

Smart Retirement PLANNING

Thinking of retiring? It's never too early to plan for retirement, but you may not know where to start. We've put together a checklist to help make the process go smoothly. Get this checklist by going to **Active Member Forms** on scretire.org.

5+ Years Before Retirement

- Initiate any service credit purchases so that you have time to pay them off.
- Attend the Planning to Retire seminar. Check out our Retirement Planning Seminars by logging into your MYSCERA.org account.
- Update your beneficiary information, if necessary.

3 Years Before Retirement

- Calculate your own retirement benefit estimates online at MySCERA.org.

2 Years Before Retirement

- Consider possible retirement dates.
- Initiate or try to complete any remaining service credit purchases.
- Gather or order all of the documents you will need for retirement:
- Photocopy of your birth certificate or front page of your passport (An expired passport is acceptable.)
- Photocopy of birth certificate or passport of your spouse/domestic partner.
- Photocopy of registered marriage certificate or state domestic partnership.
- Photocopy of your Social Security card and for your beneficiary(ies).
- Update your beneficiary information whenever necessary.

1 Year Before Retirement

- Initiate or try to complete any remaining service credit purchases.
- Contact reciprocal retirement system(s) if you have reciprocity.
- Submit divorce documentation if applicable.
- Narrow down your prospective retirement date.
- Update your beneficiary information, if necessary.
- Request an estimate by submitting a Formal Retirement Estimate Request form.

60 Days Before Retirement

- Submit application and supporting documents for Service Retirement: Your Application for Service Retirement can be submitted no earlier than 60 days before your retirement date.
- Contact reciprocal retirement system(s) if you have reciprocity and complete their retirement application process. You must retire from all reciprocal retirement systems on the same date.



Include A Seminar in Your Retirement Plans

Learning about your SCERA benefits is an important step in planning your financial future. Whether you recently started making contributions, have been with your current employer for 10 years, or plan to retire in the next few months, SCERA's seminars can help answer your retirement questions.



SCERA Board of Retirement

Brian Williams, Chair
Bob Williamson, Neil Baker,
Travis Balzarini, Chris Coursey
Amos Eaton, Greg Jahn,
Erick Roeser, Joe Tambe,
Tim Tuscany

Board of Retirement Meetings

Meetings are generally held at 9:00 a.m. on the third Thursday of the month in the SCERA Board Room.

Executive Staff

Julie Wyne, Chief Executive Officer
Jim Failor, Chief Investment Officer
Cristina Hess, Assistant CEO/CLO

The SCERA Times is published for members of the Sonoma County Employees' Retirement Association.

Comments and suggestions should be directed to:

Retirement@sonoma-county.org

Or contact SCERA at:

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This Newsletter is not intended or designed to be financial advice, tax advice or legal advice. SCERA does not render financial, tax or legal advice. Please consult with your financial, tax and legal advisors regarding your personal circumstances.

This Newsletter was prepared by SCERA staff to help members understand issues surrounding many aspects of their retirement benefits. Every effort has been made to ensure the accuracy of the information provided. However, you should not rely solely on the information contained in the newsletter. If there is any discrepancy between information in this newsletter and legal requirements under State or Federal law, the law will govern.

SCERA Retirement Seminars

Scheduled upcoming seminars that are currently open include the following:

TITLE	START DATE	TIME
Planning to Retire	6/8/2022	2:00 PM
Planning to Retire	6/20/2022	2:00 PM
Planning to Retire	7/6/2022	2:00 PM
Planning to Retire	7/18/2022	2:00 PM
Planning to Retire	8/2/2022	2:00 PM
Planning to Retire	8/16/2022	2:00 PM
Planning to Retire	9/7/2022	2:00 PM
Planning to Retire	9/16/2022	2:00 PM
Planning to Retire	10/12/2022	2:00 PM
Planning to Retire	10/17/2022	2:00 PM
Planning to Retire	11/1/2022	8:30 AM
Path to Retirement	11/8/2022	12:00 PM
Planning to Retire	11/10/2022	2:00 PM
Planning to Retire	12/6/2022	2:00 PM

A complete description of the seminars is available at scretire.org. For those considering retirement please note attending a seminar is not a requirement. You can enroll in the seminars by logging into your [MySCERA](#) account and clicking on [Seminar Registration](#).

Retirement Board Update

SCERA welcomes Sonoma County Supervisor **Chris Coursey** to the Board of Retirement.

Supervisor Coursey has been appointed to the 6th Trustee position by the Sonoma County Board of Supervisors. Following a 30-year career in journalism, Supervisor Coursey began his public service in 2007 as the spokesman for the SMART Rail District. In 2014 Supervisor Coursey was elected to the Santa Rosa City Council

where he served as mayor from 2016 – 2018. In 2021 Supervisor Coursey returned to public service and began his first term as the 3rd District Supervisor for Sonoma County.

We would also like to acknowledge **Brian Williams'** continued service to the Board of Retirement. On January 1, 2022 Trustee Williams began his 4th term as the 7th Trustee elected by the SCERA Safety membership.

SCERA Staff Updates

As we shared in our Fall 2021 Newsletter, for a small office we had a busy year with staff changes; 2022 has started no differently!

