

RETIRING SOON? GET AHEAD BY MAILING COPIES OF YOUR DOCUMENTS!

Active Members

Consider these steps if you are considering retirement soon (and if not, take a look at step 3):

1. Visit cccera.org to use our pension calculator, read the benefit handbook, find information on reciprocity, and watch our videos.
2. Review your annual benefit statement; this document contains information about your tier, years of service and beneficiaries.
3. Submit your documents early. Mail CCCERA applicable copies of:
 - Marriage certificates or Secretary of State Domestic Partnership Certificates
 - Marriage dissolutions
 - Your beneficiary(ies) and your own birth certificate or passport
 - Your beneficiary(ies) and your own Social Security cards

These documents are required to process your benefit or lump sum payment at termination and can be submitted at any time during your career. Many retirements get delayed because of missing documents - don't let yours be one of them!

4. Attend a (virtual) Pre-Retirement Workshop (visit cccera.org/retirement-counseling to see upcoming dates).

INCOME TAX REMINDERS

Retirees and Payees

As we enter tax season, CCCERA wants to remind retirees about their right to increase, decrease, start or stop federal and/or state income tax withholding from their monthly retirement benefit.

If you reside in the United States, you are not required to have federal tax withheld from your monthly payments; however, if you choose to exempt yourself from withholding, you may need to pay any required taxes through other methods, such as quarterly installments. Please note, there is mandatory withholding on pension payments delivered outside the United States.

When can I change my tax withholding?

Changes can be made at any time by submitting the *IRS Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments*, and the *California State Form DE-4P, Withholding Certificate for Pension or Annuity*, available at cccera.org/forms.

These forms allow you to:

- Discontinue federal/state income tax withholding from your monthly retirement allowance.
- Withhold federal/state income tax based on a set number of allowances, and a specific marital status.
- Withhold a specific amount from your monthly pension payment (California state tax only).

- Withhold an additional amount from each monthly pension payment.

Changes received before the 15th of each month will be effective the following month.

If your current withholding elections are good, they will remain in effect and no action is required. If your withholding and estimated tax payments do not adequately meet your tax liabilities, penalties under the estimated tax rules may apply.

What about state taxes?

Monthly payments made to CCCERA retirees living in California are subject to California income tax. CCCERA payments to retirees living outside of California may not be subject to California income tax, but may be taxable based upon the state that you reside. CCCERA will continue to withhold California income tax until directed otherwise. Check with a tax professional, the State of California Franchise Tax Board or your state department of revenue for information on your individual tax situation as CCCERA cannot give personal tax advice to members.

Did you receive two 1099-R tax forms?

You may receive two 1099-R tax forms for the 2022 tax year if you turned 59½ during 2022 — one 1099-R reflects the payments to you for part of the year that you were under 59½ and the second 1099-R reflects the payments to you for part of the year that you were over 59½.

LOOKING FOR A FORM?

All forms are available at cccera.org/forms. Only original forms are accepted (they cannot be photocopied or submitted electronically).

COLA EFFECTIVE APRIL 1

Retirees and Payees

CCCERA retirees and their survivors will receive a 2023 cost-of-living adjustment (COLA) in their monthly benefit effective April 1, 2023. The new amount will be reflected in the May 1, 2023 benefit payments.

The Retirement Board voted to adopt the COLA presented by Segal Consulting, CCCERA's actuary, at the January 25, 2023 board meeting. The COLA applies to retirement allowances, optional death allowances and survivor allowances effective on or before March 31, 2023.

Your COLA increase is based on several factors:

- San Francisco-Oakland-Hayward area CPI (Consumer Price Index)
- Your COLA Bank
- Your retirement tier
- Your date of retirement

Under the County Employees Retirement Law (CERL), there is a cap on the amount CCCERA may increase your benefit. If the inflation rate (measured by the change in CPI) is higher than this cap, the remainder is banked, then applied if the change in a future CPI is lower than the cap. This helps stabilize the COLA from year to year. The percentage CCCERA can increase your benefit is determined by the law that applies to your retirement tier. Visit cccera.org/colabank for details.

The COLA helps maintain the value of pension payments in terms of purchasing power. If the annual cost of living goes up, retirees see an increase in their benefit. However, if the cost of living goes down, the COLA may decrease your benefit payment. The cost-of-living factor used by CCCERA is determined by comparing the December CPI for the San Francisco-Oakland-Hayward area over the past two years (2022 and 2021), and rounding the change to the nearest one-half of one percent.

