

**MCERA RETIREMENT BOARD MEETING AGENDA
THURSDAY, MAY 9, 2019
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
3199 M STREET, MERCED, CA 95348**

Please turn your cell phone or other electronic device to non-audible mode.

CALL TO ORDER: 8:15 A.M.

- ROLL CALL.
- APPROVAL OF MINUTES – April 25, 2019.

PUBLIC COMMENT

Members of the public may comment on any item under the Board's jurisdiction. Matters presented under this item will not be discussed or acted upon by the Board at this time. For agenda items, the public may make comments at the time the item comes up for Board consideration. Persons addressing the Board will be limited to a maximum of five (5) minutes in total. Please state your name for the record.

CLOSED SESSION

As provided in the Ralph M. Brown Act, Government Code sections 54950 et seq., the Board may meet in closed session with members of its staff, county employees and its attorneys. These sessions are not open to the public and may not be attended by members of the public. The matters the Board will meet on in closed session are identified below. Any public reports of action taken in the closed session will be made in accordance with Government Code sections 54957.1.

(1) DISABILITY RETIREMENT APPLICATIONS: PERSONNEL EXCEPTION

(Govt. Code § § 54957, 31532; Cal Const. art. I, § 1)

1. Informal Hearing
 - a. Barba, Alejandro
 - b. Smith, Derrell
2. Formal Hearing
 - a. None
3. Disability update and possible action:
 - a. Arroyo, Elizabeth
 - b. Burnett, Donald
 - c. Cruz, Mary Kay
 - d. Elias, Robert C.
 - e. Estep, Jason
 - f. Herrera, Yvonne
 - g. Ramirez, Amber
 - h. Ramirez, Linda
 - i. Plascencia, Marcelino
 - j. Plascencia, Ramon
 - k. Salgado, Jose
 - l. Valizan, Matthew
 - m. Winder, Trudy

RETURN TO OPEN SESSION

Report on any action taken in closed session.

CONSENT CALENDAR

Consent matters are expected to be routine and may be acted upon, without discussion, as one unit. If an item is taken off the Consent Calendar for discussion, it will be heard as the last item(s) of the Board Action/Discussion as appropriate.

RETIREMENTS: Pursuant to Govt. Code § 31663.25 or § 31672

All items of earnable compensation for service or disability retirements listed below are in compliance with the pay code schedule approved by the Board of Retirement. The retirement is authorized; however, administrative adjustments may be necessary to alter the amount due to: audit, late arrival of data, court order, etc.

| | | | |
|---------------------|-----------------|--------------|-----------------|
| a. Johnson, Michael | Health | 2 Yrs. Svc. | Eff. 05/03/2019 |
| b. Lamas, Angelo | Retirement | 20 Yrs. Svc. | Eff. 04/20/2019 |
| c. Soles, Linda | Superior Courts | 8 Yrs. Svc. | Eff. 04/27/2019 |

YTD fiscal year 2018/2019 retirees: 087*

YTD fiscal year 2017/2018 retirees: 082

YTD fiscal year 2016/2017 retirees: 065

*one member rescinded retirement application

REFUND OF SERVICE PURCHASE: None

IN SERVICE DEATH BENEFIT: None

MONTHLY BUDGET REPORT: Submitted

REGULAR CALENDAR

BOARD ACTION¹/DISCUSSION

1. Discussion and possible action to approve MCERA's updated Disability Handbook and Employee Handbook which are being updated with IRS Regulations disclosures/language – Staff.
2. Appointment of ad hoc MCERA Board Committee pertaining to MCERA building infrastructure and improvements – Chair.
3. Discussion and possible action on Legislative Review – Staff.
4. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MCERA's Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
 - a. NCPERS Annual Conference & Exhibition, May 19-22, 2019, Austin, TX.
 - b. CALAPRS Administrators Roundtable, June 21, 2019, San Jose, CA.

¹ "Action" means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

- c. SACRS UC Berkeley Program, July 22-24, 2019, Berkeley, CA.
- d. Principles of Pension Management for Trustees, August 26-29, 2019 Malibu, CA.
- e. CALAPRS Administrators Institute, September 25-27, 2019, Carmel, CA.
- f. SACRS Fall Conference, November 12-15, 2019, Monterey, CA.

INFORMATION ONLY

MCERA Upcoming Board Meetings:

Please note: The MCERA Board Meeting and/or Education Day times and dates may be changed in accordance with the Ralph M. Brown Act by the MCERA Board as required.

- May 23, 2019
- June 13, 2019
- June 27, 2019

ADJOURNMENT

All supporting documentation is available for public review in the office of the Merced County Employees' Retirement Association, 3199 M Street, Merced, California, 95348 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday.

The Agenda is available online at www.co.merced.ca.us/retirement

Any material related to an item on this Agenda submitted to the Merced County Employees' Retirement Association, after distribution of the Agenda packet is available for public inspection in the office of the Merced County Employees' Retirement Association.

Persons who require accommodation for a disability in order to review an agenda, or to participate in a meeting of the Merced County Employees' Retirement Association per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation in writing addressed to Merced County Employees' Association, 3199 M Street, Merced, CA 95348 or telephonically by calling (209) 726-2724. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

**MCERA RETIREMENT BOARD MEETING MINUTES
THURSDAY, APRIL 25, 2019
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
3199 M STREET, MERCED, CA 95348**

ROLL CALL: 8:15 A.M.

Board Members Present: Darlene Ingersoll, Ryan Paskin, David Ness, Karen Adams, Al Peterson, Michael Rhodes, Scott Johnston. **Counsel:** Jeff Grant. **Staff:** Kristie Santos, Mark Harman, Michelle Lee. **Other:** Mika Malone and Paola Nealon, Meketa Investment Group; Eddie Guerra and Debbie Petruzzelli, Barrow, Hanley, Mewhinney & Strauss, LLC.

Absent: Jason Goins, Janey Cabral, and Scott Silveira.

APPROVAL OF MINUTES: April 11, 2019.

Motion to approve the April 11, 2019 meeting minutes.

Paskin /Adams U/A (6-0).

PUBLIC COMMENT

No public comment.

CLOSED SESSION

The meeting went into closed session.

RETURN TO OPEN SESSION

(1) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Significant exposure to litigation. (Govt. Code § 54956.9)

Number of Potential Cases: 2

Direction given to staff.

REGULAR CALENDAR

BOARD ACTION¹/DISCUSSION

1. Discussion and possible action to approve amended Resolutions for IRS Regulations 401(a)(9), 401(h) and 401(a) – Staff.

Motion to approve the following Resolutions;

- **401(a)(9) Required Minimum Distribution - to remove lumps sum amount and remove reference to Stanislaus County,**
- **401(h) Deleting Retiree Health Benefits regulations which are not applicable to MCERA,**
- **401(a) Changing 15 calendar day bona fide separation to 60 calendar day separation as required by the IRS.**

Ness/ Peterson U/A (6-0).

2. Presentation and discussion of the Monthly Investment Performance Report with possible board action on any funds – Meketa Investment Group.

No action taken.

3. Presentation and discussion from MCERA’s fixed income manager Barrow, Hanley, Mewhinney & Strauss, LLC – Eddie Guerra and Debbie Petruzzelli.
No action taken.

4. Discussion and possible action to approve the SACRS Business Packet and Elections with direction to voting delegate – staff.
Motion to authorize voting delegate to accept SACRS’ Treasury Report, Secretary Report, Audit Report and vote for current SACRS slate of officers.
Ness/ Peterson U/A (6-0).

5. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MCERA’s Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
a. SACRS Spring Conference, May 7-10, 2019, Squaw Valley, CA.
b. NCPERS Annual Conference & Exhibition, May 19-22, 2019, Austin, TX.
c. Principles of Pension Management for Trustees, August 26-29, 2019 Malibu, CA.
d. SACRS Fall Conference, November 12-15, 2019, Monterey, CA.
No action taken.

INFORMATION ONLY

Trustee Johnston informed the Board that he would not be attending the MCERA Retirement Board meeting on May 9, 2019, due to attending the SACRS Spring Conference.

The Board was informed that the Plan Administrator would not be in attendance of the May 9, 2019 and May 23, 2019 MCERA Retirement Board meetings due to work related travel. Mark Harman, Fiscal Manager, will be running the meetings.

ADJOURNMENT

The meeting adjourned at 10:19 a.m.

Respectfully submitted,

Darlene Ingersoll, Chair

Al Peterson, Secretary

Date

¹ “Action” means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

| Professional Service Budget | Adopted | Current Budget | Expended 04/2019 | Expended YTD | Encumbrances | Bal Remaining | % Exp YTD |
|---|---------------------|-----------------------|-------------------------|---------------------|---------------------|----------------------|------------------|
| 21800 · Professional & Special Services - Consultant and Management Fees | 3,400,000.00 | 3,400,000.00 | 510,369.03 | 2,233,592.84 | - | 1,166,407.16 | 66% |
| 4/10/2019 Nossaman - 2019-02 - TCV X Related Legal | | | 729.00 | | | | |
| 4/10/2019 Nossaman - 2019-02 - Carmel PIF VII Related Legal | | | 167.40 | | | | |
| 4/10/2019 Nossaman - 2019-02 - Summit GPE Fund X Related Legal | | | 21,156.30 | | | | |
| 4/10/2019 Nossaman - 2019-02 - Taurus MFF II Related Legal | | | 147.60 | | | | |
| 4/10/2019 Nossaman - 2019-02 - Acadian ACWI Related Legal | | | 2,398.50 | | | | |
| 4/19/2019 Meketa - 2019 Q1 Consult Serv | | | 52,500.00 | | | | |
| 4/25/2019 Mellon LC SIF - 2019-Q1 Mgt Fee | | | 10,211.09 | | | | |
| 4/25/2019 Mellon Dynamic - 2019-Q1 Mgt Fee | | | 60,032.96 | | | | |
| 4/25/2019 Wells Capital - 2019-Q1 Mgt Fee | | | 135,378.86 | | | | |
| 4/25/2019 Mellon Int SIF - 2019-Q1 Mgt Fee | | | 10,144.42 | | | | |
| 4/25/2019 UBS TPF - 2019-Q1 Mgt Fee | | | 90,004.20 | | | | |
| 4/29/2019 Barrow Hanley - 2019-Q2 Mgt Fee | | | 80,702.00 | | | | |
| 4/30/2019 Nossaman - 2019-03 - Accel-KKR GCP III Related Legal | | | 279.00 | | | | |
| 4/30/2019 Nossaman - 2019-03 - TCV X Related Legal | | | 153.00 | | | | |
| 4/30/2019 Nossaman - 2019-03 - Acadian ACWI Related Legal | | | 15,066.90 | | | | |
| 4/30/2019 Nossaman - 2019-03 - Driehaus ISCG Related Legal | | | 9,876.60 | | | | |
| 4/30/2019 Nossaman - 2019-03 - Spark Capital VI Related Legal | | | 6,000.00 | | | | |
| 4/30/2019 Nossaman - 2019-03 - Spark Capital GF III Related Legal | | | 6,000.00 | | | | |
| 4/30/2019 Nossaman - 2019-03 - GoldenTree MSC Related Legal | | | 837.00 | | | | |
| 4/30/2019 Nossaman - 2019-03 - Accel-KKR CP VI Related Legal | | | 214.20 | | | | |
| 4/30/2019 Nossaman - 2019-03 - PIMCO Related Legal | | | 8,370.00 | | | | |
| Total 21800 · Professional & Special Services - Consultant and Management Fees | | | 510,369.03 | | | | |
| 21802 · Professional & Special Services - Actuarial Service | 175,000.00 | 175,000.00 | - | 37,443.04 | - | 137,556.96 | 21% |
| Total 21802 · Professional & Special Services - Actuarial Service | | | - | | | | |
| 21812 · Prof & Spec - Data Processing | 120,000.00 | 120,000.00 | 4,681.71 | 46,241.06 | - | 73,758.94 | 39% |
| 4/17/2019 2019-03 IS Billing | | | 4,482.69 | | | | |
| 4/24/2019 Comcast - 2019-04 Wifi Chgs | | | 199.02 | | | | |
| Total 21812 · Prof & Spec - Data Processing | | | 4,681.71 | | | | |
| 21840 · Prof & Spec Sv - Administrative Serv | 115,000.00 | 115,000.00 | 26,664.89 | 87,965.20 | - | 27,034.80 | 76% |
| 4/3/2019 2019-03 Wire Fees | | | 100.00 | | | | |
| 4/3/2019 2019-03 NT STIF Income - Custodial Fee | | | 1,281.06 | | | | |
| 4/16/2019 Northern Trust - 2019-Q1 Custody Fees | | | 25,125.00 | | | | |
| 4/16/2019 American Intl Group - Class Action - Custodial Fee | | | 28.26 | | | | |
| 4/17/2019 American Int Group - Class Action - Custodial Fee | | | 130.57 | | | | |
| Total 21840 · Prof & Spec Sv - Administrative Serv | | | 26,664.89 | | | | |
| 22350 · Spec Dept Exp - Software | 250,000.00 | 327,838.60 | 14,519.00 | 252,569.69 | - | 75,268.91 | 77% |
| 4/24/2019 CPAS - 2019-04 Support | | | 12,600.00 | | | | |
| 4/24/2019 CPAS - 2019-04 Maint | | | 1,919.00 | | | | |
| Total 22350 · Spec Dept Exp - Software | | | 14,519.00 | | | | |
| Depreciation Expense | 242,777.87 | 242,777.87 | | | | | |
| Total Professional Service Budget | 4,302,777.87 | 4,380,616.47 | 556,234.63 | 2,657,811.83 | - | 1,722,804.64 | 61% |
| Capital Asset Budget | Adopted | Current Budget | Expended 04/2019 | Expended YTD | Encumbrances | Bal Remaining | % Exp YTD |
| 84170 - Retirement Carpet | 41,000.00 | 41,000.00 | - | 38,202.59 | - | 2,797.41 | 93% |
| Total 84170 - Retirement Carpet | | | - | | | | |
| Total Capital Asset Budget Budget | 41,000.00 | 41,000.00 | - | 38,202.59 | - | 2,797.41 | 93% |
| Administrative Service Budget | Adopted | Current Budget | Expended 04/2019 | Expended YTD | Encumbrances | Bal Remaining | % Exp YTD |
| 10110 - Salaries & Wages | 1,178,153.89 | 1,178,153.89 | 76,707.68 | 789,700.46 | - | 388,453.43 | 67% |
| 4/2/2019 2019-01 PARS | | | 5.64 | | | | |
| 4/5/2019 Office Payroll 7 | | | 38,381.89 | | | | |
| 4/19/2019 Office Payroll 8 | | | 38,320.15 | | | | |
| Total 10110 · Salaries & Wages | | | 76,707.68 | | | | |
| 20600 - Communications | 5,050.00 | 5,050.00 | 348.70 | 3,136.32 | 136.53 | 1,777.15 | 62% |
| 4/9/2019 AT&T - 2019-03 Comm Chgs | | | 137.03 | | | | |
| 4/17/2019 2019-03 Comm Billing | | | 211.67 | | | | |
| Total 20600 · Communications | | | 348.70 | | | | |

| Administrative Service Budget (Cont'd) | Adopted | Current Budget | Expended 04/2019 | Expended YTD | Encumbrances | Bal Remaining | % Exp YTD |
|---|------------------|------------------|------------------|------------------|-----------------|------------------|------------|
| 20900 - Household Expense | 10,600.00 | 12,600.00 | 3,652.01 | 10,772.58 | 682.00 | 1,145.42 | 85% |
| 4/9/2019 Bob's Pest Control - 2019-03 Svcs | | | 40.00 | | | | |
| 4/10/2019 Geil - 2019-03 Janitorial | | | 682.00 | | | | |
| 4/23/2019 ADT - 2019-Q2 Security Svcs Refund | | | (143.65) | | | | |
| 4/23/2019 ADT - 2019-Q2 Cellular & Security Svcs | | | 252.27 | | | | |
| 4/23/2019 ADT - Installation Chgs | | | 2,821.39 | | | | |
| Total 20900 - Household Expense | | | <u>3,652.01</u> | | | | |
| 21000 - Insurance - Other | 85,000.00 | 85,000.00 | - | 79,292.00 | - | 5,708.00 | 93% |
| Total 21000 - Insurance - Other | | | <u>-</u> | | | | |
| 21001 - Insurance - General Liability | 3,072.00 | 3,072.00 | 237.02 | 2,447.62 | - | 624.38 | 80% |
| 4/5/2019 PP 7 - General Liability | | | 119.17 | | | | |
| 4/19/2019 PP 8 - General Liability | | | 117.85 | | | | |
| Total 21001 - Insurance - General Liability | | | <u>237.02</u> | | | | |
| 21200 - Maintenance - Equipment | 5,000.00 | 6,800.00 | 978.40 | 6,068.17 | - | 731.83 | 89% |
| 4/3/2019 Spriggs - 2019-Q2 Bizhub Base Chg | | | 797.77 | | | | |
| 4/19/2019 Spriggs - Bizhub Lease | | | 170.01 | | | | |
| 4/19/2019 Dataflow - 2019-Q1 Taskalfa Usage | | | 10.62 | | | | |
| Total 21200 - Maintenance - Equipment | | | <u>978.40</u> | | | | |
| 21301 - Maintenance Structure Improvement | 19,100.00 | 19,100.00 | 591.24 | 12,560.69 | 325.00 | 6,214.31 | 66% |
| 4/10/2019 Yard Masters - 2019-03 Landscape Maint | | | 300.00 | | | | |
| 4/18/2019 2019-03 DPW Charges | | | 291.24 | | | | |
| Total 21301 - Maintenance Structure Improvement | | | <u>591.24</u> | | | | |
| 21500 - Membership | 6,500.00 | 6,500.00 | - | 5,860.00 | - | 640.00 | 90% |
| Total 21500 - Membership | | | <u>-</u> | | | | |
| 21700 - Office Expense - General | 21,000.00 | 21,000.00 | 464.80 | 19,006.40 | - | 1,993.60 | 91% |
| 4/17/2019 2019-03 Stores Billing | | | 426.88 | | | | |
| 4/17/2019 2019-03 Pacific Shredding | | | 10.00 | | | | |
| 4/22/2019 First Choice - 2019-03 Water Svc | | | 20.92 | | | | |
| 4/22/2019 First Choice - 2019-03 Cooler Rental | | | 7.00 | | | | |
| Total 21700 - Office Expense - General | | | <u>464.80</u> | | | | |
| 21710 - Office Expense - Postage | 15,750.00 | 15,750.00 | 1,042.45 | 11,971.63 | - | 3,778.37 | 76% |
| 4/17/2019 2019-03 Mail Room Chgs | | | 931.90 | | | | |
| 4/17/2019 2019-03 IS Postage | | | 103.52 | | | | |
| 4/30/2019 FedEx - 2019-03 Delivery Chgs | | | 7.03 | | | | |
| Total 21710 - Office Expense - Postage | | | <u>1,042.45</u> | | | | |
| 21805 - Prof & Spec Service - Audits | 55,000.00 | 55,000.00 | - | 43,275.58 | - | 11,724.42 | 79% |
| Total 21805 - Prof & Spec Service - Audits | | | <u>-</u> | | | | |
| 21808 - Prof & Spec - BD Membership | 12,000.00 | 12,000.00 | 1,000.00 | 7,900.00 | 1,100.00 | 3,000.00 | 66% |
| 4/10/2019 2019-03 Bd Mtgs | | | 200.00 | | | | |
| 4/10/2019 2019-03 Bd Mtgs | | | 200.00 | | | | |
| 4/10/2019 2019-03 Bd Mtgs | | | 200.00 | | | | |
| 4/10/2019 2019-03 Bd Mtgs | | | 200.00 | | | | |
| 4/10/2019 2019-03 Bd Mtgs | | | 200.00 | | | | |
| Total 21808 - Prof & Spec - BD Membership Fee | | | <u>1,000.00</u> | | | | |
| 21811 - Prof & Spec - Court Reporters | 2,000.00 | 2,000.00 | - | - | - | 2,000.00 | 0% |
| Total 21811 - Prof & Spec - Court Reporters | | | <u>-</u> | | | | |
| 21816 - Prof & Spec - Medical Services | 80,000.00 | 80,000.00 | - | 3,730.80 | - | 76,269.20 | 5% |
| Total 21816 - Prof & Spec - Medical Services | | | <u>-</u> | | | | |

