

New Roads

Fall 2006

Published by the Contra Costa County Employees' Retirement Association
www.cccera.org

Going Live!

New Retiree Payroll System Debuts

The installation of CCCERA's new pension administration system is well underway, with the first module, retiree payroll, on line December 1. Retirees will see a change in the format of EFT (Electronic Funds Transfer) notifications, checks, and later, 1099Rs. Even though the printed forms may look a bit different, all your important information will be included. On page 2 of this issue of *New Roads*, you will see a copy of the new EFT format.

For members, the new system may only be visible in the design of forms. But inside CCCERA, the upgraded hardware and software system will make dramatic differences in the way we serve you. When you call with a question, counselors will be able to query the system and display basic information in a few moments, rather than searching through traditional files. Original documents are still archived safely in their "hard copy" form, but retirement office staff can view an electronic image on their computer screens.

Your personal demographics are still secure; nothing can be changed without your request in writing. This is the standard operating procedure at CCCERA. For example, if you wish to change your beneficiary or address, you will still need to submit a request in writing, with your signature for verification. The system will also contain historical data, such as previous addresses and pension payments. All the data is held within the retirement system on servers located here. The new system will give staff more time to spend on the most important aspect of their jobs: helping members with the details of their retirement benefits.

Pension Protection Act of 2006: Benefits for Current Retirees?

The Pension Protection Act of 2006 (PPA06) was signed into law by President Bush in August. Most of the legislation pertains to *private* retirement plans covered under ERISA law. Within the 907 page document, there are a few changes that will assist active public employees, such as paying for tier service conversion with 457 (deferred compensation) funds.

But are there any new features for public retirees?

Inside this issue:

New Format for Retiree and Survivor Pension Payments



The legislation touches on many issues that require interpretation by pension professionals and IRS rulings to clarify the impact on public funds. Generally, enactment of the new law will occur after January 1, 2007.

We will notify affected members of specific implementation rules as soon as the information becomes available.

New EFT Advice Layout

Benefit Administration System Heralds

New Format for EFT Pension Payments (and checks, too)

CCCERA retiree members are the first group to experience “changes for the better” in our new pension administration system. The obsolete dot matrix printer used to print retiree EFTs and 1099 forms for 20 years (!) is being replaced with a modern, fast laser printer. The familiar forms may look a bit different, but the information you require is included. Here’s a sample:

SSN: XXX-XX-1234 FEDERAL STATUS: M/O CHECK DATE: 00/00/00		
MEMBER NO: XXXXX1234 STATE STATUS: M/O PERIOD ENDING: 00/00/00		
Gross Pay		
DESCRIPTION	CURRENT	YTD
Tier	\$00.00	\$00.00
COLA	\$00.00	\$00.00
Pre-83 Supplement	\$00.00	\$00.00
Dollar Power	\$00.00	\$00.00
TOTAL	\$00.00	\$00.00
Taxes and Deductions		
DESCRIPTION	CURRENT	YTD
Federal Taxes	(\$00.00)	(\$00.00)
State Taxes	(\$00.00)	(\$00.00)
HealthNet	(\$00.00)	(\$00.00)
Delta Dental	(\$00.00)	(\$00.00)
Union Dues	(\$00.00)	(\$00.00)
	(\$00.00)	(\$00.00)
TOTAL	(\$000.00)	(\$000.00)
Summary		
DESC	CURRENT	YTD
Gross Pay	\$00.00	\$00.00
Less Taxes	(\$00.00)	(\$00.00)
Less Deductions	(\$00.00)	(\$00.00)
NET PAY	\$00.00	\$00.00

IMPORTANT MESSAGE: A message will be printed here if CCCERA has information for you.



Employees' Retirement Association
1355 Willow Way Suite 221 Concord CA 94520
925.646.5741 fax: 925.646.5747

DATE: 00/00/00

AMOUNT: \$000.00 Dollars

DEPOSITED TO: YOUR BANK'S NAME
LAST 4 NUMBERS ON BANK ACCOUNT

NON-NEGOTIABLE DOCUMENT



Employees' Retirement Association
1355 Willow Way Suite 221 Concord CA 94520
925.646.5741 fax: 925.646.5747

YOUR ADDRESS
YOUR STREET
YOUR CITY, STATE, ZIP CODE

The form is printed on a standard size sheet (8½ x 11”). When you receive it in the mail, it will be folded in thirds. Only your address will show on the outside; all your personal information will be on the inside, protected for your privacy. The center section shows the EFT (Electronic Funds Transfer) receipt amount. The top section shows your payroll information, i.e., taxes withheld, deductions, cost-of-living (COLA) amount, supplemental benefits if applicable, and a summary of your year-to-date payments, taxes and deductions. This section also includes a message line that can be added if CCCERA requires a special note for retirees and survivors.

