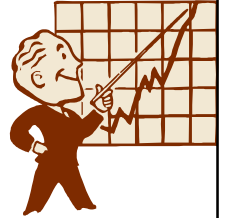




TREND

(Thinking Retired Employees Need Direction)
Retired Employees of Kern County



David Merritt, President (661) 589-9119

Joe Porter, Editor (661) 872-4299

President's Corner

By Dave Merritt



I just returned from the CRCEA Conference and if you have never attended you have missed a very educational and fun event. We can thank Everett Julkowski, our CRCEA delegate and Conference Chairman, for making REOKC look good.

One of the main speakers at this conference was a specialist in the medical insurance field. There are some major changes coming down the road and just how they will impact you depends on our personal situation, age, needs, prescriptions, and ailments.

By now you should have each received your enrollment packages in the mail. The health benefit fair will be held on November 6th, 2002 at 2:00 p.m. at the County Administrative Center. Presentations will follow in the Board of Supervisors Chambers at 3:00 p.m.

Even if you do not wish to make changes, you should carefully review the rate chart and plan information because there are **significant changes in rates, coverage, co-pays, etc.** As I have said before, this is only the beginning of some major changes in healthcare and you need to confirm that your doctor participates in a particular plan that you might choose. Please don't take this for granted because you may not be able to correct bad decisions easily. **Changes need to be in before November 27th, 2002.**

I am hopeful that we can continue to do three things:

Encourage Kern County retirees who are not current members of REOKC to join.

Continue with our education programs at monthly meetings.

Promote our website and links to important sites. Visit www.reokc.org.

One word of caution for those planning to retire, or have retired early and have not looked carefully to see if the Social Security offsets apply to you. If one spouse draws a pension from a government agency that was not covered by Social Security (federal civil service, some local governments, schools, etc.) your Social Security benefit may be lowered or offset. Visit www.ssa.gov where there are two publications you can order, #05-10007 Government Pension Offset, and #05-19945 The Windfall Elimination Provision. CRCEA adopted a resolution on October 23, 2002 in an attempt to make some positive changes in this area but there are no guarantees we will be successful.

Our dues are not that expensive, \$1.00 per month, and it takes a lot of effort by a lot of people to keep up with issues that impact retirees. Please join us in "holding down the fort". Your dues and efforts are appreciated.

Dave Merritt

Sunshine Committee Information

To contact the Sunshine Committee, call Elinor Wells at 831-0865. Ms. Wells and her committee send Get Well cards, Sympathy, and special event cards.

Host/Hostess Program

During the month of August, 32 volunteers worked 98 hours assisting 1,333 visitors. During the month of September, 31 volunteers worked 95 hours assisting 1,368 visitors to the County Administrative Building.

To those retirees who volunteer their time,

THANK YOU

Host/Hostess volunteers are needed for 3 to 6 hours a month at the County Administrative Building information booth.

If you would like to volunteer contact Allan Choy at 832-2245.

Please read the following article from the Bakersfield Californian

Cheers and Jeers

Copied from the Bakersfield Californian
Saturday, August 31, 2002

Thanks for the great tour

On our forays to the downtown library, we often pass by the County Administrative Building. As we made our way to the library on a recent morning, my 8-year-old son exclaimed, "Mom, look at that beautiful building!" He was so excited about the architecture, we decided to take a look at the inside.

The lady at the reception desk was the first one to welcome us and offer for us to see the various departments. Thank you, Julia (de Simone), for answering our questions and pointing us in the right direction!

On the next floor, we met the security supervisor. He offered more information of what we might like to see and offered to give us a tour of the meeting chambers before we left the building.

On the fifth floor, Denise Pennell graciously offered to give us a tour of the "point room" and the various supervisor's officers. Back on the first floor, the security supervisor delivered the promised tour of Supervisor's Chambers. My son was thrilled to be in the chambers that he had seen on TV!

And to make a little boy's day, Supervisor Barbara Patrick took time away from her busy office to meet with an 8-year-old and answer his questions about her job!

Thank you all for taking the time to welcome and teach my son. You are a fine representation of the county of Kern and I'm proud to call this my home!

Alice Moore
Bakersfield

Welcome New Members

August

James Albitre	Sheriff-Safety
Alicia Depto	Kern Medical
Linda Eviston	Deferred
Edward Gonzales	General Svcs
William Fisher	Sheriff-Safety
Fredrick James	Probation-Safety
Douglas King	Sheriff-Safety
Carol Langston	Sheriff-Safety
Gloria McAfee	Kern Medical
Joseph Montanio	General Svcs
Robert Ramey	Human Svcs
Ronald Seidel	Sheriff-Safety
Mary Webster	Kern Medical
Marie Kirby-Hill	Beneficiary
Bernice Rector	Beneficiary
Molly Ryan	Beneficiary
Wesley York	Beneficiary