| Administrative Service Budget (Cont'd) | Adopted | Current Budget | Expended 04/2019 | Expended YTD | Encumbrances | Bal Remaining | % Exp YTD |
|---|---------------------|---------------------|-------------------|---------------------|-----------------|---------------------|------------|
| 21834 - Prof & Spec - Legal Services | 300,000.00 | 296,200.00 | 14,807.10 | 156,463.33 | 5,646.10 | 134,090.57 | 53% |
| 4/10/2019 PPC - 2019-03 Legal Svcs | | | 265.00 | | | | |
| 4/17/2019 Hansen Bridgett - Tax Comp/Determ Ltr | | | 1,369.20 | | | | |
| 4/24/2019 Ted Cabral - 2019-03 Admin | | | 518.00 | | | | |
| 4/24/2019 Ted Cabral - 2019-03 Disab Legal Svcs | | | 5,484.50 | | | | |
| 4/24/2019 Ted Cabral - 2019-03 Disab Legal Svcs | | | 121.54 | | | | |
| 4/24/2019 Ted Cabral - 2019-03 Disab Legal Svcs | | | 5,332.50 | | | | |
| 4/24/2019 Ted Cabral - 2019-03 Disab Legal Svcs | | | 871.65 | | | | |
| 4/24/2019 Ted Cabral - 2019-03 Disab Legal Svcs | | | 684.50 | | | | |
| 4/24/2019 Ted Cabral - 2019-03 Disab Legal Svcs | | | 160.21 | | | | |
| Total 21834 - Prof & Spec - Legal Services | | | <u>14,807.10</u> | | | | |
| 21872 - Prof & Spec Sv - Investigations | 1,000.00 | 1,000.00 | - | - | - | 1,000.00 | 0% |
| Total 21872 - Prof & Spec Sv - Investigations | | | <u>-</u> | | | | |
| 21900 - Publications & Legal Notices | 4,500.00 | 4,500.00 | - | 2,494.43 | - | 2,005.57 | 55% |
| Total 21900 - Publications & Legal Notices | | | <u>-</u> | | | | |
| 22300 - Spec Dept Exp - Other | 500.00 | 500.00 | - | 57.00 | - | 443.00 | 11% |
| Total 22300 - Spec Dept Exp - Other | | | <u>-</u> | | | | |
| 22310 - Spec Dept Exp - Election Expense | 5,000.00 | 5,000.00 | - | - | - | 5,000.00 | 0% |
| Total 22310 - Spec Dept Exp - Election Expense | | | <u>-</u> | | | | |
| 22327 - Spec Dept Exp - Cost Allocation | 151,282.00 | 151,282.00 | 12,606.83 | 126,068.30 | - | 25,213.70 | 83% |
| 4/3/2019 2019-04 Cost Allocation | | | 12,606.83 | | | | |
| Total 22327 - Spec Dept Exp - Cost Allocation | | | <u>12,606.83</u> | | | | |
| 22500 - Transportation & Travel | 800.00 | 800.00 | 39.15 | 167.61 | - | 632.39 | 21% |
| 4/26/2019 2019 Jan-Mar Mail Runs | | | 39.15 | | | | |
| Total 22500 - Transportation & Travel | | | <u>39.15</u> | | | | |
| 22505 - Trans & Travel - Staff Development | 4,000.00 | 4,000.00 | - | 120.00 | - | 3,880.00 | 3% |
| Total 22505 - Trans & Travel - Staff Development | | | <u>-</u> | | | | |
| 22515 - Trans & Travel - In State | 55,000.00 | 55,000.00 | 1,539.10 | 17,032.58 | - | 37,967.42 | 31% |
| 4/10/2019 Citibank - Hotel - SACRS Spring Conf | | | 516.11 | | | | |
| 4/10/2019 Citibank - Booking Fee - SACRS Spring Conf | | | 7.99 | | | | |
| 4/10/2019 SACRS - Spring 2019 Conf | | | 120.00 | | | | |
| 4/23/2019 NAPPA - 2019 Legal Edu Conf | | | 895.00 | | | | |
| Total 22515 - Trans & Travel - In State | | | <u>1,539.10</u> | | | | |
| 22516 - Trans & Travel - Out of State | 9,000.00 | 9,000.00 | 314.05 | 3,974.22 | - | 5,025.78 | 44% |
| 4/10/2019 Citibank - Hotel - NCPERS Austin | | | 307.05 | | | | |
| 4/10/2019 Citibank - Agency Fee - NCPERS Austin | | | 7.00 | | | | |
| Total 22516 - Trans & Travel - Out of State | | | <u>314.05</u> | | | | |
| 22527 - Trans & Travel - Car Allowance | 14,000.00 | 14,000.00 | 923.10 | 9,461.77 | - | 4,538.23 | 68% |
| 4/5/2019 PP 7 - Car Allowance | | | 461.55 | | | | |
| 4/19/2019 PP 8 - Car Allowance | | | 461.55 | | | | |
| Total 22527 - Trans & Travel - Car Allowance | | | <u>923.10</u> | | | | |
| 22600 - Utilities | 12,500.00 | 12,500.00 | 672.53 | 9,035.39 | - | 3,464.61 | 72% |
| 4/3/2019 PG&E - 2019-03 Svcs | | | 531.48 | | | | |
| 4/9/2019 City of Merced - 2019-03 WS&G | | | 141.05 | | | | |
| Total 22600 - Utilities | | | <u>672.53</u> | | | | |
| Depreciation Expense | 13,130.08 | 13,130.08 | - | - | - | 13,130.08 | |
| Total Administrative Service Budget | 2,068,937.97 | 2,068,937.97 | 115,924.16 | 1,320,596.88 | 7,889.63 | 740,451.46 | 64% |
| Total MCERA | 6,412,715.84 | 6,490,554.44 | 672,158.79 | 4,016,611.30 | 7,889.63 | 2,466,053.51 | 62% |

**Merced County Employees’ Retirement Association (MCERA)
RETIREMENT BOARD AGENDA ITEM**

DATE: May 9, 2019

TO: MCERA Board of Retirement
FROM: Kristie Santos, Plan Administrator

SUBJECT: Updates to Employee Handbook and Disability Retirement Handbook to reflect language on MCERA IRS Model Regulations

ITEM NUMBER: 1

ITEM TYPE: Action

STAFF RECOMMENDATION:

1. Adopt the proposed changes to the Employee Handbook and the Disability Retirement Handbook.

DISCUSSION: The Merced County Employees’ Retirement Association (MCERA) staff are proposing the following changes to the Employee Handbook and the Disability Retirement Handbooks. Changes are being proposed to reflect language pertaining to MCERA’s IRS Model Regulations. Below is a list of substantive changes:

| Page | Description of Change in Employee Handbook |
|---------|---|
| All | Replaced “Miscellaneous” Member with “General” Member. CERL refers to General Member as non-safety member. |
| 4 | Remove reference to annual report. MCERA produces the CAFR and not a separate annual report. |
| 10 | Added that the MCERA does <u>not</u> have reciprocity with the University of California Retirement Plan. |
| 13 | Added that cash payments are <u>not</u> accepted for payment of service credit. |
| 13 - 20 | Added tax counsel approved language regarding IRS requirements for Rollovers. |
| 28 | Added language regarding MCERA having to follow all IRS regulations. |
| 29 | Added language regarding MCERA having to follow the IRS regulation 401(a)9 Required Minimum Distribution for Option 2 or 4. |
| 30 | Added language regarding MCERA having to follow the IRS regulation 401(a)9 Required Minimum Distribution for Option 2 or 4. |
| 32 | Added language regarding MCERA having to follow all IRS regulations. |
| 32 | Added language regarding MCERA having to follow IRS 415 regulations. |
| 37 | Added language that MCERA cannot allow a member to re-elect a beneficiary if they have retired, even if there is a divorce. |

Merced County Employees' Retirement Association (MCERA)

RETIREMENT BOARD AGENDA ITEM

| | |
|------|---|
| 39 | Added language regarding MCERA having to follow the IRS regulation 401(a)9 Required Minimum Distribution for Option 2 or 4. |
| 39 | Added language regarding retirees returning to work, per IRS Regulation 401(a) Distribution Limitations – employees must have a bona fide separation to return to work. |
| Page | Description of Change in Disability Handbook |
| 7 | Added language regarding MCERA having to follow the IRS regulation 401(a)9 Required Minimum Distribution for Option 2 or 4. |
| 9 | Added language regarding MCERA having to follow the IRS regulation 401(a)9 Required Minimum Distribution for Option 2. |
| 10 | Added language regarding MCERA having to follow the IRS regulation 401(a)9 Required Minimum Distribution for Option 4. |
| 12 | Added language that MCERA cannot allow a retiree to re-elect a beneficiary if they have retired, even if there is a divorce. |

**MERCED COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

**Disability Retirement
Handbook**

Mission Statement

MCERA's mission is to provide benefits to its members, to manage assets prudently in accordance with plan provisions and to provide competent and efficient services to our members.

Disability Retirement Handbook

This handbook is intended to give you a general idea of the benefits available through the Merced County Employees' Retirement Association (MCERA). Every effort has been made to ensure the timeliness and accuracy of the information offered. However, you should not rely solely on the information contained herein. Your eligibility for benefits will depend on the particulars of your situation. Your actual benefits will be determined according to the applicable provisions of the County Employees' Retirement Law of 1937 (Government Code Sections 31450 et. Seq.), the California Constitution, MCERA's by-Laws and MCERA's policies and procedures. Therefore, your benefits may, in some cases, be different from those presented in this manual.

The California legislature periodically makes revisions and additions to retirement law. MCERA will make every effort to keep you informed of future changes that affect your Retirement Plan. However, benefits are subject to change with or without notice.

NOTE: In the event of any discrepancy between the information contained in this manual and the Code provisions and By-Laws and Policies referenced above, the Code provisions and By-Laws and Policies will govern.

The By-Laws may be accessed via the Internet at www.mcera.merced.ca.us.

CONTACT INFORMATION

MCERA
3199 M St
Merced, Ca 95348

Phone: 209-726-2724
Fax: 209-725-3637
Email: mcera@co.merced.ca.us
Website: www.mcera.merced.ca.us

DISABILITY RETIREMENT

If you become disabled during employment, you may be eligible for a disability retirement. For purposes of MCERA, “disabled” means that there is an inability to substantially perform the usual duties of a position. It is not necessary that the person be physically or mentally incapable of performing each and every duty or task that might arise within the job classification. A person’s incapacity is permanent if change for the better or worse is not to be reasonably anticipated under usual standards. Please refer to the Disability Handbook located at www.mcera.merced.ca.us for more information regarding the disability retirement process.

Types of Disability Retirements:

Service-Connected

The incapacity is a result of injury or disease arising out of and in the course of employment, the employment causation is “real and measurable” and the employment contributed substantially to the incapacity. For a service-connected disability, the monthly allowance is usually 50% of your final compensation earnable or the amount of your service retirement allowance, whichever is greater. For questions regarding taxation, you should consult with your tax advisor.

Nonservice-Connected

The incapacity is not related to your job but you are not able to perform the usual and customary duties of your job position. You must have at least five (5) years of service credit to be considered for a non-service connected disability retirement. (NOTE: Approved reciprocal service in a system with reciprocity counts toward these required five years). The benefit for non-service connected disability is based upon a formula not to exceed one third of your final compensation or the amount of your service retirement allowance, whichever is greater.

Disability benefits are not necessarily lifetime benefits. The Board may require any disability benefit recipient under age 55 to undergo a medical examination. Upon the basis of the examination, the Board determines whether the disabled member is still incapacitated for service in the position of the MCERA employer where the member was employed. If you are found no longer disabled, you may be placed on a re-employment list or your benefit may be suspended. If you are reemployed by the County or participating employer your disability retirement allowance will be discontinued. After age 55, disability retirement becomes a lifetime benefit.

Contact MCERA staff to request a disability retirement packet. This packet will contain copies of procedures, rules, and forms, some of which you will need to complete. Generally, your application must be submitted while you are still in service or within four months after you cease to be in service. An application may be filed on your behalf by your department head or by another person. In addition, the Board of Retirement may require that you undergo a medical examination at MCERA’s expense. This examination will be conducted by an independent medical examiner selected by the Board.

If more than four months have elapsed from the last day in service a delayed disability application affidavit must be completed by the member and the treating physician. The treating physician must state that the member has been physically or mentally disabled from performing his/her usual and customary duties of their job since the date they discontinued service.

MCERA disability benefits are **not the same as worker's compensation benefits**. Disability is based on permanent incapacity to perform your usual and customary job duties, not a percentage rating.

Service Retirement Pending a Disability Retirement

If you are eligible for a regular service retirement you may file an application regardless of whether you are disabled or not. Pending your disability retirement, you will receive a service retirement. If you are found disabled by the Board your retirement will be adjusted retroactive to the effective date of the disability retirement. If your disability application is denied and you were receiving a service retirement you may not return to your job. If it is not approved, you will remain a retiree—you may not cancel your service retirement.

If you are interested in applying for a service retirement pending a disability retirement you will need to submit a regular service retirement packet. Please contact MCERA for a copy of the packet.

Supporting Documentation

The burden of proving a disability falls on the member. It is your responsibility to provide MCERA with any supporting documentation that will support your claim. All medical documentation supporting your disability claim must be submitted at the time you file your application or 30 days from the date of the application. The documentation must prove that you are permanently disabled from substantially performing your usual job duties. For a Service Connected Disability, the documentation must demonstrate that the employment contributed substantially to the disability. If there is a change in the claim or the application, you must notify the retirement office in writing.

At any time during the process the Board of Retirement, MCERA Staff or Counsel may require by written notice that the applicant serve within 30 days any of the following items:

- Copies of records, reports, notes, statements, documents, photographs, or other writings within the definition of Evidence Code Section 250.
- A narrative report of member's current medical condition from any or all of the health care professionals that have provided treatment (at applicant's expense).
- Sworn written responses.

Disability Retirement Counseling Session

MCERA offers disability counseling sessions. It is strongly recommended that you contact an MCERA staff member to discuss the disability retirement application process. During the counseling session you will be provided with information pertaining to a disability retirement. You will also have the opportunity to ask questions and request retirement estimates. If you are not able

to physically attend a disability counseling session you may request a counseling session over the phone. MCERA strongly advises all members to hire competent legal representation through the disability process. Please contact MCERA for an appointment at 209-726-2724.

Legal Representation

Any party is entitled, at their own expense, to be represented by legal counsel at any and all stages of the disability proceedings. It is highly recommended that members hire an experienced attorney in disability law with experience with the County Employees' Retirement Law of 1937 (CERL).

Confidentiality of Records

MCERA is required to protect the confidentiality of member records. Most information about your account cannot be provided to anyone else without your written consent, unless it is under a court ordered action.

Action by the Board of Retirement

Your disability retirement hearings will be held in closed session unless you request public hearing. The Board will determine whether you are permanently incapacitated for performance of your assigned duties and whether your disability is service-connected or nonservice-connected. You will be notified in writing of the Board's decision.

If you disagree with the initial decision, you will have 15 calendar days from the date of notice to request in writing a Formal Hearing (see Section 7b of the Disability Regulations). You may submit additional medical records, statements from co-workers or any other proof supporting your claimed disability. If your case is denied after a formal hearing, MCERA will notify you within 60 days with the decision and Facts and Finding of the case. You have 90 calendar days from the date of the decision to file for judicial review in Superior Court (refer to Section 12 of the Disability Regulations).

Disability Process Timeline

The Board of Retirement generally will hold a hearing on your disability retirement application four to eight months after the application has been filed. You can expedite matters by submitting copies of all medical records, forms, letters, chart notes and/or test results from any medical facility that has treated or examined you. If the Board approves your application, your disability retirement allowance will be paid from the later of two dates; the date you filed your application or the last date for which you received compensation (including sick leave, vacation, and, for safety members, 4850 compensation).

Lump-Sum Payment

If the Board determines that your incapacity is the result of alcohol or drug abuse, willful misconduct, or a violation of law and your contributions would have provided a retirement allowance of less than \$240 a year, the Board has the option of paying you a lump-sum of your contributions plus interest, rather than a monthly disability payment.

Social Security Benefits

Social Security benefits are separate from MCERA benefits. You will need to contact the Social Security Office to see how retiring on a disability with MCERA will affect your social security benefits. You may contact social security at 1(800) 722-1213 or www.ssa.gov.

Note: Disability members CANNOT return full time to work for an MCERA Employer under any conditions except as a juror. Disability members may return to work in the capacity as an extra help employee not to exceed 960 hours and MUST not return to the same position the member was performing with the same duties that they were found to be disabled from. Members also have to wait a specified period of time if applicable, per the IRS and/or PEPRRA.

Disability Application Granted

Upon granting of a disability benefit by the Retirement Board, it may take up to eight (8) weeks following termination, to process your final retirement calculations depending on your pay status and processing of documentation with your department. Final retirement options forms will be processed once the final calculations are completed. You will begin receiving your monthly benefit when MCERA receives your signed retirement options form at the end of that month if payroll has not been submitted. If payroll has already been submitted for that month you will not receive your monthly benefit until the following month including any retroactive payments.

Current Pay Status/Accruals

MCERA uses the day after your last day in pay status as your effective date. Staff reviews all payments made to you by payroll, including accrual payments, regardless of how minimal to determine, this date. Unless the retirement application date is later in which case MCERA will use the later date to determine your retirement date.

At retirement your sick leave balance will be converted into years of service for retirement purposes only (you may also have the option to convert 100% of your sick leave time into retirement years of service credit). You are only eligible to convert your sick leave balance into retirement service credit if you retire directly from an MCERA employer (deferred members are not eligible to convert sick leave hours into retirement service credit). Sick leave balances converted into retirement service credit are not used to determine eligibility for retirement.

MCERA will apply up to 160 hours of the vacation payoff amount towards your final compensation per the Merced Ventura Settlement if you are a member of Tier 1, 2 or 3.

Reciprocity

If you have established reciprocity with MCERA and another retirement system you must retire on the same date and contact both systems. Government Code Section 31838.5 requires each system to pay only its proportional share of the disability payment, based on the portion of the overall combined service that was earned in each system. The member may not receive a total benefit amount from more than one reciprocal system for more than what they would have

received had all the service been earned in one retirement system. If your disability allowance exceeds this amount it will be adjusted appropriately.

Retirement Options

You can select the retirement option that best meets your needs for providing for a spouse, domestic partner, or other beneficiary. Some of the options require that your monthly allowance be reduced in order to provide a lifetime monthly continuance for your beneficiary. ***Your beneficiary's monthly annuity may also be adjusted per IRS Regulations 401(a)9 Required Minimum Distribution if you choose an Option 2 or Option 4 and if your beneficiary is a non-spouse beneficiary that is 10 or more years younger than you.***

You will designate a beneficiary when you apply for retirement. This will supersede any previous beneficiary designation. When you retire, you will choose an option that determines how this beneficiary is paid after your death. This is an important decision, as it can affect the amount of the allowance you receive.

Unmodified Option

This offers you the maximum benefit for your lifetime. If you designate your eligible spouse or domestic partner, he/she will receive a lifetime monthly continuance of 100% of the amount you were receiving for the rest of his/her life if you are granted a service connected disability. He/she will receive a lifetime monthly continuance of 60% if you are granted a non-service connected disability. For your spouse to be considered eligible, he/she must have been married to you one year prior to retirement. A domestic partner is eligible if he/she was lawfully registered with you in a domestic partnership one year prior to your retirement. If you designate your unmarried minor children, they will receive a monthly continuance of 100% (service connected disability) or 60% (non-service connected disability) of the amount you were receiving until they marry or reach age 18, whichever comes first. Children are also considered eligible up to the age of 22 if they remain unmarried and are enrolled as full-time students in an accredited school. If more than one child is designated as your beneficiary, then the benefit will be divided among them.

If you are not married, registered or have any unmarried minor children your beneficiary will NOT receive a continuance. Your beneficiary will only receive any unused contributions that remain on deposit after reducing the entire retirement benefit amount that was given to you throughout your lifetime from your contributions (if any remain). Usually members deplete their contributions within two years of retiring with this option.

Note: Married members and domestic partners generally consider the unmodified allowance the best payment option because the other options reduce the benefit payable to you in exchange for allowing the designation of someone other than your spouse or domestic partner as beneficiary.

Option 1

This offers you a reduced allowance for your lifetime. Your beneficiary does not have to be a spouse or domestic partner, but he/she must have an insurable interest in your life. Please note that under California community property law, retiree's spouse or state registered domestic partner may have certain rights over any designated beneficiary.

Your beneficiary will receive a lump-sum of your unused contributions (if any remain in your account). With this option your contributions are usually exhausted during the first seven years of retirement. Your contributions deplete at a slower rate than the unmodified option. This is the ONLY option that allows you to change your beneficiary after retirement.

Note: A member who wants a beneficiary to receive a lump-sum benefit generally prefers this option, or a member who requires flexibility in the selection of a beneficiary. Also, members who are in poor health might want to ensure that their beneficiary receives as much benefit as possible because they will not be drawing on the benefit for long and anticipate receiving undistributed contributions.

Option 2

This offers you a reduced allowance for your lifetime. This particular reduction depends on your age and the age of the beneficiary you designate. Your beneficiary does not have to be a spouse or domestic partner. Please note that under California community property law, retiree's spouse or state registered domestic partner may have certain rights over any designated beneficiary.

You may not change your beneficiary after you retire. Your beneficiary will receive a lifetime continuance of 100% of the (reduced) amount you were receiving. When your beneficiary dies, payments stop and no further benefits will be paid. If your beneficiary predeceases you there will be no continuance to your new survivor nor will your monthly allowance increase.

Important Notice: Due to Internal Revenue Code 401(a)9 Required Minimum Distribution restrictions, there are limitations of an annuity to be paid to a non-spouse beneficiary that is 10 or more years younger than the member. The beneficiary's annuity may be reduced up to 53% of the member's annuity.

Option 3

This offers you a reduced benefit for your lifetime. The reduction depends on your age and the age of the beneficiary you designate. Your beneficiary does not have to be a spouse or domestic partner, but he/she must have an insurable interest in your life. Please note that under California community property law, retiree's spouse or state registered domestic partner may have certain rights over any designated beneficiary.

You may not change your beneficiary after you retire. Your beneficiary will receive a lifetime continuance of 50% of the (reduced) amount you were receiving. When your beneficiary dies, payments stop and no further benefits will be paid. If your beneficiary predeceases you there will be no continuance to your new survivor nor will your monthly allowance increase.

Note: A member who wants to minimize the reduction of his or her benefit but still wants to provide a lifetime benefit to a beneficiary might find this option preferable.