A Few Items to Note:

Plan on seeing the new check and EFT format for your December 1st pension payment. Remember, if you had service in more than one tier (and received a separate payment for each tier), your pension amounts will be combined into one payment on the new payroll system.

New 1099R Forms

After January 1, 2007, retirees whose benefit income is taxable will receive 1099R forms, as usual. What's new is the tax reporting format.

The old carbon copy form has "retired", replaced with a single sheet. This new sheet has three copies of your 1099R information printed in boxes, separated by tear-off sections to keep for your records and/or file with your tax return, if required. This form complies with IRS regulations. As of this writing, we don't have the final design, but each section of the form will contain all the information you need.

Address Changes

In the new system, retired County and Courts members who submit a "change of address" form to CCCERA will have the new address information automatically flow from CCCERA to the Benefits Department. This is a new level of "electronic cooperation" between agencies. The change will help keep your address current and correct. Retirees who **do not** have health/dental deductions taken through payroll will **NOT** have their address changed this way.

(Be sure to keep us informed if you do change addresses.)

Health Care Deductions

A welcome change in the new system is the CalPERS health care deduction process. Retirees who have this health plan can now have their deductions taken automatically from their pensions. For questions about your health and/or dental insurance and payroll deductions, call the **Employee Benefits Services Unit** at (925) 335-1746 for more information. (CCCERA does NOT administer health care benefits.)

Safe and Faster than the mail!

Electronic Funds Transfer

CCCERA has over 6500 retirees and survivors receiving monthly benefits. Of those 6500, less than 300 still receive their benefit payment by paper checks. **Why?????**

Your pension payment is deposited into your account by EFT before you get a traditional check in the mail. If you deposit the check yourself, the bank still has to "clear" it. With EFT, your funds are usually available the next banking day. (See below.)

CCCERA deposits to your bank on the last working day of the month; your bank should not post funds to your account until the next **banking** day. *Check with your bank to verify when funds are available.*

January	February 1
February	March 1
March	April 3
April	May 1
May	June 1
June	July 3
July	August 1
August	September 3
September	October 2
October	November 1
November	December 3
December	January 2, 2008

Electronic Funds Transfer deposits your pension benefit at the same time monthly, the **last working day of each month**. Your bank **credits your account the next banking day**.

- **Your check will never be "lost in the mail."**
- **If you're on vacation or ill, your funds are automatically deposited.**
- **You don't have to wait in line at the bank to deposit your check.**
- **There are no security risks, since EFT uses the same personal information your bank already has.**
- **All new retirees are enrolled into EFT.**
- **You can "EFT" into most bank accounts, savings, checking, etc.**

Call the Retirement Office at 925.646.5741 for more information. Request the form you need to sign up for EFT, or download the form from our website, cccera.org. **There's no risk: why not give it a try?**

Tax Time 2007 is just around the corner . . .

State and Federal Income Tax Reminder

You have a continuing right to **change, start, or stop federal and/or state tax withholding** from your monthly benefit payment. A change can be made at any time by filing a new withholding authorization with the Retirement Office. (Changes made before the 21st of each month are effective the following month.) Obtain this form by calling CCCERA at 925.646.5741. We will mail you the forms you need with instructions for filing. OR, you can print the form from our web site, cccera.org.

You can also pick up the forms during regular business hours at the address below. You are not required to have federal tax withheld from your monthly payments. However, if you choose to exempt yourself from withholding, you must pay any required taxes through other sources, or quarterly estimates and deposits. You *may* incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient to meet your tax liabilities.

What About State Taxes?

Monthly payments to CCCERA retirees **living in California are subject to California income tax.** (*Certain amounts may be exempt from tax, depending on individual filing status and adjusted gross income.*) CCCERA payments to retirees **living outside California are not subject to California income tax**, but benefits may be subject to other state's taxes. Consult your tax specialist or state Department of Revenue for complete information on your specific tax status.

If your current withholding arrangements are appropriate, they will remain in effect. No action is required.


Employees' Retirement Association
1355 Willow Way, Suite 221 Concord, CA 94520
925.646.5741 fax: 925.646.5747

CCCERA office hours are
8 a.m.-12 Noon, 12:30 p.m.-5 p.m.,
Monday through Friday. Counselors
are available by phone
9 a.m.- Noon, 12:30 p.m.-4 p.m.
After business hours,
voicemail is available
to take your messages
24 hours a day at
925.646.5741.

PRESORTED STANDARD
U.S. POSTAGE
PAID
OAKLAND, CA
PERMIT # 3729