



CITY OF SAN JOSE, CALIFORNIA

RETIREMENT SYSTEM NEWSLETTER

Retirement Services Department - 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; Website: www.sjretirement.com

ISSUE No. 39

January, 2006

Cost-of-Living Adjustment (COLA)

Good News! On January 24, 2006 the final steps for the implementation of a flat 3% Cost-of-Living Adjustment (COLA) for benefit recipients of the Federated Retirement Plan will hit the City Council Chambers. Working together, the City and employee organizations have agreed to change the current COLA system, which is a variable rate that is based on the Consumer Price Index. This change will become effective April 1, 2006 and will be reflected in disbursements made to plan members who are receiving a retirement allowance and survivors who are receiving an allowance in their April disbursements. Each year thereafter on April 1 a flat 3% COLA adjustment will be made to those receiving benefits on that date.

If it is determined by the Federated Employees Retirement Board's actuary that there is an increased cost to implement the change to a flat-rate 3% COLA the increase will be calculated as a percentage of each active member's earned compensation and that percentage rate shall be added to the contributions made by members as prescribed by the Municipal Code.

With the enhanced benefit of a flat-rate 3% COLA there will no longer be an accumulation of excess cost-of-living percentages as in the past. Plan participants as a result of this enhancement to the plan will be receiving the maximum COLA allowed in any given year as prescribed by the plan documents therefore eliminating the necessity to calculate COLA accumulations.

If you have any questions regarding this augmentation to the Federated Retirement Plan please contact Retirement Services at (408) 392-6700.

Certified Domestic Partners

In August 2005 the City Council approved an ordinance which grants benefits to the domestic partners of Federated plan members. The ordinance grants the same benefits that are currently extended to spouses of plan members including medical insurance, dental insurance and survivorship allowances. Dependents of domestic partners may also be added to insurance benefits.

The ordinance extends benefits only to those domestic partnerships that are registered with the Secretary of State and that are in compliance with government code. In order to add your domestic partner to your retirement benefits, the date of your state certified partnership must be on or before your date of retirement and you must supply the Retirement Services Office with a copy of your State Domestic Partnership certificate.

For active employees, please note that having an affidavit of Domestic Partnership on file with the Employee Services Department is not sufficient to provide retirement benefits to your domestic partner. The ordinance requires that a state-issued domestic partnership certificate be on file in Retirement Services in order to extend retirement benefits to a domestic partner.

If you are interested in learning more about this new Federated Plan benefit please contact Toni Johnson or Roger Pickler in the Retirement Services Department at (408) 392-6700.

At this time the Police & Fire plan has not adopted this ordinance. We will notify all Police & Fire plan members as soon as this new benefit has been adopted by their plan.

Medicare Part-D

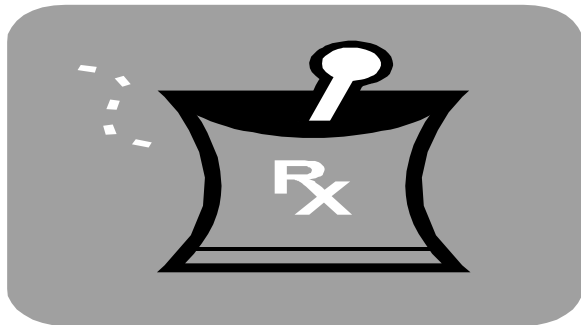
Please do not sign up for Medicare Part-D under an individual plan if you are currently enrolled in one of the City's Medicare Supplemental Plans. To reiterate the October 1, 2005 memo, you will be automatically enrolled in Medicare Part-D by your provider (Blue Shield, Kaiser, or PacifiCare/Secure Horizons).

Please be assured that your prescription drug coverage and co-payments will stay the same at no additional cost to you. The advantage of being enrolled in Medicare Part-D is that the net savings will be passed on to the retiree as a rate reduction.

Medicare will assume the role of primary insurer for prescription drug benefits, and the health plan will take on the role as secondary insurer. The program will work similarly to how the outpatient care benefits work between Medicare Part-B and your healthcare provider.

Your provider will mail new identification cards to you. Please use the new cards as soon as you get them. If you do not receive a card by the end of January, please contact your provider's Member Customer Service Department. When calling your provider, please let them know that you are covered under a group plan. Below are the numbers for the providers:

Blue Shield of California	1 (800) 837-4481
Kaiser Permanente	1 (800) 443-0815
Secure Horizons	1 (800) 228-2144
PacifiCare Plan F	1 (800) 425-3227



FTC and Partners Urge Consumers to Be On Guard Online

The Safe Community Alert Network broadcast the following release on September 27, 2005. We felt that the issues presented were worth putting into our regular newsletter, since there are many active members and retired members using the Internet as a means to shop and communicate.

The Federal Trade Commission and a partnership including cybersecurity experts, online marketers, consumer advocates, and federal officials have launched a new multimedia, interactive consumer education campaign to help consumers stay safe online. A comprehensive OnGuardOnline.gov Web site has tips, articles, videos, and interactive activities that will address topics such as:

- How to recognize scams on the Internet;
- How to shop securely online;
- How to avoid hackers and viruses; and
- How to deal with spam, spyware, phishing, and peer-to-peer file-sharing.