Option 4

This offers you a reduced benefit for your lifetime. The reduction depends on your age and the age of your beneficiary(ies). This is the ONLY option that allows for multiple beneficiaries. Your beneficiary does not have to be a spouse or domestic partner, but he/she must have an insurable interest in your life. Please note that under California community property law, retiree's spouse or state registered domestic partner may have certain rights over another designated beneficiary.

You may not change your beneficiary after you retire. This option allows member to assign the percent of continuance to each beneficiary. This option cannot be calculated by MCERA staff therefore this option and any estimates for this option will need to be calculated by the actuary. The costs for this calculation will need to be paid by the member. Please contact our office for current cost of calculating option 4. When your beneficiary(ies) dies, payments stop and no further benefits will be paid. If your beneficiary(ies) predeceases you there will be no continuance to your new survivor nor will your monthly allowance increase. ***Due to Internal Revenue Code 401(a)9 Required Minimum Distribution restrictions, there are limitations to any continuance paid to a non-spouse beneficiary that is more than 10 years younger than the member. Such benefits may be reduced by up to 53% of the member's annuity.***

Note: A member who has a current spouse and an ex-spouse and per court order must nominate an ex-spouse as one of the beneficiaries or provide the ex-spouse with a lifetime benefit must choose this option. If a member wishes to nominate more than one beneficiary for a lifetime benefit, the member must choose this option as well. All IRS rules will apply to ex-spouses, as well.

You may change your selected option prior to the time your first retirement benefit is added to the retiree payroll. After that time, your option selection is irrevocable. Please be advised that if you make a change and do not allow sufficient time for recalculation of your payments, your first payment may be delayed. If you have selected Options No. 2, 3, or 4 you may not change your beneficiary at any time. For those options, the amount of your retirement allowance is set according to both your age and the age of the beneficiary you select at retirement.

Options are usually mailed to your home address 2 to 4 weeks after your payoff amounts have been paid in your final paycheck. If you have established reciprocity it usually takes longer because your wage verification information needs to be submitted to MCERA from the other system before we can complete your options.

Temporary Annuity for Retirees under Age 62

The Temporary Annuity option is a way for members integrated with Social Security to level their income after retirement. If you retire for years of service before reaching age 62 and are fully insured under Social Security, you may elect to have your retirement allowances increased prior to age 62 and decreased after age 62 by amounts that have equivalent actuarial values.

Under this optional plan, you would receive more than your normal monthly retirement benefit until you reach age 62. When you reach age 62, your monthly benefits would be reduced below the normal amount for the remainder of your lifetime. After age 62, Social Security benefits should make up the difference in your monthly benefit, however this is not guaranteed since the benefit is based on the estimate provided to you by Social Security and the actual amount you receive from Social Security may be different. It is the member's responsibility to apply for Social Security benefits at age 62 and to provide MCERA with the proper (estimate form) from Social Security.

After you have determined the effective date of your retirement and received an estimate from Social Security, if you so request, MCERA office will calculate an estimate of the benefits payable under the temporary annuity option to assist you in your decision.

Cost-of-Living Adjustment (COLA)

The Retirement Plan provides for a cost-of-living adjustment (COLA) for Tier 1 members only. Cost-of-living adjustments go into effect on April 1st each year. To be eligible for the COLA enacted in any particular year, you must retire on or before April 1st of that year and be a Tier 1 member. The maximum cost of living increase is 3%.

Medical/Dental and Life Insurance Availability

Retiree health and dental insurance for you and your dependents may be available through the County of Merced Risk Management Department for County retirees and Court Human Resources for Superior Court retirees. For more information on retiree health and dental insurance, contact County Risk Management at 209-385-7356 or Courts at 209-725-4103.

Vision Insurance Availability

The vision insurance carrier is VSP. An enrollment form will be given to you once your disability has been granted for you to complete and return to VSP. VSP Vision Care Attn: Client Administration, P. O. Box 997100, Sacramento, CA 95899, via website vsp.com/go/sacrs, contact VSP at 800-400-4569.

Taxes

Usually, fifty percent (50%) of final average salary is considered non-taxable for a service connected disability. However, MCERA recommends all members **consult a tax expert for advice on withholding**. Please note that MCERA will report retirement benefits as taxable until such time as the retiree is awarded a service connected disability retirement by the MCERA Board of Retirement. 1099-R's issued in a year in which the service connected disability retirement is granted will reflect non-taxable benefits prospectively from the date such service connected disability is granted. No retroactive adjustments will be made to prior years 1099-R's.

Employment after a Disability Retirement is Granted

If you retire on a disability you **CANNOT** return to work for an MCERA employer under any circumstances other than a juror (unless section 31725.65 or 31730 apply; refer to an MCERA staff member for more information). You can work anywhere outside of a MCERA employer, but remember that if you are under the age of 55 the Board of Retirement can request for you to undergo a medical examination. Upon the basis of the examination, the Board determines whether the disabled member is still incapacitated for service in the position of the MCERA covered employer where the member was employed. If you are found no longer disabled, you may be placed on a re-employment list. If you are reemployed by the MCERA employer your disability retirement allowance will be discontinued.

Garnishments

In general, your contributions on deposit with MCERA and your retirement benefits can be subject to garnishment or other attachment.

Power of Attorney

A power of attorney may include the designation of a representative to conduct your retirement affairs. Because all power of attorney forms are not the same, it is recommended that you consult with an attorney before signing any document of this type. A General or a Durable General Power of Attorney will usually enable your attorney-in-fact to perform duties such as address changes, federal and/or state tax withholding elections, endorsing checks and filing affidavits for lost retirement checks. Only a specialized type of power of attorney will allow the attorney-in-fact to select a retirement option or designate a beneficiary. You should give careful consideration to the powers you are granting.

Living Trusts and Beneficiary Changes

Under the existing Government Code, a living trust instrument cannot be designated as a “beneficiary” to receive a continuance. In the event of your death, if there are retirement funds existing, they will be distributed to your named beneficiary or to your estate only.

It is very important that you update your beneficiary status when and if any changes in your life occur (for example, divorce, death of a spouse, or a new marriage). You can get a “Request for Change of Beneficiary” form from the MCERA website at www.mcera.merced.ca.us or you may contact the MCERA office to have a form sent to you.

Dissolution of Marriage

California is a community property state. Retirement plan benefits earned during marriage are community property, subject to division on dissolution of marriage. If you have not retired at the time of dissolution, the division of community property is delayed until the time benefits become payable at your retirement or termination.

If you divorce after you retire, you will have already selected a retirement payment option and a beneficiary. The court can only order division of the monthly payments you receive. At your death, all payments will terminate. Upon a divorce, you are prohibited by law from designating a new spouse after retirement to receive a continuance. A former spouse (not married to you at the time of death) does not qualify as a surviving spouse eligible to receive a monthly continuance benefit. If you become involved in marriage dissolution, contact MCERA staff for detailed information.

Joinder

Family Code Section 2060 states that an order or judgment in a dissolution or other family law proceeding is not enforceable against a pension plan unless the plan has been joined as a party to the proceeding. Therefore, MCERA will need to be joined as a party to divorce proceedings.

MCERA will also need an executed court judgment or a settlement agreement signed by the court judge dividing and awarding the pension interest of the non-member spouse. This court order is required to be received by the Retirement Office before we can begin to pay the non-member's community property interest in the retiree's pension.

Further, please be advised the Merced County Employees' Retirement Association is not legally responsible for any pension payments or amounts ordered to the non-member spouse until actual receipt of such officially entered court order or judgment.

BOARD OF RETIREMENT REGULATIONS FOR DISABILITY RETIREMENT CLAIMS

1. Definitions

Unless the context otherwise requires, the definitions in this section shall govern the construction of these rules.

a) "Applicant" means:

1. Any member of the County Employees' Retirement Association claiming benefits under the County Employees' Retirement Law of 1937, or
2. Any person claiming such benefits through a member.

b) "Interested party" means the subject member, the Board, the Retirement Association, Counsel for the Retirement System, or the plan sponsors. A department or agency of the County shall not act as an interested party unless expressly authorized by the Board of Supervisors to represent the County in the particular matter.

c) "Retirement Office" means the Merced County Employees' Retirement Association staff.

d) "Association" means the Merced County Employees' Retirement Association.

e) "Board" means the Board of Trustees of the Merced County Employees' Retirement Association.

f) "Day" means calendar day.

g) "Disability Medical Provider" means medical doctor or medical advisor who advises the Board relating to Disability Retirements.

h) "Application Package" means completed application and medical examination reports and other information required by these Regulations that is submitted to the Board.

2. Representation by Counsel

a) Any interested party, at that party's expense, may hire and be represented by an attorney subject to the provisions of this section. No applicant is required to have an attorney at any time. **It is advised that all members consider the representation by an experienced attorney who is knowledgeable of disability law and the CERL.**

b) If any interested party becomes represented by an attorney, either such party or such attorney shall promptly file with the Retirement Office, and serve upon all other interested parties written notice of such representation, including the attorney's name, address and telephone number. Unless appearing with an interested party at a hearing, an attorney shall not be deemed Counsel of Record until such notice of

representation is duly filed and served. The substitution, withdrawal, or dismissal of an attorney of record shall be in the manner prescribed in the California Code of Civil Procedure.

- c) Once an application is submitted, the failure to retain legal counsel or to provide written notice of representation by such Counsel shall in no event be considered good cause, in and of itself, to delay any proceeding under this Regulation.

3. Applications

- a) A claim for disability retirement shall be made by lodging with the Retirement Office a complete application packet. The application shall not be deemed complete until Applicant has filed with the Retirement Office all of the following:
 - 1. An application on a form approved by the Retirement Office for that purpose complete with all requested information therein.
 - 2. A signed authorization for release of medical and other information deemed by Retirement Office relevant to a full and complete evaluation of the application.
 - 3. Copies of all medical reports and records supporting the application,
- b) The application for disability retirement shall not be deemed effective or filed within the meaning of Sections 31721 through 31724, inclusive, of the California Government Code, or otherwise, until the date upon which it is complete as described in Paragraph 3(a) above.
- c) If, at any time during the pendency of an application, the applicant changes, in any material way, the facts or claims set forth in the application, the applicant shall immediately file with the Retirement Office and serve on all interested parties written notice of such change. The failure to do so, may, in the discretion of the Board, preclude the Applicant from asserting the facts so alleged or introducing evidence with respect thereto. Notice of any such amendment shall be given, in writing, to Retirement Office within ten (10) days of the date thereof, and in no event later than thirty (30) days prior to any formal or informal proceeding before the Board.

4. Further Information Required from Applicant

- a) At any time during the pendency of an application, the Board or the Retirement Office may, by written notice to the Applicant, require that the Applicant serve within 30 days any or all of the following items:
 - 1. Copies of records, reports, notes, statements, documents, photographs, or other writings within the definition of Evidence Code Section 250.
 - 2. A narrative report of the subject member's current medical condition from any or all of the health care professionals that have provided treatment, to be obtained at the Applicant's expense.
 - 3. Sworn written responses to written inquiries concerning any matter of the case or any matter that is reasonably calculated to lead to the discovery of evidence that would be admissible at a hearing.
- b) If the Applicant fails or refuses to comply with any demand made pursuant to subsection (a) of this section, Retirement Office may do the following:
 - 1. Suspend action on the application until such time as Applicant complies in full with all such reasonable requests. During the period of suspension none of

the applicable time limits with respect to the processing of the application shall apply.

2. Seek to compel compliance with the request by making a motion to the Board pursuant to Section 15 of the Regulations, which such motion may include a request for sanctions pursuant to Section 16 of these Regulations.
3. If the Applicant is the subject member, and fails, after the passage of one hundred and twenty (120) days, from the date of suspension as set forth in Section 4 (b) (1) above, or in the event that Applicant refuses to comply with an order issued pursuant to subparagraph (2) within thirty (30) days thereafter, and further provided that there is an absence of good cause for either failure specified herein, the Board may declare that the application is dismissed with prejudice.

5. Medical Examinations

a) MCERA Board of Retirement, acting through its Retirement Office or Disability

Medical Provider may, on one or more occasions, as deemed necessary, require the subject member to submit to examination(s) by a physician or psychologist with expertise relative to the medical condition designated by the requesting party. The party requiring the examination shall, at least fifteen (15) days before the appointment date, serve the subject member with written notice of the date, time and place of examination, unless the subject member agrees to accept notice that is by other mode. If the member is unable to keep the examination appointment, the member or their attorney shall notify the Retirement Office in writing of such fact at least ten (10) days before the scheduled examination. If the place of examination is neither in Merced County, nor the County in which the subject member currently resides, the subject member may apply to the Board for reimbursement of travel expenses, in amounts paid at prevailing rates by the County of Merced for meals and mileage, and which the Board, in its discretion, may grant. The records and reports of the examining physician shall be confidential, privileged, and not subject to discovery except in accordance with these Regulations.

b) If the subject member fails or refuses to comply with any demand made pursuant to section (a) of this section, fails or refuses to cooperate fully with the examiner or to submit to all reasonable tests required by such examiner, or fails to notify the Retirement Office of their inability to attend the appointment, the member shall pay all of the expenses incurred by the Retirement Office as a result of the failure to comply and the demanding party may do any of the following:

1. Suspend all action on the application until Applicant complies with the request to submit to an examination. During the period of suspension, none of the applicable time limits, with respect to the processing of the application, shall apply.
2. Counsel for the Retirement Office may seek to compel compliance by making a motion pursuant to Section 15 of these Regulations directed to the Board hereof, which such motion may include a request for sanctions pursuant to Section 16 of these Regulations.
3. If the Applicant is the subject member, and fails, after the passage of one hundred and twenty (120) days from the date of the suspension, as set forth

in paragraph (1) above, or in the event that applicant refuses to comply with an order issued pursuant to paragraph (2) within thirty (30) days thereafter, and further provided that there is an absence of good cause for either failure specified herein, the Board may declare that the application is dismissed with prejudice.

6. Preparation of Application Package for Submittal to Board

Upon receiving a completed application, Retirement Office shall:

- a) Within ten (10) days of receipt of the initial application make a determination of whether the applicant is entitled to be considered for a disability retirement and whether the application has been timely filed.
- b) Submit one copy of the application to Counsel for review for legal sufficiency.
- c) Retirement Office may submit one copy of the application and all medical records to the Disability Medical Provider for a review of the medical records for medical sufficiency;
 1. The Disability Medical Provider shall prepare a report for the Retirement Board within ninety (90) days of receiving a completed disability application. The report will be submitted to the Retirement Office.
 2. Prior to submitting the medical report, the Disability Medical Provider or the Retirement Office, through its attorney, may request additional information, request an independent medical examination or take other action to obtain information relating to the application.
 3. The Disability Medical Provider or the Retirement Office, through its attorney, may request additional time for the completion of its actions pursuant to this article.
 4. The Retirement Office will provide the Disability Medical Provider's report to its attorney for review before the final report is issued. The Retirement Office may provide the final medical report to the Board of Retirement for review at a regular scheduled Board meeting. The time periods referred to herein above shall be tolled in the event of non-cooperation by the Applicant, subject member or Applicant's physicians or attorneys.

7. Action upon Application by the Board – Informal Hearing

Upon receiving the medical report pursuant to Section 6 of these Regulations, the members of the Board may, in addition to the medical report, review the entire application file and medical records. The Board may confer in closed session at a duly noticed Board meeting with the Retirement Office staff, and may take any of the following actions:

- a) Order that the application be granted if the medical report discloses that the Applicant has met the burden of proof with respect thereto and is entitled to a disability retirement, whether service or non-service connected. If the subject member is not granted the disability, then he/she shall have fifteen (15) days from the date of the notice granting the application for disability retirement, in which to file with the Board a request for a Formal Hearing on the application. If such a request for a Formal Hearing is filed, the Board shall schedule such hearing in conformance with its rules as set forth in Section 8 herein.

- b) Order that the application be denied. Upon denial, within the fifteen (15) days immediately following the notice of denial, an interested party may file a request for a Formal Hearing with the Retirement Office. If such a request is timely filed, the Board shall cause the matter to be set for hearing in accordance with Section 8 of these Regulations. If no such request is timely filed, the application shall be deemed denied.
- c) The Board may refer the matter back to the Disability Medical Provider and Retirement Office with instructions to conduct a further medical investigation, medical evaluation, or other action as deemed appropriate.
- d) The written notice as described herein shall comply with Regulation 17 set forth herein.

8. Setting for Formal Hearing

When a request for Formal Hearing has been received or is otherwise ordered by the Board, a hearing shall take place within one hundred and twenty (120) days thereafter, unless all parties agree otherwise. The Retirement Office shall serve upon the Applicant and his/her attorney, notice of such formal hearing, not less than sixty (60) days prior to the date set therefore.

- a) Continuances: The Board shall allow only two requests for a delay or a rescheduling of an informal or formal disability hearing from the Applicant. If a second request for a delay or rescheduling results in the applicant's medical records being 6 months old or older, the member may be sent to an independent medical examiner (IME) by the Plan Administrator. All request(s) for a delay or rescheduling must be made in writing to the Plan Administrator. After the second request is made, and if a member feels they have extenuating circumstances to request another (third request or beyond), the member may submit a request in writing to the Board. The Board may grant, deny or direct Plan Administrator to look into the member's circumstances and bring to the Board for consideration.

9. Pre-Hearing Regulations

- a) Any interested party shall be entitled to notice and take depositions in the manner prescribed by the California Code of Civil Procedure, except that there shall be no distinction between the depositions of expert and non-expert witnesses, and the provisions of the California Code of Civil Procedure limited to the depositions of expert witnesses shall not apply. The party noticing a deposition shall pay any and all costs of depositions and fees to which the witness is entitled.
- b) All requests for subpoenas or *subpoena duces tecums* shall be made pursuant to Government Code Section 31535. In order to request the issuance of a subpoena or subpoena duces tecum, an interested party shall complete and submit to the Retirement Office a form approved by the Plan Administrator for that purpose, and shall do so at least five (5) working days before the date the subpoena or subpoena duces tecum is to be issued. No subpoena or *subpoena duces tecum* shall be issued until the requesting party has posted with the Retirement Office any fees to which the subpoenaed witness is likely to be entitled. The party requesting a subpoena or *subpoena duces tecum* shall be responsible for serving and enforcing it. Fees and costs associated with the issuance or service of any subpoena or *subpoena duces tecum* as described herein shall be the same as those made applicable by law to witnesses in the Superior Courts of this State.

- c) Formal discovery shall be limited to written interrogatories and depositions as set forth in the California Code of Civil Procedure, except as may be stipulated between the parties.
- d) Briefing Schedule: The parties may submit a Formal Hearing brief supporting or opposing the Application. Such briefs should set forth the legal basis and key evidence supporting or opposing the Application. A Formal Hearing brief must be delivered to all parties and the Board of Retirement at least twenty (20) days prior to the Formal Hearing date. Initial briefs should be no longer than fifteen (15) pages, double spaced. Rebuttal or Response briefs, if any, must be delivered to all parties and the Board of Retirement at least seven (7) days prior to the Formal Hearing date. Rebuttal or Response briefs should be no longer than ten (10) pages, double spaced. Late briefs may be accepted, for good cause delay, at the discretion of the Chair of the Board of Retirement.

10. Hearing Regulations

- a) Closed Session: All formal hearing shall be conducted in closed session unless the subject member requests that the hearing be held in open session. Such request shall be made on the record.
- b) Burden of Proof:
 - 1. The burden of proof by a preponderance of the evidence shall rest upon the party who files an application for a disability retirement.
 - 2. When a member files an application for a service connected disability based on a heart presumption under CERL Section 31720.5 which MCERA recognizes as a rebuttable presumption as decided by *Pellerin v. Kern County Employees Retirement Association (December 18, 2006) 145 Cal. App. 4th 1099*, the MCERA Board will consider all evidence for and against a finding of service connection if staff determines there is a reasonable basis to challenge the conclusion that the heart trouble is service connected. The burden of proof in any hearing will shift to the MCERA to prove the disability is not service connected.
- c) Reporting: Every hearing shall be reported by a Certified Shorthand Reporter (Court Reporter). The Retirement Office shall arrange for a court reporter to be present. The reporter's notes shall be transcribed only if requested by an interested party, in which case the requesting party shall pay the costs of such transcription. The per diem cost of the reporter shall be borne solely by the Association.
- d) Documentary Record: At the commencement of the hearing on each application for disability retirement, the Board Chair of the Retirement Board shall identify each document which is being made a part of the record of the hearing. Any and all objections to the admissibility of any document so identified shall be made and ruled upon at the time of identification. Objections not made at that time shall be deemed waived.
- e) Control Over Hearing: The Board Chair, or acting Chair, shall exercise such control over the hearing as is reasonable, necessary and consistent with these regulations, prescribing the order of proof, ruling upon the admissibility of evidence, questioning witnesses, and determining whether the matter shall proceed or be adjourned subject to continuation.