Departures: In March, **Cathy Austin** retired as the Finance and Retiree Services Manager, a position she held since November of 2002.

Selina Gonzalez, SCERA's Benefits Training Specialist, has accepted a position with Sonoma County Health Services Department.

New Staff: **Cheryl Enold** has joined the SCERA office as the Finance and Retiree Services Manager. Cheryl

has nearly 20 years of experience in Accounting and comes to SCERA from the Sonoma County Auditor-Controller-Treasurer-Tax Collector's



Cheryl Enold (left), Cristina Hess (right)

Office where she most recently served as the Payroll Division Manager.

Cristina Hess is SCERA's new Assistant Chief Executive Officer

/ Chief Legal Counsel. Cristina brings with her nearly 20 years of professional legal experience—having served as a Supervising Attorney for the Sonoma County Public Defender's Office as well as Adjunct Faculty at Empire College and University of Phoenix.



IMPORTANT DATES

Retiree Pay Dates

May 31, 2022

June 30, 2022

July 29, 2022

August 31, 2022

September 30, 2022

October 31, 2022

November 30, 2022

December 30, 2022

Holiday Schedule 2022

May 30: Memorial Day

July 4: Independence Day

September 5: Labor Day

November 11: Veterans Day

November 24:

Thanksgiving Day

November 25: Day After

Thanksgiving

December 26: Day After

Christmas

Our office will be closed on these holidays, but we're still available at [screta.org](https://www.screta.org) when you need information on our programs and services. Our personalized, secure portal [MySCERA.org](https://www.MySCERA.org) lets you view your account information and conduct much of your SCERA business online at any time.

Investment Market Update

YOUR PLAN'S INVESTMENT PORTFOLIO delivered a strong 18.6% return in 2021 as we began to emerge from the second year of COVID-19 related restrictions. US stock returns were especially noteworthy with the Plan's US equity benchmark up 25.7% for the year on the back of record-setting stimulus and a recovering economy. This benefitted the Plan's total return materially as its allocation to stocks is 61% and a large share of that is invested in US stocks. While healthy consumers resulted in strong demand the supply side was hampered by supply chain disruptions and a constrained labor market. The net result was the highest level of inflation since the 1980s. In response, the US Federal Reserve has signaled its intension to begin raising interest rates in 2022 to cool the economy and slow inflation. In this environment, the Plan's US equity managers significantly outperformed their benchmark due to strong stock selection and a modest overweight to small cap stocks.

Developed non-US stocks were also healthy in 2021, though not as impressive as their US counterpart, with a return of 11%. On the other hand, the emerging markets were down for the year with a decline of 3% and the Chinese stock market, a growing subcomponent, declining 22%. SCERA's portfolio avoided most of the impact of the declining Chinese market as we implemented a Rule of Law (ROL) guideline in early 2021. The ROL guideline eliminates the exposure to poor ROL markets, where practicable, and this had the effect of eliminating most of the Plan's exposure to Chinese and Russian domiciled stocks. In aggregate, the Plan's non-US stock *Continued on back page.*

Investment Market Update *Continued from page 3.*

managers meaningfully outperformed their benchmark. The Plan's global equity portfolio, which includes US and Non-US stocks, was approximately in-line with its benchmark.

Over the long term much of the Plan's return is expected to be sourced from stock (Equity) returns which tend to be higher over time than those of Fixed Income and Real Assets but are often more volatile. To dampen the higher volatility of stock returns the Plan also invests in Fixed Income and Real Assets, which are diversifying assets. The returns for these assets are unsynchronized with those of stocks and help reduce the volatility of Plan returns. The Plan has policy weights of 19% and 20% for Fixed Income and Real Assets, respectively. The US Fixed Income benchmark was down 1.5% in 2021 as interest rates rose, putting downward pressure on outstanding bond

values. In aggregate, the Plan's Fixed Income managers delivered a return in excess of the asset class benchmark. The Plan's Real Assets managers, which includes Real Estate, Farmland and Infrastructure, delivered a strong absolute return of 20.4% for the year though this did trail their asset class benchmark.

While 2021 was an exceptional year for the Plan's return we remain focused on the long term given the prolonged nature of SCERA's responsibilities. Long-term returns are healthy and, over all trailing periods in the table below, in-line with the Plan's assumed rate-of-return. We are convinced the Plan's investment program, coupled with sponsor and employee contributions, is well positioned to meet the Plan's obligations well into the future. It is noteworthy that as of the end of 2021, the Plan's funded status based on the portfolio's market value was a healthy 94.2%.

Sonoma County Employees' Retirement Association

SCERA Summary of Performance (Gross-of-Fees) as of December 31, 2021

	4th Quarter	1 Year	3 Years	5 Years	10 Years	20 Years	25 Years
Plan Return (Gross-of-Fees)	5.7%	18.6%	14.6%	11.2%	10.8%	7.8%	7.9%
Policy Benchmark	4.6%	13.5%	15.0%	11.2%	10.2%	7.5%	7.4%
Difference	1.1%	5.1%	-0.4%	0.0%	0.6%	0.3%	0.5%

The impact of fees would be to reduce stated Plan returns by approximately 0.5% per annum.

The Assumed Rate of Return is 6.7%