubicles were added to accommodate an expanding staff and allowed the department's work groups to sit together.

All of our staff remains on the 5th floor in Suite 580. For meetings and training the location will be on the 6th floor in Suite 600.

Unusual, unique, and uncommon facts

Did you know that...?

Baskin Robbins once made ketchup ice cream. This was the only vegetable flavored ice cream produced.

Elvis Presley made only one television commercial - an ad for "Southern Maid Doughnuts" that ran in 1954.

George Washington is the only man whose birthday is a legal holiday in every state of the United States.

Honey is the only food that does not spoil. Honey found in the tombs of Egyptian pharaohs has been tasted by archaeologists and found edible.

Teeth are the only parts of the human body that can't repair themselves.

The only lizard that has a voice is the Gecko.

<http://www.corsinet.com/trivia/only.html>

Search For Actuary

Early in June, the Police & Fire Retirement Board made a strategic decision to search for a new actuary. Staff was directed to issue a Request for Information (RFI) which was developed and forwarded to actuarial firms practicing in the public sector. Staff is in the process of reviewing the proposals that were submitted by four (4) firms.

It is anticipated that we will have a new actuary for the fund in three to four months. In the meantime, we will continue to provide our customers with the opportunity to make whatever choices about their retirement benefits that they would have made had an actuary been on staff.

Do not worry, if you want to make a choice that requires actuarial work, you will be given ample time to do that once an actuary is on board.

Staff News



We miss you, Tammy!

Farewell and best wishes to Tammy Yokomizo, our former Account Clerk II. Tammy transferred to the Animal Services department as of July 10.

Family Addition

Congratulations to Colleen Hy and family. Colleen is expecting her third child on August 31. Mom's "planned" last day of work will be August 4th. Colleen will be on maternity leave until January 8, 2007.