- f) Objections: All objections to the introduction or admissibility of evidence shall be determined by the Chair of the Board, subject to the re-determination by the Board through motion duly made, seconded and adopted by a majority of the members. The advice of the Board's Counsel shall be sought on all objections to the admissibility of evidence, in advance of ruling.
- g) Prerogatives of the Board: The Board reserves the right to reject any recommendation that an application be granted or denied, and to interrupt any hearing for the purpose of seeking independent medical advice or receiving other testimony or evidence not presented by the parties.
- h) Absent Board Members: No member of the Board who has not been in attendance during any portion of a hearing on an application for disability retirement shall participate in the determination by the Board of the application unless the member has read a transcript of that portion of the hearing in which he/she was not in attendance and has stated on the record that such review has been undertaken and completed.
- i) Rules of Evidence: Except as otherwise provided in these Regulations, any relevant evidence shall be admitted if it is the sort of evidence on which reasonable and responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of augmenting or explaining any direct evidence, but shall not be sufficient in and of itself to support a finding unless admitted pursuant to subsection (n), (o), or (p) of this section, or unless it would be admissible over objection in civil actions. Upon proper objection, evidence that is irrelevant or unduly repetitious shall be excluded.
- j) Oral Evidence: Oral evidence shall be taken only on oath or affirmation.
- k) Witnesses: On any relevant matter, each interested party shall have the right to call and examine witnesses, introduce documentary and other physical evidence, and cross-examine opposing witnesses. Any interested party who does not testify on his own behalf may be called and examined as a witness as if under cross examination.
- l) Witness Fees: The party calling a witness shall be responsible for paying any fees or other expenses of that witness.
- m) Refusal to Testify: A refusal by an interested party to testify when called, or to answer proper questions in the course of testifying, shall be grounds for deeming such testimony, or the answers to such questions, to have been given and to have been adverse to the refusing party.
- n) Medical Evidence: The production of medical evidence in the form of written reports is favored, provided that they have been served in the manner and within the time set forth in subsection (o) of this section.
- o) Medical Records or Reports: Any interested party may offer, and the Board shall receive into evidence, any medical records or reports that are relevant and that constitute substantial evidence, if copies of the said documents have been delivered to all interested parties at least twenty (20) days prior to the hearing, along with written notice of intention to offer the same into evidence. Any interested party may, at their own expense, subpoena the author of such a medical report or record as a witness, and examine the author as if under cross-examination. Any party calling

such an expert witness or an expert witness who has not provided a report must give notice of at least fifty (50) days prior to the date of the formal hearing to all interested parties. The Board in its discretion may waive the lack of a fifty (50) day notice for good cause as determined by the Board. Notice of medical reports prepared for purposes of Worker's Compensation proceedings are not made inadmissible by that fact alone; however, no opinion therein shall constitute substantial evidence to support a finding of permanent incapacity if that opinion is based upon any criterion that is peculiar to Worker's Compensation, or is otherwise not germane to the issue of permanent incapacity under the Retirement Law (e.g., opinions in terms of "permanent disability" under the laws of Worker's Compensation, the WCAB "Guidelines for Work Capacity, "prophylactic work restrictions," etc.).

- p) Non-Medical Written Statements: Any interested party may offer, and the Board shall receive into evidence, any relevant written statement by a non-medical witness, if;
1. It is made by affidavit or by declaration upon penalty of perjury;
 2. A copy has been delivered to all interested parties at least twenty (20) days prior to the hearing, along with written notice of intention to offer the same into evidence; and
 3. No interested party has, at least ten (10) days prior to the hearing, delivered to the proponent a written demand that the witness be produced in person to testify at the hearing. The board shall disregard any portion of a statement received pursuant to this subsection that would be inadmissible if the witness were testifying in person, but the inclusion of inadmissible matters shall not render the entire statement inadmissible.
- q) Deposition Transcripts: Any interested party may offer, and the Board shall receive into evidence, any relevant deposition transcript if;
1. The deposition was taken in the manner provided by law or by stipulation of the parties, and
 2. At least twenty (20) days prior to the hearing the offering party delivered to all interested parties notice of intention to offer the same into evidence. Nothing herein shall require or permit receiving into evidence any deposition testimony to which objection is properly raised if such testimony would be inadmissible were the witness present and testifying at the hearing. Nothing herein shall prevent receiving into evidence any deposition testimony that would be inadmissible under the Code of Civil Procedure in a Superior Court civil action.
 - i. For the purposes of this section, "delivery" of a document or a notice may be accomplished by personal service in accordance with the Code of Civil Regulations, or by mail in accordance with Section 17 of these regulations except that if delivery is by mail the time prescribed in this section for the delivery of documents and notices shall be increased by five (5) days.
 - ii. A duly noticed hearing may proceed in the absence of any interested party.

11. Hearings before the Board

- a) Four (4) members of the Board shall constitute a quorum for an Informal or Formal Hearing held before the Board pursuant to the provisions of this Article. With respect to any such hearing, no findings of fact or decision by the Board shall be valid or effective without the votes of the greater of the following:
 - a A majority of all members present; or
 - b Four (4) members.
- b) The Board shall decide and provide a decision to the applicant on all material issues no later than sixty (60) days following the meeting at which the matter is submitted unless there is a delay in obtaining additional information pursuant to Section 10 (g).

12. Board Decisions

- a) All of the following provisions apply to any decision of the Board that is subject to judicial review pursuant to Code of Civil Procedure Section 1094.5:
 - 1. The decision shall be in writing;
 - 2. The decision shall include or be accompanied by notice that the time in which judicial review must be sought is governed by Code of Civil Procedure Section 1094.6, and shall include or be accompanied by the text of Section 1094.6;
 - 3. The decision shall be accompanied by a copy of an affidavit or certificate of mailing;
 - 4. The foregoing shall be served upon all interested parties by first class mail, with postage prepaid.
- b) For purposes of judicial review, a decision of the Board is final on the date that the written decision is mailed pursuant to Subsection 11.
- c) Neither Code of Civil Procedure Section 1013 (a) nor any provision of these regulations shall apply to extend the time within which judicial review must be sought.
- d) The Board shall not entertain any petition for reconsideration of any decision after a formal hearing.

13. Judicial Review of Board Decisions

- a) Any request for the preparation of the administrative record pursuant to Code of Civil Procedure Section 1094.6 shall be made in writing and filed with the Retirement Office. The Retirement Office shall, within ten (10) days of receiving such a request, notify the requesting party of the estimated cost of preparing the record.
- b) Any requesting party other than an MCERA Employer or the Retirement Office may within ten (10) days of receiving such notification, deposit with the Retirement Office an amount sufficient to cover the estimated costs. If during the preparation of the record it becomes apparent that the costs will exceed the amount of the deposit, the requesting party shall, be notified and shall deposit the additional amounts before the record will be completed. If the cost of preparing the record exceeds the amount deposited, the party requesting the record shall pay the excess. If the amount deposited exceeds the cost, the difference shall be returned to the party requesting such record. Upon receiving the required deposit, the Retirement Office promptly shall prepare the record, and shall include the transcript of the proceedings, all

pleadings, all notices rejected exhibits in the possession of the Board of Retirement, its officers, or agent, all written evidence, and any other papers in the case.

14. Disability Beneficiaries Under 55 Years of Age

The Retirement Board may request information from any disability beneficiary under fifty-five (55) years of age in the manner prescribed in Section 4 of these Regulations, and may require any such beneficiary to undergo medical re-examination pursuant to Government Code Section 31729. If from such information and medical re-examination it appears that the disability beneficiary may no longer be incapacitated, then the, Retirement Board may order, a hearing on the issue of incapacity, in which case the procedure shall be the same as those provided in these regulations for applications for disability retirement.

15. Motions

Any interested party claiming that another interested party has not complied with any requirement of these regulations or the CERL shall first attempt to resolve the issue with the other party. Thereafter the said interested party may make written notice for an order compelling compliance. The motion shall include the following:

- a) A verified statement of all relevant facts, including a description of efforts made to resolve the dispute informally, and the reasons given by the respondent party for non-compliance;
- b) A statement of the relief sought;
- c) A memorandum of supporting points and authorities; and,
- d) A copy of an affidavit or certificate of service upon all interested parties. The motion shall be made to the Board. The respondent party shall have five (5) Days from the date the motion is served to submit written opposition. Such opposition shall include the following:
 1. A verified statement of all relevant facts;
 2. A memorandum of supporting points and authorities; and,
 3. A copy of an affidavit or certificate of service upon all interested parties. Upon the expiration of the time allowed for opposition, the Board shall either grant or deny the motion without a hearing, or set a hearing on the motion.

16. Sanctions

Upon a motion pursuant to Section 15 of these Regulations, the Board may impose against any interested party any of the sanctions available under the Code of Civil Procedure, on any grounds that would support the imposition of those sanctions in a superior court civil matter. The Board may suspend an Applicant's right to proceed until the Applicant has satisfied the terms of an order imposing sanctions.

17. Service

- a) When a provision of this Article requires that "interested parties" be served, service shall be made upon the Retirement Office, Counsel and all interested parties who have appeared in the subject proceedings and all interested parties who have filed a request to be served.

- b) If the party to be served has an attorney of record in accordance with Section 2 of these Regulations, service shall be made upon the attorney of record.
- c) Unless otherwise provided in these Regulations, when a provision of this Article requires service, service shall be made either personally in a manner permitted under the Code of Civil Procedure for the service of a summons, or by mail in accordance with subsection (d) of this section.
- d) Service by mail shall be affected by sealing the item to be served in an envelope properly addressed to the party to be served and depositing the envelope in the United States mail, with first class postage fully prepaid. Service by mail shall extend applicable time limitations in the manner prescribed in Code of Civil Procedure section 1013. For purposes of determining the effectiveness of service upon a subject member, a mailing shall be deemed "properly addressed" if it bears the address specified on the application, or, if the application has been amended, the address specified on the most recently-filed amended application.

18. Amendments

These regulations may be amended at any regular or special meeting of the Retirement Board by a majority vote of the Board, subject to approval by the Board.

The foregoing regulations are hereby adopted and made effective for the Merced County Employees' Retirement Associations this 11th day of July, 1996.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement Associations this 10th day of July, 2008.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement Associations this 11th day of February, 2010.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement Associations this 09th day of September, 2010.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement Associations this 08th day of September, 2011.

The foregoing regulations are hereby amended and made effective for the Merced County Employees' Retirement Associations this 09th day of May, 2013.

The foregoing regulations are hereby amended and made effective for the Merced County Employees Retirement Association this 10th day of May 2018.

The foregoing regulations are hereby amended and made effective for the Merced County Employees Retirement Association this ____ day of May 2019

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Employee Member Handbook

Mission Statement

MCERA's mission is to provide benefits to its members, to manage assets prudently in accordance with plan provisions and to provide competent and efficient services to our members.

Employee Member Handbook

This handbook is intended to provide a general idea of the benefits available through the Merced County Employees' Retirement Association (MCERA). This document is formally known as the Employee Member Handbook. Every effort has been made to ensure the accuracy of the information offered. However, please do not rely solely on the information contained herein. Eligibility for benefits will depend on a number of factors further discussed in this document. Actual benefits are determined according to the applicable provisions of the County Employees' Retirement Law of 1937 (Government Code Sections 31450 et. Seq.) the California Constitution, MCERA's by-Laws and MCERA's policies and procedures.

The California legislature periodically makes revisions and additions to retirement law. MCERA will make every effort to keep members informed of future changes that affect the retirement plan. However, benefits are subject to change without notice.

NOTE: Due to new state legislation and pending litigation regarding new laws, some of the items described as "pensionable" in this member handbook may not ultimately be included in the member's pension upon retirement. The outcome of that litigation, and therefore the legal status of those items, is unknown at this time. Please contact MCERA for further information on how this may impact your retirement benefit.

The By-Laws may be accessed via the Internet at www.co.merced.ca.us/retirement.

CONTACT INFORMATION

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3199 M Street
Merced, CA 95348

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Email: mcera@countyofmerced.com
Website: www.co.merced.ca.us/retirement

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INTRODUCTION

Employee Member Handbook

INTRODUCTION

Plan Structure

The Merced County Employees' Retirement Association (MCERA) is a public agency that was originally created to administer retirement, disability, and death benefits to the employees, retirees, and beneficiaries of the County of Merced (County), the Superior Court of California - County of Merced (Court), Transit Joint Power Authority for Merced County (Transit), Regional Waste Management Authority for Merced County (Solid Waste) and Merced Cemetery District, collectively known as "participating employers". Merced County Employees' Retirement Association was established in 1950. There are currently six Tiers of membership. It was integrated with Social Security on January 1, 1956, after a referendum held among eligible County employees. Tier 2 came to fruition on June 13, 1994, Tier 3 on October 1, 2012 and Tier 4 on January 1, 2013. On February 8, 2018, Tier 2R was developed for reciprocal Court and Cemetery District members and Tier 3R was developed for reciprocal County members, who enter into the MCERA system on or after February 8, 2018. MCERA's membership includes active members, deferred members and retired members. Retired member survivors are included as well.

The retirement benefits administered by MCERA are those related to your age, compensation, service and date of hire including the benefit that is the focus of this reference guide—the retirement allowance. It is the monthly benefit eligible employees receive after they retire.

Defined Benefit Plan

MCERA's retirement plan is a "defined benefit" plan. Benefit amounts are defined by a formula (They do not depend on how much money accumulates in your account, as they would under a "defined contribution" plan such as a 401(k) or 457 plan). Under this defined benefit formula, benefit amounts are based on the following:

- Your age at retirement,
- Your years of retirement service credit,
- Your Tier of membership,
- Your plan membership, and
- Your retirement option.

Your benefit amounts will also depend on whether you are a General member (also referred to as a General member) or Safety member and which payment option you select. See "Plan Membership" in the Active Employees section for more information on membership categories. See "Retirement Eligibility" in the Retirement section for more information on the components that make up the formula and the payment options available.

Social Security Integration

MCERA benefits are integrated with benefits provided by the Federal Social Security Act for Tier 1, 2, 2R, 3 and 3R members. Integration means that as an MCERA member, you will receive the full benefit to which you are entitled from MCERA and you will receive the full benefit to which you are entitled from

Social Security. Generally, each benefit will not be affected by the amount you receive from the other agency. At retirement, your MCERA benefit will have a Social Security integration factor applied at the time it is computed. Tier 4 members, if paying into Social Security, will also receive social security benefits. However, the MCERA retirement benefit will be based on the compensation amounts which do not exceed Social Security limits.

Contributions

You and your employer both contribute to the Plan. See the “Contributions and Account Earnings” in the Active Employees section for more information.

Board of Retirement

Management of MCERA is provided by a nine-member Board and two alternate members. Members include the County Treasurer; four members appointed by the Board of Supervisors; two members elected by general members; one member elected by safety members; and, one member elected by retired members. Safety and retired members also elect an alternate. All Board members, except the County Treasurer, serve for a term of three years. The Treasurer’s term is concurrent with the term of office. County Counsel will act as an advisor to the Board.

The Board’s responsibilities include determining investment strategy and selecting investment advisors; selecting outside actuaries; and reviewing and ruling on disability retirement claims and special cases. The Board’s management functions are governed by the applicable provisions of the California Government Code (including the County employees’ retirement Law of 1937 and the California Constitution), and the by-laws and policies of MCERA.

Board meetings are open to the public and subject to the California Ralph M. Brown Act on open meetings. Meetings are typically held the second and fourth Thursday of each month at 8:15 a.m. at the MCERA retirement office. The Board encourages member attendance and comments.

Board meeting agendas and minutes are posted on the website at www.co.merced.ca.us/retirement and the agenda is physically posted at the entrance to the MCERA building. If you would like to attend Board meetings, please see the website at www.co.merced.ca.us/retirement or contact the retirement office and ask when the next meeting will be held.

MCERA Staff

The responsibility of the Merced County Employees’ Retirement Association staff is to provide counseling for retirement and disability benefits and information relating to those benefits. Additionally, staff is responsible for the financial records and reports including the Comprehensive Annual Financial Report (CAFR) and other fiscal reports, control of the retirement payroll, contributions’ accounting and reconciliation of investments. Staff is dedicated to administer the benefits in accordance with the applicable laws. They are committed to deliver service to the membership in an accurate, courteous, prompt, professional and cost-effective manner.

MCERA CAFR Report

MCERA publishes a Comprehensive Annual Financial Report (CAFR) after the close of each fiscal year. MCERA's CAFR report is prepared in accordance to standards developed by the Government Accounting Standards Board (GASB). A copy of this report is posted on the website at www.co.merced.ca.us/retirement.

Record Confidentiality

The County Employees' Retirement Law of 1937 (CERL) makes individual retirement records confidential. These records may be disclosed only:

- To the member or to someone authorized in writing by the member.
- Upon court order.
- For matters relating to MCERA's administration.

ACTIVE EMPLOYEES

Employee Member Handbook

ACTIVE EMPLOYEES

Plan Membership

Any person who is a permanent employee of the County or another participating employer is a member of MCERA. As of November 2, 1998, Resolution 98-02 established that you become a member of the Retirement system on the first day of service. Prior to that date, in general, all persons employed by the County in permanent positions became members of the system on the first day of the pay period following that in which the member was employed. Employees who are temporary, seasonal, or intermittent employees or who are under contract for temporary services are excluded from membership.

There are six Tiers of membership:

- Tier 1 members are all employees hired prior to June 13, 1994 and some A Level Managers.
- Tier 2 members are employees hired on or after June 13, 1994 for general members and on or after July 1, 1998 for safety members.
- Tier 2R members are reciprocal Court and Cemetery District employees coming from another retirement system and entering the MCERA system on or after February 8, 2018. Reciprocal members would have had to have been originally hired by another reciprocal pension system prior to January 1, 2013.
- Tier 3 members are all employees hired between October 1, 2012 and December 31, 2012 or anyone hired after December 31, 2012 who established reciprocity with another reciprocal pension system and their membership date with the reciprocal system was before January 1, 2013.
- Tier 3R members are reciprocal County employees coming from another retirement system and entering the MCERA system on or after February 8, 2018. Reciprocal members would have had to have been originally hired prior to January 1, 2013.
- Tier 4 members are all employees hired on or after January 1, 2013 who did not establish reciprocity with another system or whose membership date with a reciprocal system was on or after January 1, 2013.

Please note that later in this handbook unless classified separately, Tier 2R will be included with Tier 2 references and Tier 3R with Tier 3.

There are two plans or categories of members in MCERA:

- Safety members include law enforcement and probation officers.
- General members are all members who are not safety members.

Membership is optional for elected officials and those entering employment at age 60 or older who are not reciprocal members.

Vesting

Members are vested in MCERA when they have attained five years (10,400 hours) of retirement service credit with any qualifying agency. Vesting entitles you to receive a pension from MCERA once you have fulfilled all retirement eligibility requirements. Retirement service credit is adjusted proportionately for a member working in a position requiring less than 80 hours in a bi-weekly period. For example, an employee in a permanent variable shift position working 40 hours in a bi-weekly period would earn

retirement service credit at 50 percent ($40 \div 80 = 50\%$). Such an employee would need to work for ten years to have five years of retirement service credit and be considered vested in MCERA.

Member Enrollment Form

Upon entering employment with the County or another participating employer, you were required to complete a Member Enrollment Form. The enrollment form is the official record that MCERA uses to determine your rate of contribution and to calculate your retirement benefit.

The enrollment form is very important and documents your membership in MCERA. No benefits can be paid unless this form is on file with MCERA. Incorrect contribution amounts can result if information on the enrollment form is incomplete or incorrect. This form is also the instrument used to designate your beneficiary when first enrolled in MCERA.

Beneficiary Designation

You are required to designate a beneficiary when you become an MCERA member. Married members or members with a registered domestic partner normally designate their spouse or domestic partner as beneficiary because of the community property laws in the State of California. Additionally, the retirement plan offers substantial survivor benefits to a spouse or registered domestic partner in the event of the member's pre-retirement death. Please see "Death before Retirement" in the Active Employees section for more information regarding death benefits.

A beneficiary must be a person who has an insurable interest in the member's life. Please see the "Definitions of Terms" section for a definition of insurable interest. You may change your beneficiary designation at any time. Keep your beneficiary designation current to ensure that, in the event of your pre-retirement death, benefits will be paid according to your designation. To change your beneficiary, you may download a beneficiary change form from the website at www.co.merced.ca.us/retirement or contact the MCERA office for a form, and then submit the completed form to the retirement office

Contributions and Account Earnings

Employee Contributions

Funding to pay benefits comes from three basic sources – contributions from you as the member, contributions from your employer, and investment earnings. Contribution rates for both the employee and employer are determined by outside actuaries and are changed annually based on the results of annual actuarial valuations. Contributions are taken as payroll deductions on a pre-tax basis. You will receive a member statement annually (usually in late January or early February) and it will report your accumulated contributions with interest.

Your contribution is computed on your base pay plus any special pays considered compensation earnable for retirement purposes such as shift differentials and allowances for uniform, to name a few examples. Note that your retirement contribution will be taken even from a partial paycheck. If the paycheck amount is insufficient to cover the entire contribution, you will only receive partial service credit for a partial contribution. Please note that some special pays may not be considered compensation earnable for Tier 4 members.

Your contribution rate is based on the following factors:

- Tier 1-3 – Your entry age and plan (General or Safety)
- Tier 4 - Your plan (general or Safety)

Since you are also covered under Social Security, the rate is reduced by one-third for the amount covered under Social Security for Tiers 1 – 3 only.

Contribution rates change based on the fund's outside actuaries' annual studies of the rates. The Board of Retirement recommends contribution rate increases or decreases on the basis of those studies. You may not borrow against your contributions, increase your contributions, nor add to them with other funds. As noted earlier, this is a defined benefit plan and your eventual retirement benefit will be calculated according to a formula. Increasing your contributions would not increase your retirement allowance.

Excluded from contribution calculations, however, are overtime pay and accrual sick leave payoffs upon termination, among other similar pay. If you are interested in whether a particular item in your pay will be included, please contact your employer. The types of pay included for contribution purposes are the same types of pay included in the compensation earnable used to determine your retirement allowance when you retire.