The partnership also has developed an OnGuard Online brochure.

Using straightforward, plain-language materials, the initiative aims to help computer users be on guard against Internet fraud, secure their computers, and protect their personal information.

“Consumer education is critical to our success in securing the Web against hackers, viruses, span, and spyware. Education truly is the first line of defense for computer users against fraud and deception online,” said Deborah Platt Majoras, Chairman of the FTC. “An aware computer user is more likely to recognize a phishing e-mail, more likely to download a spyware detector, and far less likely to disclose, expose, or unwittingly share personal information,” she said.

Majoras said that partnership efforts to develop and promote the OnGuard Online message include:

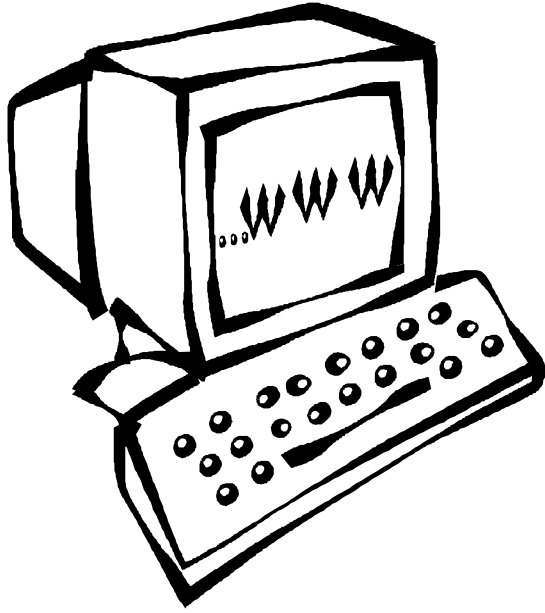
FTC and Partners Urge Consumers to Be On Guard Online (cont'd)

- Microsoft helped develop the OnGuard Online branding and contributed a series of security videos for the site. In October, the company will place advertorials promoting OnGuard Online in major newspapers. MSN also is going to run OnGuard Online banner ads.
- i-SAFE, a congressionally chartered organization that provides age-appropriate curricula to schools, is incorporating OnGuard Online's messages into its curricula and is distributing OnGuard Online materials at its events.
- In Oregon, U.S. Attorney Karen Immergut and State Attorney General Hardy Myers have convened the Oregon Safe Cyberspace Initiative. Comcast and Qwest, participants in the initiative, are sending hundreds of thousands of bill stuffers to their customers in Oregon with information on safe computing.
- Ebay is posting a letter to its members promoting OnGuard Online, as well as buttons linking to the site.
- The U.S. Postal Inspection Service will place magazine ads asking consumers to "Stop, Think, Click." People who call the toll-free number in the ads will receive a copy of the "Seven Practices for Safer Computing."
- The Direct Marketing Association is co-branding the "Seven Practices" brochure and sharing copies with consumers and the association's members.

The OnGuard Online Web site is at www.OnGuardOnline.gov.

Copies of OnGuard Online materials are available from the FTC's Web site at <http://www.onguardonline.gov> and also from the FTC's Consumer Response Center, room 130, 600 Pennsylvania Avenue, N.W., Washington, D.C. 200580. OnGuard Online provides practical tips from the federal government and the technology industry to help you be on guard against Internet fraud, secure your computer, and protect your personal information. The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint in English or Spanish (bilingual counselors are available to take complaints), or to get free information on any of 150 consumer topics, call toll-free, 1-877-FTC-HELP (1-877-382-4357), or use the complaint form at <http://www.ftc.gov>. The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.





New to the Web!

Two new features have been added to our website:

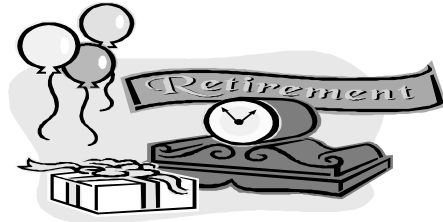
- **Printable 1099's**
- **Non-Taxable Income**

To Access:

1. Go to www.sjretirement.com and select "My Account" button.
2. Log in to your own account.
3. On the left side, there will be 2 new buttons: "1099-R" and "Non-Taxable Income".
4. The "1099-R" button will allow you to access/print all your annual 1099's back through 1999 by selecting the desired "Tax Year".
5. The "Non-Taxable Income" button will show, by selecting the desired month back through 1999, your tax-free pre-1987 contributions and, for those with a duty disability retirement, your tax excluded amount due to your duty disability.

We hope this information will be useful to you.

Staff News



Happy Retirement

Farewell and best wishes to Tedi Uhrowczik our Information System Analyst. Tedi is retiring after sixteen years of service with the city. Her last day of work is February 23, 2006.



Family Addition

Congratulations to Amanda Ramos and family. Claire has arrived! Claire was born on January 3, 2006 at 7:43a.m. She weighed 7lbs. 7 oz. and was 19" long. Amanda will be back from maternity leave on June 5, 2006.

Welcome Back

We welcome Rhonda Snyder back to our department. Rhonda is covering for Amanda while she is on maternity leave.



Welcome Aboard

Tammy Yokomizo is our new Account Clerk II. Tammy transferred from the City of San Jose Call Center.