2023 COLA Adjustments

Retirement Tier	COLA
Tier 1 ¹	3%
Tier 3 ¹ (Service Retirement Only) ¹	3%
Tier 4 ¹ (3% Maximum (Max.) COLA) ¹	3%
Tier 5 ¹ (Service Retirement Only with 3% Max. COLA)	3%
Safety Tier A ¹	3%
Safety Tier D ¹	3%
Tier 2 ²	4%
Tier 3 ² (Disability Retirement Only)	4%
Tier 5 ² (Disability Retirement Only with 4% Max. COLA)	4%
Tier 4 ³ (2% Max. COLA)	2%
Tier 5 ³ (2% Max. COLA Service and Disability Retirement)	2%
Safety Tier C ³	2%
Safety Tier E ³	2%

COLA provisions in CERL are determined by the following Government Codes: ¹Gov. Code 31870.1; ²Gov. Code 31870.3; ³Gov. Code 31870.

Estimate your 2023 monthly retirement benefit

- 1** Enter your most recent monthly gross amount. Find this amount on your latest pay advice (see example, below). \$ _____
Example: \$ 1,100

Gross Pay		
DESCRIPTION	CURRENT	YTD
Pension-Tier 1	\$1000.00	\$2000.00
Tier 1 Cost of Living	\$ 100.00	\$ 200.00
TOTAL	\$1,100.00	\$ 2,200.00

- 2** Enter the decimal form of your COLA percentage for 2023 (see 2023 COLA Adjustment table, above), plus 1.00. _____

For example, a 2% COLA is expressed as 0.02. You would take that 0.02 and add 1.00 — making the total 1.02. Likewise, for a 3% COLA, you would use 1.03.

Example:
_____ 1.02

- 3** **Multiply** line 1 by line 2 and enter the result here. This is your estimated 2023 monthly retirement benefit, beginning May 1, 2023. \$ _____
Example: \$ 1,122

DO YOU SPEAK A DIFFERENT LANGUAGE?

Retirees and Payees, Active Members

If you would like to read this newsletter in a different language, please let us know! Email info@cccera.org with the language you would like to see. A Spanish version of this newsletter is now available at cccera.org/cccera-news.

Did you know that we also offer language assistance for members who speak English as a second language? Please let us know next time you contact us, and we will do our best to help!

NEVER MISS A NEWSLETTER

Retirees and Payees, Active Members

Are you interested in retirement board meetings? Do you want to receive notifications about the current newsletter, or active and retiree member updates? Sign up to receive email notifications at cccera.org/emailupdates.

INVESTMENT PERFORMANCE

Retirees and Payees, Active Members

CCCERA's main investment objective is for the total fund to exceed the policy index. For the period ending September 30, 2022, the total fund was -11.5%, less than the policy index return of -8.5%, and less than the median public fund return of -10.7%. Over the trailing five-year period, the total fund gain was 4.2%, less than the policy index return of 5.6%, and less than the median public fund return of 5.1%.

Learn more about CCCERA's investments at cccera.org/investments.



Contra Costa County Employees' Retirement Association

1200 Concord Avenue, Suite 300, Concord, CA 94520
Phone: (925)521-3960 Fax: (925)521-3969 cccera.org

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PHONE HOURS

Monday – Friday, 8 a.m. – 5 p.m.;
closed noon to 12:30 p.m.

2023 CALENDAR DATES

UPCOMING CLOSURE SCHEDULE

May 29
Memorial Day Holiday

VIRTUAL PRE-RETIREMENT WORKSHOPS

In-person workshops are currently on hold, and are now offered virtually. Sessions are available year-round to all members but the Pre-Retirement Workshop is particularly helpful for those planning to retire within five years. Visit cccera.org/retirement-counseling to see when the next workshops are scheduled. Reservations are required and fill up fast; please call CCCERA to sign up.

UPCOMING BOARD MEETINGS

March 8, 2023 **March 22, 2023**
April 12, 2023 **April 26, 2023**
May 3, 2023 **May 24, 2023**

2023 RETIREE PAYROLL DATES

Month	Pay Date	Month	Pay Date
January	February 1	July	August 1
February	March 1	August	September 1
March	April 3	September	October 2
April	May 1	October	November 1
May	June 1	November	December 1
June	July 3	December	January 2

NOTICE

This newsletter is intended to provide members with general information about the benefits available through CCCERA, but it does not describe every plan provision in detail. CCCERA is governed by the County Employees Retirement Law of 1937 (CERL, Government Code Section 31450 et. seq.) and the California Public Employees' Pension Reform Act of 2013 (PEPRA). The laws governing public retirement systems are complex. If conflict arises between this newsletter and the law, the law shall govern.