You will contribute to your retirement fund throughout your career with your MCERA-covered employer. The only exception to this requirement and which will end your requirement to make further contributions to the plan is if you were an MCERA member on March 7, 1973, and have attained 30 years of total service eligibility credit including reciprocal time and/or prior service purchase time, or if you are a safety Tier 1-3 member with 30 years of continuous service credit.

If you leave employment and are then rehired by an MCERA-covered employer, your entry age from your earlier employment will be used if you are rehired within 1 year and your contributions remained on deposit, if you redeposit them and return to membership within 1 year, or if you were vested when you left employment. If more than 1 year has lapsed and you were not vested, then your age on your birthday closest to your rehire date will be used.

Employer Contributions

Employer contribution rates vary by tier. Employer contributions are not refundable to the employee at any time.

The retirement law authorizes your employer to pay for some or all of the contributions you would otherwise be obligated to pay. Any employer "pick-up" of your contributions is a negotiated benefit and is subject to current Memorandum of Understanding provisions. Currently none of the participating employers have employer "pick-up."

Interest Earnings

Your account is credited interest on June 30th and December 31st of each year based on the previous six month's balance and according to MCERA's interest crediting policy. Please note that although interest and account balances do impact refunds and survivor benefits, your retirement benefit is determined based on other key factors (service credit, age at retirement and highest 26 consecutive pay periods (Tier 1) or 78 consecutive pay periods (Tier 2, 2R, 3, 3R, and 4) compensation.

Access to Your Contributions

The Retirement Plan does not allow you to borrow from your account, nor may you withdraw money while you are still working for a participating employer or under a reciprocal arrangement.

If you terminate your employment with a participating employer, you may take a refund of your accumulated contributions and the interest credited on them upon proper application submitted to the MCERA office. See the "Termination before Retirement" in the Active Employees section for more information.

Annual Member Statements

Your member statement will show personal information (for example, your date of birth, date of membership, total years of service credit, plan, and designated beneficiary), as well as your current account balance. Your current account balance will reflect your contributions and the interest credited on them. All members are sent a statement once a year in January. You should check your statement carefully and report any errors to MCERA staff.

Plan Investments

While investments provide the primary means of paying benefits, your benefit is guaranteed regardless of investment performance. In other words, it is the employer who bears the risk of investment performance, not the plan participant. Your benefit is based on the factors discussed previously.

The investments of the plan are managed by the Board of Retirement in accordance with the Board approved MCERA Investment Policy Statement (IPS). The Board of Retirement uses investment consultants to assist in overseeing plan assets. The assets are diversified and allocated among different asset classes to meet the expected investment return. Please refer to the current Comprehensive Annual Financial Report (CAFR) or the Investment Policy Statement for more specific information related to MCERA investments, which may be accessed via the Internet at www.co.merced.ca.us/retirement.

Reciprocity

While you may not transfer your contributions (or rollover) earned in another public retirement system to MCERA, you may be able to establish reciprocity with your previous retirement service to your current retirement service. Such linking is called reciprocity. Reciprocity is an agreement between two public retirement systems that allows eligible members to move from one employer to another (during a six-month period) without any loss of credited retirement service or vesting years. Reciprocity enables you to preserve and enhance your total system benefits. Essentially, if you are eligible it gives you portability by allowing you to leave your retirement contributions on deposit regardless of your length of service and to take a deferred retirement.

NOTE: You must retire concurrently from both systems or all systems on the same date if you have established reciprocity unless California Government Code Section 31835.1 applies (this section allows for different retirement dates if you cannot retire on same date due to different age/service requirements). Please notify all involved agencies of your intended retirement date at least a couple of months in advance in order to start the retirement process from both (or all) retirement systems.

Advantages of Reciprocity

- Your current contribution rate is based on your age when you entered the previous

agency's system rather than your MCERA entry age and would probably be a lower rate (Tier 1-3 including reciprocal tiers).

- Your years of retirement service at the previous agency count toward meeting the retirement service credit requirement for vesting and eligibility to retire (see "Service Credit" in the Active Employees section).
- Benefits from both retirement systems are based on your highest compensation earnable under either system.
- Those members entering the plan on or after January 1, 2013 who are eligible and who establish reciprocity may be placed in Tier 3 (for County employees) if their membership date with the reciprocal agency was before January 1, 2013. Those reciprocal members entering into the MCERA system on or after February 8, 2018, will be placed in Tier 2R for Court and Cemetery District employees and Tier 3R for County employees.

Requirements for Reciprocity

- You must have left your contributions on deposit in your previous system.
- You cannot withdraw your contributions from either system once reciprocity has been established. Failure to leave your contributions on deposit with the other system will result in breaking reciprocity and loss of reciprocal benefits.
- You cannot be receiving a retirement from the other system(s) you wish to link.
- The plan membership time between systems cannot be greater than 6 months.
- The other system must be another California 37 Act county, the California Public Employees Retirement System (CalPERS), the California State Teachers' Retirement System (CalSTRS), and any pension plan that has reciprocity with CalPERS (except the University of California Retirement Plan does not have reciprocity with MCERA).
- You must not have concurrent or overlapping service credit with MCERA and the reciprocal system. Exhausting leave balances that count as retirement service credit and/or extending your separation date under your previous system beyond your hire date with an MCERA covered employer will disqualify you for reciprocity.
- You must retire from both systems at the same time unless section 31835.1 applies (this section allows for different retirement dates if you cannot retire on same date due to different age/service requirements).

Reciprocal Systems

MCERA has reciprocal arrangements with the following systems:

- The California Public Employees' Retirement System of the State of California (CalPERS).
- Any pension plan that has reciprocity with CalPERS (except the University of California Retirement Plan does not have reciprocity with MCERA)
- The California State Teachers' Retirement System (CalSTRS).
- Retirement system in the other 19 counties that operate under the County Employees' Retirement Law of 1937 ('37 Act):

- | | | |
|----------------|------------------|-----------------|
| • Alameda | • Mendocino | • San Mateo |
| • Contra Costa | • Merced | • Santa Barbara |
| • Fresno | • Orange | • Sonoma |
| • Imperial | • Sacramento | • Stanislaus |
| • Kern | • San Bernardino | • Tulare |
| • Los Angeles | • San Diego | • Ventura |

- Marin
- San Joaquin

Currently members of the University of California Retirement Plan who leave service and become members of MCERA are not eligible to establish reciprocity with MCERA.

Establishing Reciprocity

Please contact MCERA for the appropriate form to establish reciprocity. You must also inform the other system(s) that you wish to establish reciprocity.

Note: Reciprocity is also of interest when employees leave MCERA to join a public agency elsewhere.

Service Credit

Service credit is the measure of time you earn as a member of MCERA. It is one of the factors used to determine the amount of your retirement benefit. The other factors used to determine your benefit include age at retirement, Tier and highest average compensation earnable (26 consecutive pay periods for Tier 1 members or 78 consecutive pay periods for Tier 2 through 4 members). You earn one year of retirement service credit for each 2,080 hours worked (not including overtime). Members working variable shift earn proportionate amounts of retirement service credit. Your total years of retirement service credit are reported on your annual benefit statement.

NOTE: If you have unused sick leave balances when you retire, it is added to your years of retirement service (excluding Merced Cemetery District) in order to enhance your retirement benefit, but sick leave balances are not used to determine eligibility to retire.

Types of Service Credit

You may be eligible to purchase additional retirement service credit. Service credit that can be purchased includes the following:

NOTE: This type of service cannot be used to satisfy the service requirement for vesting or eligibility to retire. To purchase prior public agency service, you pay twice the contributions that would be required if you had the same length of service as a member of MCERA, including interest that should have been accrued on those contributions. You need to determine if the increased benefit (the increase in your monthly retirement allowance from the enhanced service credit) outweighs the cost of the service credit purchase. Air time is not allowed for purchase.

Past Service - Ineligible for Membership – You may receive retirement service credit for a prior period of service for an MCERA covered employer that was ineligible for membership, such as work classified as temporary, contract employee (not an independent contractor), hourly, part-time or seasonal. Payment would consist of the appropriate member contributions, plus interest that would have accrued on those contributions.

Past Service - Withdrawn Contributions – If you left MCERA covered employment in the past and withdrew your retirement contributions plus related interest, you have no retirement service credit for that period of service. You can restore this retirement service credit in full if you redeposit (pay back) the withdrawn contributions, and any interest that would have accrued on those contributions, under the following conditions

- You returned to your employer and are currently an MCERA member.
- You are currently a member in deferred retirement status.
- You are a member of a reciprocal system and are a Safety member with that agency or were a Safety member with MCERA. Certain restrictions apply so contact MCERA for exact details.

Leaves of Absence - Generally, periods of leave without pay, such as a leave of absence, does not earn retirement service credit, nor can this service be purchased during the leave. However, you may purchase service credit when you return from certain leaves, as described below.

- **Sick Leave Without Pay** - You may purchase up to one year (12 consecutive months) of service credit upon returning to work from authorized sick leave without pay (with proof of medical condition). You purchase service credit by paying the amount of employee contributions plus interest that would have accrued on those contributions. Service credit may not be received for any period of such absence in excess of twelve (12) consecutive months.
- **Military Leave of Absence** - If you resign from your employer or obtain a leave of absence to enter the armed forces of the United States then return to the same employer, you may purchase service credit for the period of military service. To be eligible for military service credit, members who resign or take a leave of absence to enter military service must re-enter employment within one year after terminating military service to be eligible to purchase the military time.

To purchase this military service credit;

- A purchase must be after you are re-employed.
- You must file a request for the credit with MCERA.
- You cannot be receiving or be eligible to receive a military retirement and your discharge must be honorable.
- A copy of your military discharge certificate (DD Form 214 or its equivalent) must be provided to verify your military service.
- Your account is credited with this retirement service credit after you make the purchase.

Note: Purchased previous service credit from an MCERA participating employer counts towards your 5 years of eligibility for vesting in MCERA and it counts towards your 10 (Tier 1-3) and 5 (Tier 4) years of eligibility for retirement. It will not count towards accumulation of vacation or seniority with a participating employer.

How to Purchase Service Credit

Contact MCERA to request that the appropriate form be sent to you and find out what is required to verify the eligibility of the service. Once MCERA staff members receive the form and any necessary verification, they will determine the cost of the purchase and send you a repayment notification. You may also download a copy of the Request to Purchase Form located at www.co.merced.ca.us/retirement.

Active employees may make payments through bi-weekly payroll deductions or a lump-sum payment. Alternatively, you may pay part of the cost in a lump-sum payment at the start, and

then pay the remainder through payroll deductions. You may also purchase or redeposit funds by means of a trustee-to-trustee transfer.

Lump Sum Payment

You may choose to make a lump-sum payment of the amount due by personal check, money order or certified check. **Cash payments are not accepted.**

Payroll Deductions

If you choose to make payroll deductions to pay for your retirement service credit purchase and your financial situation changes after you sign a payment contract, you may not stop or change your payments. The maximum number of deductions cannot exceed 130 pay periods or 5 years unless approved by the MCERA board.

Rollovers

This section explains how you can continue to defer federal income tax on your retirement savings in the Merced County Employees' Retirement Association ("MCERA" or "Plan") and contains important information you will need before you decide how to receive your Plan benefits. This section summarizes only the federal (not state or local) tax rules that might apply to your payment. Other tax rules apply for California.

A portion of a payment you are receiving from MCERA may be eligible to be rolled over to an IRA, Roth IRA, or an eligible employer plan. A rollover is a payment by you or MCERA (your "Plan Administrator") of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

General Information About Rollovers

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan that is eligible for rollover (see "How much may I roll over?") if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½), unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

What types of retirement accounts and plans may accept my rollover?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an eligible employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules

of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment. If you roll over your benefit, however, to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or an IRA in a direct rollover, your benefit will no longer be eligible for that special treatment. See sections below entitled “If you were born on or before January 1, 1936” and “If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?”

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive payment to make a deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)

The Plan administrator or payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax

applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Payments made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation;
- Payments made due to disability;
- Payments made after your death;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relation order (QDRO);
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days; and
- Payments for certain distributions relating to certain federally declared disasters.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified safety employees) does not apply.
- The exception for qualified domestic relations orders does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).

- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe state income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

If my payment is not eligible for rollover, will it be subject to mandatory withholding?

If any portion of your payment is taxable, but cannot be rolled over, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask MCERA for the election form and related information.

What are the consequences for failing to defer receipt of an eligible rollover distribution?

If you choose to have an eligible rollover distribution (or a distribution that is not eligible for rollover) paid to you now rather than deferring receipt, for example, by leaving the money in the Plan, or by rolling over the eligible rollover distribution to a traditional IRA or an eligible employer plan:

- You could lose your ability to defer income taxes on the distribution until a later date.
- You may be subject to the additional 10% early distribution penalty if you receive payment before age 59½.
- Your benefit may be less now than it will be if you defer receipt until a later date.
- Your retirement savings may be reduced.

How much time do I have to decide?

Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan administrator.

Special Rules And Options for Rollovers

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment, so you cannot take a rollover of only after-tax contributions.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). The Plan Administrator can tell you the amount of any after-tax contributions included in your distribution request. If you do a direct rollover to an IRA of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment

might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or long-term care insurance

If you retired as a public safety officer and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income Plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually.

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs) and IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).

If you are not a Plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse

If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

Under current IRS guidance, effective June 26, 2013, same-sex couples legally married in a jurisdiction with laws authorizing same-sex marriage will be treated as married for federal tax purposes and the rules described in this Notice for surviving spouses will be applicable. Note that individuals who are in registered domestic partnerships, civil unions, or other similar relationships that may be recognized under state law but are not considered a legal marriage under state law, will not be treated as married for federal tax purposes. Individuals who are not considered married spouses for federal tax purposes would be covered by the rules described under the section below titled “If you are a surviving beneficiary other than a spouse.”

Note that California state law recognizes same-sex spouses and, for California state tax purposes, also treats registered domestic partners in the same manner as spouses. This means that it appears there will continue to be a difference in treatment of registered domestic partners for federal and California tax purposes. This area of the law is evolving and anyone affected by these situations may wish to consult with a professional financial or tax advisor.

If you are a surviving beneficiary other than a spouse

If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relation order (QDRO), you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). However, payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules

- If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).
- If your payments for the year are less than \$200 the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.
- You may not elect to have separate portions of an eligible rollover distribution directly rolled over to multiple trustees or custodians.
- You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, Armed Forces' Tax Guide. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

For More Information

You may wish to consult with MCERA and a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs); IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

If you have additional questions after reading this notice, you can contact MCERA at (209) 726-2724.

If you are in a deferred status, you may repay contributions and interest only by lump-sum payment. You must repay ALL contributions and interest, or no retirement service credit will be given (partial service credits are not possible for redeposits).

The payment options outlined above will appear on your payment contract, along with any restrictions on the length of time you have to complete the payments.

NOTE: You may purchase retirement service credit with a direct transfer of monies from your employer-sponsored 403(b) or 457(b) account. Contact MCERA for more details about the procedure.

Termination Before Retirement

If you leave your job before you are eligible for retirement, there are a number of options available to you. First, you should contact either your department payroll clerk or the MCERA office to request the required forms.

Upon termination from employment, there are five possible options. Your eligibility for the different options will depend on how many years of eligible retirement service credit you have.

Options and Eligibility Requirements:

- **Deferred Retirement** - leaving your contributions and interest on deposit with MCERA so that you can begin receiving a pension in the future. (Available only if you are fully vested with at least five years of retirement service credit). As a deferred member, you may receive your retirement allowance at any time that you would have been eligible to retire for service had you remained in employment. You must contact the MCERA office to apply for retirement when you are eligible or when you desire to begin receiving benefits. Deferred members may cancel their deferred retirement election and withdraw their accumulated contributions at any time prior to receiving a retirement allowance unless they have established reciprocity with an eligible public agency.
 - **Deferred Retirement with Reciprocity** - leaving your contributions and interest on deposit with MCERA because you are going to work for a county or agency that has a reciprocal arrangement with MCERA and you want the two retirement systems to be linked.
 - **A Rollover** - withdrawing your contributions and the interest credited on them by having the tax-deferred portion rolled over directly to an IRA or a new employer's plan, and having any after-tax portion made payable to you.
 - **A Lump-Sum Refund (payable to you)** - taking payment of all of your contributions and the interest credited on them. Please note if you choose to have a lump sum refunded to you 20% of it will be deducted for federal taxes. The state tax deduction is optional although you may still be responsible to pay those later.
 - **Leave Contributions on Deposit** - if you have less than five years of service you may elect to leave your contributions on deposit. You may elect at any time to rescind in writing this election and withdraw your accumulated contributions. You may be eligible to retire at age 70 if you are a non-vested member, so contact MCERA for more information.

Disposition of Retirement Contributions Form

To elect any of these options, you must complete and submit the Disposition of Retirement Contributions Form. Contact MCERA or your payroll clerk for a copy. You may download a copy of the form at www.co.merced.ca.us/retirement.

Please note that for reciprocity, you must join the retirement system of your new employer within 6 months after your termination date. If your entry into that system happens later than 6 months post termination, then you are not eligible to establish reciprocity.

If you choose a deferred retirement with reciprocity, your new employer may base your contributions to its retirement system on your MCERA entry age (for Tier 1-3 members). If you make this choice, you cannot later change your mind and have your contributions and interest refunded from MCERA- that restriction will be in place as long as you are covered by a reciprocal arrangement.

NOTE: Selecting a refund option will end your membership in MCERA and thus any eligibility for future retirement or disability retirement benefits. Also, these refunds may be subject to taxes and penalties, depending on your age. You will receive the appropriate forms and tax information from MCERA. You can avoid mandatory tax withholding of 20% for federal income taxes by selecting the rollover option. If you choose this option, the portion of your contribution account eligible will be rolled over directly to an IRA or other qualified plan.

Pre-Retirement Death

The type of death benefit offered will depend on the years of service and if the cause of death was service connected or not. You must be actively employed with an MCERA participating employer upon your death in order to leave a continuance to your eligible beneficiary or a lump-sum payment of one month's compensation for each year of your credited service, not to exceed 6 months of salary for a vested member. If you elect a deferred retirement or a deferred retirement with reciprocity your contributions and the interest credited on them will be paid to your designated beneficiary. If you take a refund you will cease to be a member of MCERA's retirement plan and no death benefits will be payable.

Nonservice-Related Death Benefit

Less than 5 Years of Service Credit: If you die before you have five years of retirement service credit, your spouse or dependent children (or other named beneficiary, if you do not have a spouse or children or they are no longer living) will receive a lump-sum payment of any contributions you made, plus interest and one month's compensation for each year of service credit up to six months' compensation.

Five Years or More of Service Credit: If you have at least five years of retirement service credit at the time of your death the following options are available:

- **Optional Death Allowance** (available only to your eligible spouse, registered domestic partner or dependent children): This is a monthly payment equal to 60% of the amount that would have been awarded in a nonservice-connected disability retirement. Your surviving spouse or eligible domestic partner may also elect to receive a monthly amount for life of 60% of the retirement allowance to which the member would have been entitled had he/she retired on the day of his/her death. If the member had not attained the qualifying age at the time of death, the surviving spouse or registered domestic partner may elect to leave the member's accumulated contributions on deposit until such time as the member would have attained the qualifying age had he/she lived, at which time the spouse or domestic partner may exercise the option above (this last option is only available if member had at least ten years of retirement service credit).
- **Modified Optional Death Allowance** (available only to your eligible spouse or registered domestic partner): This is a lump-sum payment of one month's compensation for each year of your credited service, up to a maximum of six months' compensation, plus a reduced monthly benefit that will depend on the age of the beneficiary.
- **Death Benefit:** This is a lump-sum payment of one month's compensation for each year

of your credited service, up to a maximum of six months' compensation, plus any contributions you made plus interest.

Service-Related Death Benefit

A service-related death is one that results from a service-connected injury or disease that arises from your employment with a participating employer. If your death is service-related, your surviving spouse or registered domestic partner could receive 100% of what would have been paid in a service-connected disability. In other words, this would be a lifetime monthly allowance equal to 50% of your active final monthly compensation.

Additional Benefits for Safety Members

If you are a Safety member and you die while in the performance of duty and your death was due to extreme force or violence, your spouse would receive an additional lump-sum payment equal to one year's compensation. If you have minor children, your spouse would receive an additional monthly benefit based on the amount you would receive from the benefit amount calculated under Government Code Section 31787, up to when each child marries or reaches age 18:

- One child - 25%
- Two children - 40%
- Three or more children – 50%

If you do not leave a surviving spouse when you die but you do leave surviving unmarried children under age 18, a legally-appointed guardian of the children shall make an election for all death benefits. The court must appoint a legal guardian, even if a biological parent exists.

MCERA staff will explain the options to your beneficiaries once it receives notification of your death.

RETIREMENT PLANNING

Employee Member Handbook

PLANNING RETIREMENT

Retirement Eligibility

Retirement directly from active service with a participating employer is called a service retirement. This does not include disability retirement which is presented later in this handbook. Your eligibility for retirement depends on your age, your Tier, your years of service and plan type.

General Plan Members

- Tier 1 Members
 - If you are age 50 and have 10 years of eligible service credit, you may retire.
 - If you have 30 years or more of eligible service credit, you may retire any time, regardless of your age.
 - If you have reached age 70, you may retire anytime.
- Tier 2 - 3 (includes Tiers 2R and 3R) Members
 - If you are age 55 and have 10 years of eligible service credit, you may retire.
 - You have reached age 70, you may retire anytime, regardless of how many years of service you have.
 - If you have 30 years or more of eligible service credit, you may retire any time, regardless of your age.
- Tier 4 Members
 - If you are age 52 and have 5 years of eligible service credit, you may retire.
 - You have reached age 70, you may retire anytime, regardless of how many years of service you have.