September

Christine Arthur	Probation
Annie Coston	Human Svcs
Bradford Darling	Sheriff-Safety
Waltina Hanna	Deferred
Kathleen Hubert	Deferred
Young L. Kwon	Deferred
Carol Martin	Kern Medical
Barbara McMillian	Ag Comm
Sandra Menge	Probation-Safety
Dawn Moyer	Human Svcs
Doris Mynk	Probation
Patsy Radney	Fire-Safety
Pete Santiago	Fire-Safety
George Wilkins	Ag Comm
Sandra Weis	Beneficiary

WE WILL ALWAYS REMEMBER

Deceased KCERA Members

Wanda Anagnostopoulos	8/26/02
Evelyn Calhoun	9/01/02
Mildred Hodson	8/29/02
Luther Hopkins	7/12/02
Clifford Narramore	9/15/02
Mary Epp-Anderson	9/18/02
Jack Robinson	8/16/02
Evelyn Sandlin	9/05/02
Linnea Valentich	8/23/02
Dennis Berkey	7/18/02
Mabel Blevins	7/29/02
Norman Hill	7/14/02
Barbara York	7/30/02

December Christmas Luncheon

December 10, 2002 at 12:00 noon, Harvest Hall, Kern County Fairgrounds, Ming Avenue entrance. If you wish, you may use this form to order tickets for this luncheon. Please send your check, made payable to REOKC, together with a stamped, self-addressed envelope to **Doris Smith, 2500 Drake, Bakersfield, CA 93301**. Deadline for reservations is the Wednesday prior to the luncheon. **Phone reservations are not accepted.** You may cancel your reservations by calling Doris at 321-9344 prior to the deadline. Cancellations after the deadline cannot be refunded.

Member's name (\$5.00) _____ Spouse
(\$5.00) _____

Scheduled Luncheon Speakers

November Program: "Hoffman Hospice Speakers Bureau". Subject: The basics of hospice care. A comprehensive profile of hospice services.

December Program: Stockdale High School will provide entertainment.

Important Dates to Remember

November 12 REOKC meeting, 10:00 a.m. brown bag at noon, Wilson Road
November 13 KCERA Board Meeting, 8:00 a.m. County Admin. Bldg
December 10 REOKC Christmas luncheon, Noon, Harvest Hall, K.C. fairgrounds
December 11 KCERA Board Meeting, 8:00 a.m. County Admin. Bldg.
December 20 **Newsletter Deadline for TREND articles**

Retired Employees of Kern County
P.O. Box 3022
Bakersfield, CA 93385

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DEFERRED COMPENSATION (457) 2001 CHANGES

By Jim Kasper, Pacific Financial Designs, Inc.

As most of you know, the recent tax law changes under the "Economic Growth and Tax Relief Reconciliation Act of 2001" significantly impact Deferred Compensation programs.

The effects of the changes for Deferred Comp are very positive.

The previous maximum limit was \$8,500 or 25% of pay, whichever is less. The \$8,500 limit has increased as follows: \$11,000 in 2002, \$12,000 in 2003, \$13,000 in 2004, \$14,000 in 2005 and \$15,000 in 2006. In addition to the increase in contribution amounts, the 25% limit consideration has been eliminated.

For Kern County personnel over age 50 they may also contribute an additional \$1,000 in 2002, \$2,000 in 2003, \$3,000 in 2004, \$4,000 in 2005 and \$5,000 in 2006. If you are 50 or older next year you can contribute up to \$12,000 and in 2003 \$14,000, 2004 \$16,000, 2005 \$18,000 and 2006 \$20,000.

As great as these changes are while you're working, the options you have at retirement have significantly improved.

Under the old rules you had to leave money in the Deferred Compensation program at retirement. Remember all money withdrawn from Deferred Compensation is taxed as ordinary income. Once a withdrawal election was made you could NEVER change that amount. Under the new rules you can change the elected withdrawal amount. You still have the option of leaving your money in the Deferred Compensation plan after retirement. However, there is a significant improvement in portability. Under the new law, you can transfer your plan from Deferred Comp (457) to an IRA.

There are many IRA providers available. Pacific Financial Designs, Inc. offers both structures of IRAs, Annuity and Trusteed.

Through PFD there are plans available with most financially sound annuity providers. These types of IRAs offer as many or more investment choices as the Deferred Compensation program and bonus interest rates. The bonus interest rates are paid over and above the investment returns.

These plans offer features like, re-balancing, systematic withdrawals, internet access and complete disclosure of all costs and fees.

There is a wide range of Trusteed accounts available. The most fee sensitive of these accounts offer between 4,000 to 6,000 mutual funds in one IRA. The most flexible accounts allow all IRS approved types of investments: Real estate, stock/bonds/mutual funds, business interest, real property, notes/loans, second trust deeds and factoring interests.

Not all investments are appropriate for all Kern County retirees. Because of PFD's 30 year association with law enforcement retirement planning, there exists the ability to coordinate your Deferred Compensation money with your other personal assets. There has never been a time in the history of Deferred Compensation (457) programs when this much flexibility has existed. If you are already retired you owe it to yourself to review how these changes can positively affect your situation. If you are retiring in the near future, this is a great time to be planning how to maximize the new benefits available.

If you have any questions or need further information please call Pacific Financial Designs, Inc. at 1-800-733-4887, Jim Kasper ext. 303 or Todd Madden ext. 306.