Safety Plan Members

- Tier 1- Tier 3 (includes Tier 2R and 3R) Members
 - If you are age 50 and have 10 years of eligible service credit, you may retire
 - If you have 20 years or more of eligible service credit, you may retire anytime, regardless of your age.
 - If you have reached age 70, you may retire anytime, regardless of how many years of service you have. You may retire at 65 if you were a member prior to December 31, 1978.
- Tier 4 Members
 - If you are age 50 and have 5 years of eligible service credit, you may retire.
 - You have reached age 70, you may retire anytime, regardless of how many years of service you have.

Service Retirement Formula Factors

The formula for your retirement benefit is based on the following:

- Age at retirement,
- Amount of retirement service credit,
- Final Average Salary,
- Retirement Formula of your Tier,

You will receive a percent of your final average compensation for every year of service depending on your age and the Government Code Section your Tier is governed by.

As of March 15, 2005 for General Tier 1 and 2 County, Solid Waste and as of November 4, 2005 for Court members will receive a service retirement benefit calculated using the formula under Government Code Section 31676.17. The maximum percent you may receive is 3%, which is reached at age 60 for General Tier 1 and 2 members.

Benefits for General members in the Merced County Cemetery District and those in Deferred and Deferred Inactive Reciprocity status prior to March 15, 2005 are calculated using the formula in Government Code Section 31676.11 (Tier 1 and Cemetery) and 31676.1 (Tier 2). The maximum percentage you may receive is 2.43%, which is reached at age 65 for General members.

Benefits for General Tier 3 are calculated using the formula in Government Code Section 31676.1. The maximum percent you may receive is 2.43%, which is reached at age 65 for General members.

Tier 4 General members will receive a service retirement benefit calculated under Government Code Section 7522.20. The maximum percent you may receive is 2.50%, which is reached at age 67 for General members.

As of July 1, 2005, Safety Tier 1 and 2 members will receive a service retirement benefit calculated using the formula under Government Code Section 31664.1. The maximum percent you may receive is 3.00%, which is reached at age 50 for Safety members.

Any Safety member placed in deferred status prior to July 1, 2005 or any Tier 3 member will receive a service retirement benefit calculated using the formula under Government Code Section 31664. The maximum percent you may receive is 2.62%, which is reached at age 55 for Safety members.

Tier 4 Safety members will receive a service retirement benefit calculated under Government Code Section 7522.25. The maximum percent you may receive is 2.70%, which is reached at age 57 for General members.

The Age Factor

Ages used in determining retirement allowances for Tier 1 through 3 members are stated in terms of quarter-years. You will receive an incremental age adjustment, which slightly increases your benefit for each quarter of a year increase in your age up to age 50 for Safety members and age 60 for General members. For example, if you were born in January 1950 and retired in May 2005, your age at retirement would 55 1/4.

If you select an option other than the “unmodified” allowance, your monthly payment amount will be reduced by your beneficiary’s age as well. If your beneficiary is much younger than you are your retirement benefit can be sharply reduced.

Service Credit Factor

Service credit is based on actual hours worked, excluding overtime. The following types of service credit, if purchased, count towards eligibility to retire:

- Redeposit of prior membership contributions.
- Prior ineligible service such as extra help, temporary, seasonal or hourly.
- Medical Leave (personal illness not to exceed 12 consecutive months).
- Military Leave (members who re-sign to enter military service must re-enter employment within one year of termination of military service. Employees who take a leave of absence for military service must return to Merced County service within one year of separating from military service to be eligible for purchase).

Prior Public Service may be purchased when the Board of Supervisors allows purchase, but this purchase does not count towards eligibility for retirement. It will however, increase your years of service for benefit purposes.

At retirement your sick leave balance will be converted into years of service for retirement purposes only. You are only eligible to convert your sick leave balance into retirement years of service credit if you retire directly from an MCERA participating employer (deferred and Merced Cemetery District members are not eligible to convert sick leave hours into retirement service credit). Sick leave balances converted into retirement service credit are not used to determine eligibility for retirement.

Final Average Salary (FAS)

The monthly average salary is the salary used by MCERA to calculate the retirement benefit.

- Highest 26 consecutive pay periods (Tier 1 members only).
- Highest 78 consecutive pay periods (Tier 2 – 4 members only).
- Loyalty bonus (Tier 1 – 3, however please see below for important notice).
- Up to 160 hours of your vacation payoff amount at the time of terminating your employment. In addition to getting paid for your vacation balance, up to 160 hours of the payoff amount will also be applied towards your final average compensation (Tier 1 – 3). Tier 2R and 3R, are excluded from considering vacation payoff earnings as part of retirement benefit calculation.
- Sick leave sold back during the 25th pay period (Tier 1 – 3).
- Vacation sold back during the 25th pay period (Tier 1 – 3 management only).
- Some special pays, for example uniform allowance, bilingual pay, confidential pay, etc. Please contact your payroll clerk for information regarding any additional pay and its applicability for retirement (see below for important notice and the types of special pay included as pensionable are also determined by your Tier).

Optimizing Your Retirement

There are several factors that might optimize your monthly retirement benefit:

- Your birthday, or immediately following your birthday, or at any three-month interval after your birthday is a good time to retire because your age is counted in quarter-years for determination of benefits. Please refer to the government code section for which your Tier is governed under to determine what the age cap is on the incremental age increases.
- Annual cost of living increase, which is effective on April 1st of each year. If you plan to retire in the spring, you might want to choose a date no later than April 1st so that your retirement allowance includes any cost-of-living adjustment (Tier 1 members only).
- If you are a Tier 1 member and plan to retire within the next year, selling any vacation or sick leave during the 25th pay period will increase your final average compensation. If you are a Tier 2 member you should start selling vacation and sick leave hours three years before retirement.
- Accumulating vacation hours, up to 160 hours, prior to retirement may be used to calculate your final compensation. (excluding Tier 2R, 3R and 4). When retiring you may receive up to 160 hours of your vacation payoff amount applied towards your final compensation in addition to getting paid for it, which can increase your final average salary (Tier 1 – 3).

Monthly Retirement Payments

Your monthly payment from the retirement system is called your “retirement benefit.” Retirees can be paid only in the form of monthly payments, not a lump-sum payment. If you terminate your employment before retirement, you may request a lump-sum payment of your contributions. However, you will then be ineligible for any retirement benefits and will not be considered a “retired” member.

Retirement Options

You can select the retirement option that best meets your needs for providing for a spouse, domestic partner, or other beneficiary. Some of the options require that your monthly allowance be reduced in order to provide a lifetime monthly continuance for your beneficiary.

You will designate a beneficiary when you apply for retirement. This will supersede any previous beneficiary designation. When you retire, you will choose an option that determines how this beneficiary is paid after your death. This is an important decision, as it can affect the amount of the allowance you receive. **Please note that MCERA is required to follow all IRS Regulations. Such regulations as the 401(a)9 Minimum Distribution Requirements may impact the annuity left to your beneficiary if choosing an Option 2 or 4 and if choosing to designate a non-spouse beneficiary.**

Unmodified Option

This offers you the maximum benefit for your lifetime. If you designate your eligible spouse or domestic partner, he/she will receive a lifetime monthly continuance of 60% (100% if Service Connected Disability) of the amount you were receiving for the rest of his/her life. For your spouse to be considered eligible, he/she must have been married to you for at least one year prior to the time you retired. A domestic partner is eligible if he/she was lawfully registered with you in a domestic partnership one year prior to your retirement. If you designate your unmarried minor children, they will receive a monthly continuance of 60% of the amount you were receiving until they marry or reach age 18, whichever comes first. Children are also considered eligible up to the age of 22 if they

remain unmarried and are enrolled as full-time students in an accredited school. If more than one child is designated as your beneficiary, then the benefit will be divided among them.

If you are not married, registered or have any unmarried minor children your beneficiary will NOT receive a continuance. Your beneficiary will only receive any unused contributions that remain on deposit after reducing the entire retirement benefit amount that was given to you throughout your retirement from your contributions (if any remain). Usually members deplete their contributions within two years of retiring with this option.

Note: Married members and domestic partners generally consider the unmodified allowance the best payment option because the other options reduce the benefit payable to you in exchange for allowing the designation of someone other than your spouse or domestic partner as beneficiary.

Option 1

This offers you a reduced allowance for your lifetime. Your beneficiary does not have to be a spouse or domestic partner, but he/she must have an insurable interest in your life (please refer to the "Definition of Terms" section for further explanation). Please note that under California community property law, retiree's spouse or state registered domestic partner may have certain rights over any designated beneficiary.

Your beneficiary will receive a lump-sum of your unused contributions (if any remain in your account). With this option your contributions are usually exhausted within the first seven years of retirement. Your contributions deplete at a slower rate than the unmodified option. This is the ONLY option that allows you to change your beneficiary after retirement.

Note: A member who wants a beneficiary to receive a lump-sum benefit generally prefers this option, or a member who requires flexibility in the selection of a beneficiary. Also, members who are in poor health might want to ensure that their beneficiary receives as much benefit as possible because they will not be drawing on the benefit for long and anticipate receiving undistributed contributions.

Option 2

This offers you a reduced allowance for your lifetime. This particular reduction depends on your age and the age of the beneficiary you designate. Your beneficiary does not have to be a spouse or domestic partner, but he/she must have an insurable interest in your life (please refer to the "Definition of Terms" section for further explanation). Please note that under California community property law, retiree's spouse or state registered domestic partner may have certain rights over any designated beneficiary.

You may not change your beneficiary after you retire. Your beneficiary will receive a lifetime continuance of 100% of the (reduced) amount you were receiving. When your beneficiary dies, payments stop and no further benefits will be paid. If your beneficiary predeceases you there will be no continuance to your new survivor nor will your monthly allowance increase. **IMPORTANT: If you designate a non-spouse beneficiary that has an age difference of more than 10 years younger than you, your beneficiary will be subject to IRS Regulation 401(a)(9) Required Minimum Distribution limits. This regulation mandates MCERA to reduce the beneficiary's annuity up to 53% of**

your annuity, depending on the age difference of you and the beneficiary at the time of retirement.

Note: A member who wants to leave a beneficiary the greatest possible amount of money might prefer this option. MCERA must comply with all IRS regulations and rules.

Option 3

This offers you a reduced benefit for your lifetime. The reduction depends on your age and the age of the beneficiary you designate. Your beneficiary does not have to be a spouse or domestic partner, but he/she must have an insurable interest in your life (please refer to the "Definition of Terms" section for further explanation). Please note that under California community property law, retiree's spouse or state registered domestic partner may have certain rights over any designated beneficiary.

You may not change your beneficiary after you retire. Your beneficiary will receive a lifetime continuance of 50% of the (reduced) amount you were receiving. When your beneficiary dies, payments stop and no further benefits will be paid. If your beneficiary predeceases you there will be no continuance to your new survivor nor will your monthly allowance increase.

Note: A member who wants to minimize the reduction of his or her benefit but still wants to provide a lifetime benefit to a beneficiary might find this option preferable.

Option 4

This offers you a reduced benefit for your lifetime. The reduction depends on your age and the age of your beneficiary(ies). This is the ONLY option that allows for multiple beneficiaries. Your beneficiary does not have to be a spouse or domestic partner, but he/she must have an insurable interest in your life (please refer to the "Definition of Terms" section for further explanation). Please note that under California community property law, retiree's spouse or state registered domestic partner may have certain rights over any designated beneficiary. **IMPORTANT: If you designate a non-spouse beneficiary that has an age difference of 10 or more years younger than you, your beneficiary will be subject to IRS Regulation 401(a)(9) Required Minimum Distribution limits. This regulation mandates MCERA to reduce the beneficiary's benefit up to 53% of your annuity, depending on the age difference of you and your beneficiary at the time of retirement.**

You may not change your beneficiary after you retire. This option allows member to assign the percent of continuance to each beneficiary. This option cannot be calculated by MCERA staff therefore this option and any estimates for this option will need to be calculated by MCERA's actuary. The costs for this calculation must be paid by the member. Please contact our office for current cost of calculating an Option 4. When your beneficiary(ies) dies, payments stop and no further benefits will be paid. If your beneficiary(ies) predeceases you, there will be no continuance to your new survivor nor will your monthly allowance increase.

Note: A member who has a current spouse and an ex-spouse, and per court order must nominate an ex-spouse as one of the beneficiaries or provide the ex-spouse with a lifetime benefit, must choose this option. If a member wishes to nominate more than one beneficiary

for a lifetime benefit, the member must choose this option as well. MCERA must comply with all IRS regulations and rules.

You may change your selected option up until the time your first retirement benefit is issued. After that time, your option selection is irrevocable. Please be advised that if you make a change and do not allow sufficient time for recalculation of your payments, your first payment may be delayed. If you have selected Options No. 2, 3, or 4 you may not change your beneficiary at any time. For those options, the amount of your retirement allowance is set according to both your age and the age of the beneficiary you select at retirement.

Options are usually mailed to your home address 2-4 weeks after your payoff amounts have been paid in your final paycheck. If you have established reciprocity it usually takes longer because your wage verification information needs to be submitted to MCERA from the other system before we can complete your options.

Temporary Annuity for Retirees under Age 62

The Temporary Annuity option is a way for members integrated with Social Security to level their income after retirement. If you retire for years of service before reaching age 62 and are fully insured under Social Security, you may elect to have your MCERA retirement allowances increased prior to age 62 and decreased after age 62 by amounts that have equivalent actuarial values.

Under this optional plan, you would receive more than your normal monthly retirement benefit until you reach age 62. When you reach age 62, your monthly benefits would be reduced below the normal amount for the remainder of your lifetime. After age 62, Social Security benefits should make up the difference in your monthly benefit, however this is not guaranteed since the benefit is based on the estimate provided to you by Social Security and the actual amount you receive from Social Security may be different. It is the member's responsibility to apply for Social Security benefits at age 62 and to provide MCERA with the proper (estimate form) from Social Security.

After you have determined the effective date of your retirement and received an estimate from Social Security, if you so request, the MCERA office will calculate an estimate of the benefits payable under the temporary annuity option to assist you in your decision.

Cost-of-Living Adjustment (COLA)

The Retirement Plan provides for a cost-of-living adjustment (COLA) for Tier 1 members only. Cost-of-living adjustments go into effect on April 1st each year. To be eligible for the COLA enacted in any particular year, you must retire on or before April 1st of that year and be a Tier 1 member. The maximum for a cost of living adjustment is 3%.

Applying for Retirement

When the time for your retirement draws near, it's important that you meet with MCERA staff to discuss your options. To obtain a retirement packet (which includes the application), call the MCERA office to schedule an appointment. The application cannot be submitted more than 60 days prior to your retirement date. It is your responsibility to notify your employer of your retirement.

You can rescind your application or change the retirement date by submitting a written request to MCERA before any retirement benefits have been paid. However, such a request will not automatically reinstate you as an employee. The decision on whether to reinstate you will rest with your former participating employer. So, plan your retirement date carefully!

Other Payment Decisions

When you apply for retirement, you will be required to make a decision as to tax withholding. You will also need to determine which financial institution you want to receive the direct deposit of your monthly retirement benefit electronically (Electronic Fund Transfers–EFT).

Deductions for health, dental, vision, life insurance may be made from your monthly retirement benefit (contact Risk Management for more information on health, dental and life insurance and VSP for vision insurance). Additionally, you can arrange for deductions for Merced Employees' Credit Union (MERCOCU). For your convenience, dues for Retired Employees of Merced County (REMCO) can also be deducted from your retirement benefit.

Medical, Dental, Life and Vision Insurance Availability

Retiree health, dental, and life insurance for you and your dependents may be available. For more information regarding medical, dental and life insurance contact County Risk Management at 209-385-7356 if you are a County employee. If you are a Court employee, contact 209-725-4103. For information on vision insurance, contact VSP at 1-800-400-4569.

Internal Revenue Section Codes

MCERA is required to follow IRS Regulations that are applicable to public pension plans. Specifically but not limited to, MCERA must follow IRS Regulations for Normal Retirement Age (§ 401(a)(36)), Distribution Restrictions (§ 401(a)), Compensation Limits (§ 401(a)(17)), Required Minimum Distribution Rules (§ 401(a)(9)) and Annual Limits (§ 415).

Section 401(a)(9) Required Minimum Distribution Rules

This section of IRS code impacts members who choose an Option 2 or Option 4 and designate a beneficiary that is 10 year or younger than the member. Per IRS Code, the beneficiary's benefit must be reduced by a formula and table dictated by the IRS. A beneficiary's benefit may be reduced by up to 53% per this regulation.

Section 415

MCERA is a tax-exempt plan under the Internal Revenue code. The tax-exempt status allows your contributions to be paid on a pre-tax basis. One of the requirements for tax exemption is that MCERA cannot pay more than is permitted under the Internal Revenue Code Section 415.

For General members, section 415 also includes an "early" benefit payment reduction. This reduction further limits the amount that General members, as defined by the IRC, may receive when retiring before the age of 60. You may or may not be affected by Section 415 limits. You will be notified if your retirement allowance will exceed the 415 limits.

Retirement Timeline (recommended but not required)

One Year Prior

- Use the Retirement Estimate Calculator or request a formal estimate to assess your monthly benefit.
- Research retirement information and the available options on the MCERA's website at www.co.merced.ca.us/retirement.
- Discuss your plans with your spouse.
- Attend a Brown Bag meeting.
- Complete and submit a Request to Purchase Service Credit form to MCERA, if applicable.
- Contact MCERA should you have a community property on your retirement benefits as you must provide MCERA a copy of the court order resolving the claim before you can receive benefits.

9 Months Before Retiring

- If you're also a member of another public retirement system in California, there are steps you need to take to ensure you receive all the benefits you deserve from each system. Contact each system to ensure retirement dates are coordinated.
- Research Social Security and Medicare options.
- If you have Social Security benefits coming later after retirement, you may increase your monthly MCERA pension income until age 62. Ask MCERA about a Social Security Modification.

6 Months Before Retiring

- If you have not done so already, request a formal estimate from MCERA by completing a Request for Estimate form.
- Review the retirement plan options available to ensure you have proper time to think about what alternative best suits your needs.
- Ensure you have a copy of your and your spouse's birth certificate or current passport, a marriage license or domestic partner registration (if applicable), and/or any court divorce decrees.

Two Months Prior

- Request an appointment to obtain an application packet (you will need to submit a copy of your birth certificate, beneficiary's birth certificate, and marriage certificate or domestic partnership registration).
- Check on unused vacation and sick leave.
- Contact County Risk Management/the Court and a tax advisor for advice on how to lessen tax burden on payoff amounts and to discuss any questions regarding health, dental and life insurance.
- Make an appointment with MCERA staff to discuss any other questions.
- Make an appointment with Risk Management if you are a County employee or the Court if you are a Court employee to discuss any questions regarding health, dental and life insurance.

Once You're Retired

- It's not until you've ended employment that the actual final number of sick/vacation hours are available. Once closing termination information is available from your employer, you will be requested to make your final formal selection of pension options based on the final salary information.
- Update your address or telephone as needed.
- Update your Tax Withholding Form if your deductions/life changes.
- Update your survivor information if your beneficiary passes away.

- Contact MCERA if you chose the temporary social security option and your allowance has not been reduced after age 62.
- Contact MCERA if you return to work as a permanent employee for an MCERA participating employer.

Post Retirement

- Update your address or telephone as needed.
- Update your Tax Withholding form if your deductions/life changes.
- Update your survivor information if your beneficiary passes away.
- Contact MCERA if you chose the temporary social security option and your allowance has not been reduced after age 62.
- Contact MCERA if you return to work as a permanent employee for an MCERA participating employer.

ONCE YOU'RE RETIRED

Employee Member Handbook

ONCE YOU'RE RETIRED

Retirement Allowance

You usually receive your first retirement payment 4-8 weeks after your retirement date. Although, it could take longer if you have established reciprocity or if documentation is not complete. Your first retirement check may be slightly higher than your actual retirement benefit as it usually includes any partial payments from the previous month.

Retirement benefits are paid the last working day of the month. For example, if you retire on December 7th, your first warrant will be January 31st (or the last working day before that, if the 31st falls on a weekend), assuming all the required forms have been submitted prior to submitting retirement payroll for the month of January.

Cost-of-Living Adjustments (COLAs)

Cost-of-living adjustments for Tier 1 members only are effective April 1st of each year and are included in monthly benefit payments thereafter. COLAs are applied to Tier 1 service retirements, disability benefits and death benefits. The maximum COLA that can be applied towards a member's allowance is 3% and so anything over 3% will be banked.

Banking COLA means taking anything over 3% and putting it in a reserve account. If COLA ever falls below 3% and a member has accumulated banked COLA, the accumulated banked COLA will be used and applied toward the COLA amount, not to exceed 3%. For example, if the COLA for a given year is 2% and you have accumulated bank COLA of 4% we will take 1% from your bank COLA reserve account and apply it to your total COLA for that year, which will increase it to 3%. This refers how a member draws on their COLA bank.

Deductions

Taxes

Generally, retirement benefits are taxable. However, in some cases, all or a portion of the benefit may be excludable from gross income for federal and/or state income taxes. You will need to talk to your accountant or other tax consultant on this subject; MCERA staff cannot provide tax advice.

Check your tax advisor to see if you need to adjust your withholding annually. You may change your tax withholding at any time. Contact the MCERA staff for the combined federal/state tax withholding form. You can also print this form from MCERA's website at www.co.merced.ca.us/retirement.

The 1099-Rs are sent annually, no later than January 31st of each year. This is one reason why it's important that MCERA is informed should you have an address change. If you do not receive yours within a reasonable amount of time after that date, contact the MCERA staff. Staff will provide you with a duplicate form. Also contact the MCERA staff if your 1099-R appears to be in error. The staff can work with you to resolve the matter and have a new 1099-R issued if necessary.

Health, Dental Life and Vision Insurance

The Risk Management Department (for County retirees) and the Court (for Court retirees) administer MCERA retirees' health, dental and life insurance. MCERA may deduct your monthly health, dental and life insurance premiums from your retirement benefit. All questions about retiree insurance programs, related costs, and requirements should be directed to Risk Management at 209-385-7356 or the Court at 209-725-4103.

VSP administers vision insurance for MCERA retirees. For information regarding vision coverage contact VSP at 1-800-400-4569.

Other Deductions

You can set up deductions to have part of your retirement benefit go towards a MERCOCredit Union account and to have a deduction go towards Retired Employees of Merced County (REMCO) dues.

Direct Deposit

You are required to sign up for direct deposit of your retirement benefit payment. You may change the bank where your benefit payment is deposited, at any time. Contact the MCERA staff for an "Authorization Agreement for Automatic Deposits." You can also print this form from MCERA's website at www.co.merced.ca.us/retirement.

Social Security Eligibility

Social Security Retirement Survivors, Medicare, and Disability benefits available under the Social Security Act are benefits provided by the Federal Government and are separate from contributions to and benefits from MCERA. You must contact the Social Security Administration for your personal benefit review. You can obtain more information through the official Social Security Administration's website at www.ssa.gov or by calling 1-800-72-1213. The local Social Security Administration office is located at 600 W Olive Avenue, in Merced.

Beneficiary

The retirement option selection you made when you retired is irrevocable – even if a divorce occurs after retirement. The law prohibits MCERA from allowing any retired member to change their beneficiary once the member retired. However, you may change your beneficiary if you selected Option 1. If your beneficiary predeceases you, your survivor will only receive the one-time death benefit payment (if applicable) and any contributions that are left on deposit, if any remain. Please notify MCERA if your beneficiary predeceases you even if your option does not allow you to change the beneficiary.

Your beneficiary will need to contact MCERA and notify our office of your death. Upon notification MCERA staff will verify that the beneficiary applying for benefits is as you designated and determine the amount payable, if any. The staff will send the appropriate forms and written advice to your beneficiary.

Continuing Health Care for Survivors

For information regarding your surviving spouse and minor dependents medical options after your death please contact Risk Management at 209-385-7356 if you are a County retiree or 209-725-4103 if you are a Court retiree.

Death Benefits after Retirement

Regardless of which payment option you selected, a lump-sum burial allowance of \$3,000 will be paid to your beneficiary or estate. If you were a retiree with reciprocity, only one lump-sum burial allowance is payable, and it will be paid by the retirement system you were with last as an active member. Check with the reciprocal system to verify the lump-sum burial allowance amount that it will pay.

Your post-retirement death benefits depend on which payment option you chose and whom you designated as beneficiary for continuance of your retirement allowance:

Unmodified Option

- If you designated your eligible spouse/domestic partner as beneficiary, he or she will receive a lifetime monthly continuance that is 60% of the allowance you were receiving (or 100%, if you retired with a service-connected disability). When your spouse/domestic partner dies, payments will stop and no further benefits will be paid.
 - For your spouse/domestic partner to be eligible you must have been married or in a registered domestic partnership for at least one year before you retired.
- If you designated your unmarried minor children as beneficiaries, they may receive a monthly continuance that is 60% of the allowance you were receiving, divided among them (100% if you retired for a service-connected disability).
 - Your children will remain eligible until they marry or reach age 18 (or age 22 if they remain unmarried and enrolled as full-time students in an accredited school). When they cease to be eligible, payments will stop and no further benefits will be paid.
- If your beneficiary predeceases you, your survivor will only receive any contributions that are left on deposit, if any remain.
- If you designated someone other than a spouse, domestic partner or minor child as your beneficiary he/she will only receive any contributions that remain on deposit, if any remain.

Option 1

- Any unused member contributions will be paid to your beneficiary in a lump-sum upon your death. No further benefits will be paid.
- You may change your beneficiary at any time if you have elected this option.

Option 2

- Your beneficiary will receive 100% of the allowance you were receiving for his or her lifetime. When your beneficiary dies, payments will stop and no further benefits will be paid.
- If your beneficiary dies before you do, your survivor will only receive any contributions

that are left on deposit, if any remain.

- **IMPORTANT: If you designate a non-spouse beneficiary that has an age difference of 10 or more years younger than you, your beneficiary will be subject to IRS Regulation 401(a)(9) Required Minimum Distribution. This regulation mandates MCERA to reduce the beneficiary's annuity up to 53% of your annuity, depending on the age difference of you and your beneficiary at the time of your retirement.**

Option 3

- Your beneficiary will receive 50% of the allowance you were receiving for his or her lifetime. When your beneficiary dies, payments will stop and no further benefits will be paid.
- If your beneficiary pre-deceases you your survivor will only receive any contributions that are left on deposit, if any remain.

Option 4

- Your beneficiary will receive the percent specified of the allowance you were receiving for his/her or their lifetime. When your beneficiary(ies) dies, payments will stop and no further benefits will be paid.
- If all your beneficiaries pre-decease you, your survivor will only receive any contributions that are left on deposit, if any remain.
- **IMPORTANT: If you designate a non-spouse beneficiary that has an age difference of 10 or more years younger than you, your beneficiary will be subject to IRS Regulation 401(a)(9) Required Minimum Distribution. This regulation mandates MCERA to reduce the beneficiary's annuity up to 53% of your annuity, depending on the age difference of you and your beneficiary at the time of your retirement.**

Post-Retirement Employment

Post-retirement employment outside of MCERA with participating employers will not affect payment of your retirement allowance.

If you wish to work for any of the MCERA participating employers after you retire, you must follow IRS and PEPRA rules regarding a bona fide separation of employment between the date you retire and the date you return to work. For more information on this, please refer to IRS Normal Retirement Age and Distribution Limits as well as PEPRA.

Also, you cannot be paid for more than 960 hours per fiscal year for any post-retirement work you do for an MCERA participating employer and continue to receive monthly benefits. Exceeding 960 hours during a fiscal year can jeopardize your retirement benefits and may trigger employment reinstatement and possibly repayment of paid benefits during that fiscal year.

Note: If you retire on a disability you CANNOT return to work for an MCERA participating employer under any conditions including extra-help, unless California Government Code Section 31725.65 or 31730 apply. Please contact MCERA for more information.

If you return to work as a permanent employee with an MCERA participating employer, your monthly retirement benefit will be suspended. You must stop receiving your retirement allowance during the period you are working again. If you failed to notify MCERA immediately and as a result benefits have been paid to you during your permanent reemployment you will be liable for those over paid benefits. You must contact MCERA immediately after returning to work for an MCERA employer as a permanent employee.

If you return to work for an MCERA employer as a permanent employee, while you are working you will have retirement contributions deducted from your paychecks. Your contribution rate will be based on the same age as it was during your earlier employment, unless you took and retired under the early incentive to retire program (Golden Handshake). If you retired under the early incentive to retire program and return to work as a full-time employee for an MCERA employer your contribution rate will be based as if you were a new employee entering the system.

When you decide to retire again, payment of your retirement allowance will resume. The monthly amount will be recalculated to reflect any additional years of service credit you accumulated during your return to employment. If you first retired under the early incentive for retirement program, your retirement will be recalculated based on your previous retirement WITHOUT the additional years of retirement that the early incentive program provided you with.

For information on what happens to your retiree health insurance coverage, contact County Risk Management at 209-385-7356.

Normal Retirement Age (per IRS Regulations)

The Board of Retirement has adopted a policy defining normal retirement age as 50 for Safety employee members and as age 60 for General employee members. The policies also require that a “bona fide” separation from service must occur before any retired member who is younger than normal retirement age can be employed as a retiree by an MCERA employer. A bona fide separation from service is based on two factors:

- The absence of a predetermined arrangement to return to work with an MCERA employer.
- A minimum of 60 calendar day break in service from the date of retirement to the date post-retirement employment begins.

If you are a retiring Safety member, 50 years or older or a retiring General member, 60 years or older, these regulations do not apply to you.

For members who retire younger than “normal retirement age,” the member must:

- Have a 60 calendar day separation from employment, and
- Not have any pre-determined arrangement with an MCERA employer for the member to return to work after retirement.

If a member who retires below normal retirement age returns to work without complying with conditions above, they will be asked to terminate employment within 30 days of notification by MCERA and may not return to work for 365 days or until they reach normal retirement age whichever occurs first. Members who fail to terminate employment may be subject to having retirement benefits terminated.

Post Retirement Public Employment Limitations

California Public Employees' Pension Reform ACT (PEPRA), effective 1/1/2013 places limits on post retirement public employment. A retired person who is receiving a pension benefit from a public retirement system shall not serve, be employed by, or be employed through a contract directly by, a public employer in the same public retirement system from which the retiree receives the benefit without reinstatement from retirement except:

- Upon appointment by the appointing power of a public employer either during an emergency to prevent stoppage of public business or because the retired person has skills needed to perform work of limited duration.
 - Appointments shall not exceed 960 hours per year total, for all employers in that public retirement system, based on a fiscal year.
 - The monthly rate of pay for the appointment shall not be less than the minimum nor greater than the maximum paid to other employees performing comparable duties, (to obtain an hourly rate divide the monthly amount by 173.33).
 - No service credit or retirement rights shall be acquired by the retiree unless he or she reinstates from retirement.
 - In no case is a retired person eligible for appointment if he or she received any unemployment insurance compensation arising out of prior employment during the 12-month period prior to an appointment.

Requirements for a 180 calendar day “sit-out” period before a retiree can return to work for a public agency (per PEPRA).

A retired person is not eligible to be employed for a period of 180 days (per PEPRA) following the date of retirement unless he or she meets one of the following criteria:

- The employer certifies that the appointment is necessary to fill a critically needed position before 180 days has passed **and** the appointment has been approved by the governing body of the employer in a public meeting and not on a consent calendar.
- If the retiree is a public safety officer or firefighter the 180 calendar day “sit-out” period does not apply.
- A retiree who accepted a retirement incentive (golden handshake or a cash incentive) is subject to the 180 calendar day requirement, without exception.

Note: Please contact MCERA for more information.

Life Events Changes

If you have questions about any situations that are not covered below, please contact the MCERA staff. Many of the forms mentioned below can also be printed from MCERA's website at www.co.merced.ca.us/retirement.

- Request for Change of Address
- Request for Change of Beneficiary
- Authorization Agreement for Automatic Deposits
- Combined Federal and State Tax Withholding Form
- Personal Information Changes or Family Changes
- Divorce
- Marriage

- Name Change
- Permanent Employment with an MCERA Employer
- Social Security Option
 - Please contact the MCERA office if you chose the Temporary Annuity for Retirees under Age 62 and your benefit has not been reduced after age 62. You will be liable for any excess payments.

DISABILITY RETIREMENT

Employee Member Handbook

DISABILITY RETIREMENT

If you become disabled during employment, you may be eligible for a disability retirement. For purposes of MCERA, “disabled” means that there is an inability to substantially perform the usual duties of a position. It is not necessary that the person be physically or mentally incapable of performing each and every duty or task that might arise within the job classification. A person’s incapacity is permanent if change for the better or worse is not to be reasonably anticipated under usual standards. Please refer to the Disability Handbook located at www.co.merced.ca.us/retirement for more information regarding the disability retirement process.

Types of Disability Retirements:

Service-Connected

The incapacity is a result of injury or disease arising out of and in the course of employment, the employment causation is “real and measurable” and the employment contributed substantially to the incapacity. For a service-connected disability, the monthly allowance is 50% of your final compensation earnable or the amount of your service retirement allowance, whichever is greater. For questions regarding taxation, you should consult with your tax advisor.

Nonservice-Connected

The incapacity is not related to your job. You must have at least five (5) years of service credit to be considered for a non-service connected disability retirement. (NOTE: Approved reciprocal service in a system with reciprocity counts toward these required five years). The benefit for non-service connected disability is based upon a formula not to exceed one-third of your final compensation or the amount of your service retirement allowance, whichever is greater.

Disability benefits are not necessarily lifetime benefits. The Board may require any disability benefit recipient under age 55 to undergo a medical examination. Upon the basis of the examination, the Board determines whether the disabled member is still incapacitated for service in the position of the MCERA-covered employer where the member was employed. If you are found no longer disabled, you may be placed on a re-employment list. If you are reemployed by the County or participating employer your disability retirement allowance will be discontinued. After age 55, disability retirement becomes a lifetime benefit.

Contact MCERA staff to request a disability retirement packet. This packet will contain copies of procedures, rules, and forms, some of which you will need to complete. Generally, your application must be submitted while you are still in service or within four months after you cease to be in service. An application may be filed on your behalf by your department head or by another person. In addition, the Board of Retirement may require that you undergo a medical examination at MCERA’s expense. This examination will be conducted by an independent medical examiner selected by the Board.

Service Retirement Pending a Disability Retirement

If you are eligible for a regular service retirement you may file an application regardless of whether you are disabled or not. Pending your disability retirement, you will receive a service retirement. If you are found disabled by the Board your retirement will be adjusted retroactive to the effective date of the disability retirement. If your disability application is denied and you were receiving a service retirement you may not return to your job. If it is not approved, you will remain a retiree—you may not cancel your service retirement

Action by the Board of Retirement

Your disability retirement hearing will not be open to the public. The Board will determine whether you are permanently incapacitated for performance of your assigned duties and whether your disability is service-connected or nonservice-connected. You will be notified in writing of the Board's decision.

If you disagree with the initial decision, you will have 15 calendar days from the decision date to seek a Formal Review. You may submit additional medical records, statements from co-workers or any other proof supporting your claimed disability. If your Formal Review is denied at the informal hearing and the formal hearing, you have 90 calendar days to file for judicial review in Superior Court.

Disability Process Timeline

The Board of Retirement generally will hold a hearing on your disability retirement application four to eight months after the application has been filed. You can expedite matters by submitting copies of all medical records, forms, letters, chart notes and/or test results from any medical facility that has treated or examined you. If the Board approves your application, your disability retirement allowance will be paid from the later of two dates: the date you filed your application or the last date for which you received compensation (including sick leave, vacation, and, for Safety members, California Labor Code Section 4850 compensation).

Lump-Sum Payment

If the Board determines that your incapacity is the result of alcohol or drug abuse, willful misconduct, or a violation of law and your contributions would have provided a retirement allowance of less than \$240 a year, the Board has the option of paying you a lump-sum of your contributions plus interest, rather than a monthly disability payment.

Note: Disabled members will need to contact MCERA if they wish to return to work for any participating employer regardless of the employment type (Extra Help, Full Time, Independent Contract, etc). The conditions for which a member may return to work will be handled on a case by case basis.

LEGAL MATTERS

Employee Member Handbook

LEGAL MATTERS

MCERA Administration

The full legal name of the retirement system is the **Merced County Employees' Retirement Association**.

Employee Member Handbook

If there are any discrepancies between this information booklet description and the California Government Code, please be advised that the California Government Code is authoritative.

Confidentiality of Records

MCERA is required to protect the confidentiality of member records. Most information about your account cannot be provided to anyone else without your written consent, unless it is under a court-ordered action.

Garnishments

In general, your contributions on deposit with MCERA and your retirement benefits are not subject to garnishment or other attachment except as follows:

- A court may order MCERA to pay a portion of your retirement benefit to cover a judgment for spousal or child support.
- Your retirement benefits are subject to levy by the Internal Revenue Service for payment of delinquent federal income taxes.

In either case, this would not take place until after you had terminated employment or retired.

Power of Attorney

A power of attorney may include the designation of a representative to conduct your retirement affairs. Because all power of attorney forms are not the same, it is recommended that you consult with an attorney before signing any document of this type. A General or a Durable General Power of Attorney will usually enable your attorney-in-fact to perform duties such as address changes, federal and/or state tax withholding elections, endorsing checks and filing affidavits for lost retirement checks. Only a specialized type of power of attorney will allow the attorney-in-fact to select a retirement option or designate a beneficiary. You should give careful consideration to the powers you are granting.

Living Trusts and Beneficiary Changes

Under the existing Government Code, a living trust instrument cannot be designated as a "beneficiary" to receive a continuance. In the event of your death, if there are retirement funds existing, they will be distributed to your named beneficiary or to your estate only.

It is very important that you update your beneficiary status when and if any changes in your life occur (for example, divorce, death of a spouse, or a new marriage). You can get a "Request for

Change of Beneficiary” form from the MCERA website at www.co.merced.ca.us/retirement or you may contact the MCERA office to have a form sent to you.

Dissolution of Marriage

California is a community property state. Retirement plan benefits earned during marriage are community property, subject to division on dissolution of marriage. If you have not retired at the time of dissolution, the division of community property is delayed until the time benefits become payable at your retirement or termination.

If you divorce after you retire, you will have already selected a retirement payment option. The court can only order division of the monthly payments you receive. At your death, all payments will terminate. You are not allowed to change a beneficiary after you retire unless you chose an Option 1 or would like your one-time death benefit left to another person. A former spouse (not married to you at the time of death) does not qualify as a surviving spouse eligible to receive a monthly continuance benefit, by law. If you become involved in a marriage dissolution, contact MCERA staff for detailed information.

Joinder

Family Code Section 2060(b) states that an order or judgment in a dissolution or other family law proceeding is not enforceable against a pension plan unless the plan has been joined as a party to the proceeding. Therefore, MCERA MUST be joined as a party to divorce proceedings.

MCERA will also need an executed court judgment or a settlement agreement signed by the court judge dividing and awarding the pension interest of the non-member spouse. This court order is required by MCERA due to community property interest of the retiree's pension.

The Merced County Employees' Retirement Association is not legally responsible for making any pension payments or amounts ordered to the non-member spouse until actual receipt of such officially entered court order or judgment is received.

History of Merced County Retirement System

On July 1, 1950, the Board of Supervisors established a retirement system under the provisions of the “County Employees’ Retirement Law of 1937” (CERL).

On January 1, 1956, after a referendum held among eligible County employees the system integrated with Social Security.

Benefit Levels

On November 14, 1971, Section 31676.11 of the Government Code was adopted by the Board of Supervisor’s adding major improvements in benefits for retirement. This level of benefits was made applicable to Safety members on January 1, 1971.

- On July 1, 2002, Section 31676.14 improvements were adopted and made available to “A Level Managers” only.

- On March 15, 2005, Section 31676.17 was adopted for some General members.
- On July 1, 2005, Section 31664.1 was adopted for Safety members.
- On November 4, 2005, Section 31676.17 was adopted for employees of the Court.

Years of Compensation

- On April 1, 1971, the Board of Supervisors approved Section 31462.1 (Tier 1 members) defining final compensation as the average annual compensation earnable by a member during any one year elected by the member.
- On June 14, 1994, the Board of Supervisors approved Section 31462. (Tier 2 members) defining final compensation as the average annual compensation earnable by a member during any three consecutive years elected by a member.

Death Benefits

- On March 1, 1972, the Retirement Board authorized the payment of a \$750.00 Death Benefit to all Retirees.
- On March 10, 1988, this benefit was increased to \$1,000.00. Section 31789
- On May 2, 2006, this benefit was increased to \$3,000.00. Section 31789.3

Retirement Age

- On November 14, 1971, the Board of Supervisors authorized Retirement for General members at age 50 after 10 years of service. Section 31672.1 (Tier 1 members)
- On June 14, 1994, the Board of Supervisors approved Retirement for General members at age 55 after 10 years of service. Section 31672 (Tier 2 members)

Cost of Living

On April 1, 1975, an annual Cost of living Adjustment (COLA) for retired members was adopted. This Adjustment is effective April 1 of each year in accordance with the Consumer Price Index. The current maximum increase in any year is 3%. Section 31870.1

Contribution Payments

- On July 4, 1977, the County began to pay 25% of the employees' Normal Contribution.
- On July 2, 1979, the County increased its payment to 37 ½%.
- On June 30, 1980, the County increased its payment to 50%.
- On March 15, 2005, the County stopped paying any part of the employee's Normal Contribution. Presently, the County and the employee each pay their full share of their contribution. Section 31581.1

Other Dates to Remember

- November 14, 1971 – 31676.11 benefits adopted for Tier 1 General members
- September 20, 1993 – Probation Officers became Safety members
- June 14, 1994 – Tier 2 established for General members and Probation employees
- December 31, 1996 – MCMC Hospital Sold
- July 1, 1998 – Tier 2 established for Sheriff and Marshal employees
- August 11, 2000 - Settlement of Ventura 2 litigation
- July 1, 2000 – All “A Level Managers” brought into Tier 1
- March 15, 2005 – 31676.17 benefits adopted for Tier 1 and 2 General active members
- July 1, 2005 – 31664.1 benefits adopted for Tier 1 and 2 Safety Active members
- October 1, 2012 – 31676.1 benefits adopted for Tier 3 for General and 31664 benefits for Safety members
- January 1, 2013 – PEPRA legislation goes into effect and 7522.20 benefits adopted for Tier 4 for General and 7522.25 for Safety members.
- February 8, 2018 – Resolution 2018-01 established Tiers 2R for Courts and Cemetery District employees and 3R for County employees who are reciprocal and entering into MCERA system on or after February 8, 2018. Tier 2R and 3R members exclude vacation payout earnings as part of their retirement benefit calculation.

ESTIMATING YOUR RETIREMENT

Employee Member Handbook

ESTIMATING YOUR RETIREMENT

Receiving an MCERA Estimate

You may request an “official estimate” of your MCERA retirement benefits by completing an Estimate Request form. Estimate Request forms are available from the MCERA office. In early 2016, member will be able to generate an estimate online through MCERA’s new pension administration software program. Please go to the MCERA website www.co.merced.ca.us/retirement for more details. If you submit an Estimate Request form to MCERA please allow two to four weeks for receipt of your official estimate and remember that the information provided in your “official estimate” is only an estimate of your benefit. Your actual benefits at retirement may vary due to changes in your salary or years of service.

Estimating Your Retirement Allowance

As you use this section, bear in mind that this will help you create an estimate, and not a calculation of your actual benefit. Your true benefit will depend on the particulars of your employment history at the time you retire. In addition, the California Government Code provisions governing the Retirement Plan, as well as the By-Laws and the Regulations governing MCERA, which may change between now and the time you retire. The information provided here will give you an estimate of the retirement allowance you might receive under the “Unmodified” Option only. You are welcome at any time to contact the MCERA office for a benefit estimate, or you can create your own estimate via the MCERA website at www.co.merced.ca.us/retirement.

How to Compute a Retirement Allowance Estimate

Retirement allowances are based on a percentage of average monthly salary for the last or highest paid year of service. This average monthly salary is called final compensation. Determine final compensation by adding the bi-weekly salary for the latest or highest 26 (Tier 1) or highest 78 (Tiers 2, 3 and 4) pay periods and dividing the sum by 12 (Tier 1) or 36 (Tiers 2, 3 and 4). For example:

The average monthly salary for a Tier 1 member is computed as follows:

| <u>Bi-weekly Salary</u> | | <u>Pay Periods</u> | | |
|-------------------------|---|--------------------|---|--|
| \$1,156.80 | x | 10 | = | \$11,568.00 |
| \$1,215.20 | x | <u>16</u> | = | <u>\$19,443.20</u> |
| | | 26 | = | \$31,011.20 Average Yearly Salary |

Average yearly salary / 12 = Average monthly salary

Example: \$31,011.20 / 12 = \$ 2,584.27

After computing the average salary, find the percentage that applies to the age and years of service at retirement as shown in the “Charts and Tables” section. This illustration uses Table I. There is a separate Table for Safety members. A General member age 60 with 25 years of service has a factor of 75.00. Multiply the appropriate percentage times the average salary:

Average monthly salary X Factor = Monthly allowance

Example: \$ 2,584.27 x 75% = \$ 1,938.21

Due to social security integration members must then reduce their retirement allowances by the social security factors. The reduction is dependent on your age at retirement and the number of years of social security coverage you have in the County or district. An estimate of the reduced retirement allowance from the Retirement Association may be computed as follows:

1. Compute your unmodified service retirement allowance from the example on the above.
2. Determine the reduction factor for your age at retirement from the Reduction Factor Chart. Please refer to the "Charts and Table" section.
3. Determine your number of years of social security coverage as an employee of the County or district, generally, the number of years after January 1, 1956.
4. Multiply the reduction factor times your number of years with social security coverage to obtain the amount of reduction.
5. Subtract the amount of reduction from your unmodified allowance to determine your reduced retirement allowance.

Continuing with the example above, a General member who retired at age 60 with 25 years of service and had been covered by Social Security during the last 25 years of County employment computes the reduced retirement allowance as follows:

| | |
|--------------------------------------|-------------------|
| Unmodified Retirement Allowance | \$1,938.21 |
| Reduction, 25 years x \$2.55 = 63.75 | - 63.75 |
| Reduced Unmodified Allowance | \$1,874.46 |

Please see next page for a worksheet to assist you in estimating your retirement benefit allowance.

Note: Social Security benefits are in addition to the Retirement Association benefits

WORKSHEET

1. Compute Total Final Compensation Salary

| Bi-Weekly Salary | X | No. of Pay Periods (26 Tier 1 or 78 Tier 2, 3, or 4) | Total |
|--------------------------------|---|---|-------|
| \$ | X | | \$ |
| \$ | X | | \$ |
| \$ | X | | \$ |
| \$ | X | | \$ |
| \$ | X | | \$ |
| \$ | X | | \$ |
| \$ | X | | \$ |
| \$ | X | | \$ |
| Total Final Comp Salary | | | \$ |

2. Compute Monthly Salary

| | |
|--|----------|
| Total Final Compensation Salary | \$ _____ |
| Divide by 12 if Tier 1 or 36 if Tier 2, 3 or 4 | / _____ |
| Total Monthly Average Salary | \$ _____ |

3. Compute Monthly Allowance Before Social Security Reduction

| | |
|--|----------|
| Total Monthly Average Salary | \$ _____ |
| Multiply by Factor (Charts and Tables Section) | x _____ |
| (Tier 4 General members insert 2.5% X Years of Service, Tier 4 Safety members insert 2.7% X Years of Service) | \$ _____ |
| Monthly Allowance (Before Social Security Reduction) | _____ |

4. Compute Social Security Reduction Amount

| | |
|--|----------|
| Reduction Factor (Charts and Tables Section) | \$ _____ |
| Multiply by Years of Service Credit | x _____ |
| Total Social Security Reduction Amount | \$ _____ |

5. Compute Monthly Allowance After Social Security Reduction

| | |
|--|----------|
| Monthly Allowance (Before Social Security Reduction) | \$ _____ |
| Subtract Total Social Security Reduction Amount | - _____ |
| Estimated Monthly Retirement Benefit | \$ _____ |

CHARTS AND TABLES

Employee Member Handbook

TABLES AND CHARTS

TABLE I
GENERAL MEMBERS - TIER 1 & 2
SECTION 31676.17

| Years of Service | PERCENTAGE OF FINAL COMPENSATION | | | | | | | | | | | | | | | | | | | |
|------------------|----------------------------------|----|----|----|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 |
| 5 | | | | | 10.00 | 10.50 | 11.00 | 11.50 | 12.00 | 12.50 | 13.00 | 13.50 | 14.00 | 15.40 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 |
| 6 | | | | | 12.00 | 12.60 | 13.20 | 13.80 | 14.40 | 15.00 | 15.60 | 16.20 | 16.80 | 17.40 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |
| 7 | | | | | 14.00 | 14.70 | 15.40 | 16.10 | 16.80 | 17.50 | 18.20 | 18.90 | 19.60 | 20.30 | 21.00 | 21.00 | 21.00 | 21.00 | 21.00 | 21.00 |
| 8 | | | | | 16.00 | 16.80 | 17.60 | 18.40 | 19.20 | 20.00 | 20.80 | 21.60 | 22.40 | 23.20 | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 |
| 9 | | | | | 18.00 | 18.90 | 19.80 | 20.70 | 21.60 | 22.50 | 23.40 | 24.30 | 25.20 | 26.10 | 27.00 | 27.00 | 27.00 | 27.00 | 27.00 | 27.00 |
| 10 | | | | | 20.00 | 21.00 | 22.00 | 23.00 | 24.00 | 25.00 | 26.00 | 27.00 | 28.00 | 29.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 |
| 11 | | | | | 22.00 | 23.10 | 24.20 | 25.30 | 26.40 | 27.50 | 28.60 | 29.70 | 30.80 | 31.90 | 33.00 | 33.00 | 33.00 | 33.00 | 33.00 | 33.00 |
| 12 | | | | | 24.00 | 25.20 | 26.40 | 27.60 | 28.80 | 30.00 | 31.20 | 32.40 | 33.60 | 34.80 | 36.00 | 36.00 | 36.00 | 36.00 | 36.00 | 36.00 |
| 13 | | | | | 26.00 | 27.30 | 28.60 | 29.90 | 31.20 | 32.50 | 33.80 | 35.10 | 36.40 | 37.70 | 39.00 | 39.00 | 39.00 | 39.00 | 39.00 | 39.00 |
| 14 | | | | | 28.00 | 29.40 | 30.80 | 32.20 | 33.60 | 35.00 | 36.40 | 37.80 | 39.20 | 40.60 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 |
| 15 | | | | | 30.00 | 31.50 | 33.00 | 34.50 | 36.00 | 37.50 | 39.00 | 40.50 | 42.00 | 43.50 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 |
| 16 | | | | | 32.00 | 33.60 | 35.20 | 36.80 | 38.40 | 40.00 | 41.60 | 43.20 | 44.80 | 46.40 | 48.00 | 48.00 | 48.00 | 48.00 | 48.00 | 48.00 |
| 17 | | | | | 34.00 | 35.70 | 37.40 | 39.10 | 40.80 | 42.50 | 44.20 | 45.90 | 47.60 | 49.30 | 51.00 | 51.00 | 51.00 | 51.00 | 51.00 | 51.00 |
| 18 | | | | | 36.00 | 37.80 | 39.60 | 41.40 | 43.20 | 45.00 | 46.80 | 48.60 | 50.40 | 52.20 | 54.00 | 54.00 | 54.00 | 54.00 | 54.00 | 54.00 |
| 19 | | | | | 38.00 | 39.90 | 41.80 | 43.70 | 45.60 | 47.50 | 49.40 | 51.30 | 53.20 | 55.10 | 57.00 | 57.00 | 57.00 | 57.00 | 57.00 | 57.00 |
| 20 | | | | | 40.00 | 42.00 | 44.00 | 46.00 | 48.00 | 50.00 | 52.00 | 54.00 | 56.00 | 58.00 | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 |
| 21 | | | | | 42.00 | 44.10 | 46.20 | 48.30 | 50.40 | 52.50 | 54.60 | 56.70 | 58.80 | 60.90 | 63.00 | 63.00 | 63.00 | 63.00 | 63.00 | 63.00 |
| 22 | | | | | 44.00 | 46.20 | 48.40 | 50.60 | 52.80 | 55.00 | 57.20 | 59.40 | 61.60 | 63.80 | 66.00 | 66.00 | 66.00 | 66.00 | 66.00 | 66.00 |
| 23 | | | | | 46.00 | 48.30 | 50.60 | 52.90 | 55.20 | 57.50 | 59.80 | 62.10 | 64.40 | 66.70 | 69.00 | 69.00 | 69.00 | 69.00 | 69.00 | 69.00 |
| 24 | | | | | 48.00 | 50.40 | 52.80 | 55.20 | 57.60 | 60.00 | 62.40 | 64.80 | 67.20 | 69.60 | 72.00 | 72.00 | 72.00 | 72.00 | 72.00 | 72.00 |
| 25 | | | | | 50.00 | 52.50 | 55.00 | 57.50 | 60.00 | 62.50 | 65.00 | 67.50 | 70.00 | 72.50 | 75.00 | 75.00 | 75.00 | 75.00 | 75.00 | 75.00 |
| 26 | | | | | 52.00 | 54.60 | 57.20 | 59.80 | 62.40 | 65.00 | 67.60 | 70.20 | 72.80 | 75.40 | 78.00 | 78.00 | 78.00 | 78.00 | 78.00 | 78.00 |
| 27 | | | | | 54.00 | 56.70 | 59.40 | 62.10 | 64.80 | 67.50 | 70.20 | 72.90 | 75.60 | 78.30 | 81.00 | 81.00 | 81.00 | 81.00 | 81.00 | 81.00 |
| 28 | | | | | 56.00 | 58.80 | 61.60 | 64.40 | 67.20 | 70.00 | 72.80 | 75.60 | 78.40 | 81.20 | 84.00 | 84.00 | 84.00 | 84.00 | 84.00 | 84.00 |
| 29 | | | | | 58.00 | 60.90 | 63.80 | 66.70 | 69.60 | 72.50 | 75.40 | 78.30 | 81.20 | 84.10 | 87.00 | 87.00 | 87.00 | 87.00 | 87.00 | 87.00 |
| 30 | | | | | 60.00 | 63.00 | 66.00 | 69.00 | 72.00 | 75.00 | 78.00 | 81.00 | 84.00 | 87.00 | 90.00 | 90.00 | 90.00 | 90.00 | 90.00 | 90.00 |
| 31 | | | | | 62.00 | 65.10 | 68.20 | 71.30 | 74.40 | 77.50 | 80.60 | 83.70 | 86.80 | 89.90 | 93.00 | 93.00 | 93.00 | 93.00 | 93.00 | 93.00 |
| 32 | | | | | 64.00 | 67.20 | 70.40 | 73.60 | 76.80 | 80.00 | 83.20 | 86.40 | 89.60 | 92.80 | 96.00 | 96.00 | 96.00 | 96.00 | 96.00 | 96.00 |
| 33 | | | | | 66.00 | 69.30 | 72.60 | 75.90 | 79.20 | 82.50 | 85.80 | 89.10 | 92.40 | 95.70 | 99.00 | 99.00 | 99.00 | 99.00 | 99.00 | 99.00 |
| 34 | | | | | 68.00 | 71.40 | 74.80 | 78.20 | 81.60 | 85.00 | 88.40 | 91.80 | 95.20 | 98.60 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 35 | | | | | | 73.50 | 77.00 | 80.50 | 84.00 | 87.50 | 91.00 | 94.50 | 98.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 36 | | | | | | | 79.20 | 82.80 | 86.40 | 90.00 | 93.60 | 97.20 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 37 | | | | | | | | 85.10 | 88.80 | 92.50 | 96.20 | 99.90 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 38 | | | | | | | | | 91.20 | 95.00 | 98.80 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 39 | | | | | | | | | | 97.50 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 40 | | | | | | | | | | | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | |
| 41 | | | | | | | | | | | | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | | |
| 42 | | | | | | | | | | | | | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | | | |
| 43 | | | | | | | | | | | | | | 100.00 | 100.00 | 100.00 | | | | |
| 44 | | | | | | | | | | | | | | | 100.00 | 100.00 | | | | |
| 45 | | | | | | | | | | | | | | | | 100.00 | | | | |

TABLE II
GENERAL MEMBERS - TIER 1 - DEFERRED & OUTGOING RECIPROCTY
SECTION 31676.11

PERCENTAGE OF FINAL COMPENSATION

| Years of Service | AGE *NO CHANGE OF PERCENTAGE AFTER AGE 65 | | | | | | | | | | | | | | | | | | | |
|------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|
| | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 |
| 10 | | | | | 12.42 | 13.14 | 13.91 | 14.75 | 15.67 | 16.67 | 17.41 | 18.41 | 19.48 | 20.61 | 21.82 | 22.68 | 23.54 | 24.40 | 25.26 | 26.11 |
| 11 | | | | | 13.66 | 14.45 | 15.30 | 16.23 | 17.24 | 18.33 | 19.15 | 20.25 | 21.42 | 22.67 | 24.00 | 24.95 | 25.89 | 26.84 | 27.78 | 28.72 |
| 12 | | | | | 14.90 | 15.77 | 16.69 | 17.70 | 18.80 | 20.00 | 20.89 | 22.10 | 23.37 | 24.73 | 26.19 | 27.22 | 28.25 | 29.28 | 30.31 | 31.34 |
| 13 | | | | | 16.15 | 17.08 | 18.08 | 19.18 | 20.37 | 21.67 | 22.63 | 23.94 | 25.32 | 26.79 | 28.37 | 29.48 | 30.60 | 31.72 | 32.83 | 33.95 |
| 14 | | | | | 17.39 | 18.40 | 19.47 | 20.65 | 21.94 | 23.33 | 24.38 | 25.78 | 27.27 | 28.85 | 30.55 | 31.75 | 32.95 | 34.16 | 35.36 | 36.56 |
| 15 | | | | | 18.63 | 19.71 | 20.87 | 22.13 | 23.51 | 25.00 | 26.12 | 27.62 | 29.22 | 30.91 | 32.73 | 34.02 | 35.31 | 36.60 | 37.88 | 39.17 |
| 16 | | | | | 19.87 | 21.02 | 22.26 | 23.60 | 25.07 | 26.67 | 27.86 | 29.46 | 31.16 | 32.97 | 34.91 | 36.29 | 37.66 | 39.04 | 40.41 | 41.78 |
| 17 | | | | | 21.11 | 22.34 | 23.65 | 25.08 | 26.64 | 28.33 | 29.60 | 31.30 | 33.11 | 35.03 | 37.10 | 38.56 | 40.01 | 41.47 | 42.93 | 44.39 |
| 18 | | | | | 22.36 | 23.65 | 25.04 | 26.55 | 28.31 | 30.00 | 31.34 | 33.14 | 35.06 | 37.09 | 39.28 | 40.82 | 42.37 | 43.91 | 45.46 | 47.00 |
| 19 | | | | | 23.60 | 24.97 | 26.43 | 28.03 | 29.77 | 31.67 | 33.08 | 34.99 | 37.01 | 39.16 | 41.46 | 43.09 | 44.72 | 46.35 | 47.98 | 49.62 |
| 20 | | | | | 24.84 | 26.28 | 27.82 | 29.50 | 31.34 | 33.33 | 34.82 | 36.83 | 38.95 | 41.22 | 43.64 | 45.36 | 47.08 | 48.79 | 50.51 | 52.23 |
| 21 | | | | | 26.08 | 27.59 | 29.21 | 30.98 | 32.91 | 35.00 | 36.56 | 38.67 | 40.90 | 43.28 | 45.83 | 47.63 | 49.43 | 51.23 | 53.04 | 54.84 |
| 22 | | | | | 27.32 | 28.91 | 30.61 | 32.45 | 34.47 | 36.67 | 38.31 | 40.51 | 42.85 | 45.34 | 48.01 | 49.90 | 51.78 | 53.67 | 55.56 | 57.45 |
| 23 | | | | | 28.57 | 30.22 | 31.99 | 33.93 | 36.04 | 38.33 | 40.05 | 42.35 | 44.80 | 47.40 | 50.19 | 52.16 | 54.14 | 56.11 | 58.09 | 60.06 |
| 24 | | | | | 29.81 | 31.54 | 33.28 | 35.40 | 37.61 | 40.00 | 41.79 | 44.19 | 46.74 | 49.46 | 52.37 | 54.43 | 56.49 | 58.55 | 60.61 | 62.67 |
| 25 | | | | | 31.05 | 32.85 | 34.78 | 36.88 | 39.18 | 41.67 | 43.53 | 46.03 | 48.69 | 51.52 | 54.55 | 56.70 | 58.85 | 60.99 | 63.14 | 65.28 |
| 26 | | | | | 32.29 | 34.16 | 36.17 | 38.35 | 40.74 | 43.33 | 45.27 | 47.87 | 50.64 | 53.58 | 56.74 | 58.97 | 61.20 | 63.43 | 65.66 | 67.89 |
| 27 | | | | | 33.53 | 35.48 | 37.56 | 39.83 | 42.31 | 45.00 | 47.01 | 49.72 | 52.59 | 55.64 | 58.92 | 61.24 | 63.55 | 65.87 | 68.19 | 70.51 |
| 28 | | | | | 34.78 | 36.79 | 38.95 | 41.30 | 43.88 | 46.67 | 48.75 | 51.56 | 54.53 | 57.70 | 61.10 | 63.50 | 65.91 | 68.31 | 70.71 | 73.12 |
| 29 | | | | | 36.02 | 38.11 | 40.34 | 42.78 | 45.44 | 48.33 | 50.49 | 53.40 | 56.48 | 59.76 | 63.28 | 65.77 | 68.26 | 70.75 | 73.24 | 75.72 |
| 30 | 29.78 | 31.56 | 33.40 | 35.28 | 37.27 | 39.41 | 41.73 | 44.25 | 47.00 | 50.00 | 52.23 | 55.24 | 58.43 | 61.82 | 65.47 | 68.04 | 70.61 | 73.19 | 75.78 | 78.33 |
| 31 | | 32.63 | 34.52 | 36.46 | 38.51 | 40.72 | 43.12 | 45.73 | 48.56 | 51.67 | 53.98 | 57.08 | 60.38 | 63.89 | 67.65 | 70.31 | 72.97 | 75.64 | 78.30 | 80.94 |
| 32 | | | 35.63 | 37.63 | 39.75 | 42.04 | 44.51 | 47.20 | 50.13 | 53.33 | 55.72 | 58.92 | 62.33 | 65.95 | 69.83 | 72.58 | 75.32 | 78.08 | 80.83 | 83.55 |
| 33 | | | | 38.81 | 41.00 | 43.35 | 45.90 | 48.68 | 51.69 | 55.00 | 57.46 | 60.76 | 64.27 | 68.01 | 72.01 | 74.84 | 77.68 | 80.52 | 83.36 | 86.16 |
| 34 | | | | | 42.24 | 44.66 | 47.29 | 50.15 | 53.26 | 56.67 | 59.20 | 62.61 | 66.22 | 70.07 | 74.19 | 77.71 | 80.04 | 82.96 | 85.88 | 88.77 |
| 35 | | | | | | 45.98 | 48.68 | 51.63 | 54.83 | 58.33 | 60.94 | 64.45 | 68.17 | 72.13 | 76.37 | 79.38 | 82.39 | 84.50 | 88.41 | 91.39 |
| 36 | | | | | | | 50.08 | 53.10 | 56.39 | 60.00 | 62.68 | 66.29 | 70.12 | 74.19 | 78.55 | 81.64 | 84.74 | 87.84 | 90.94 | 93.99 |
| 37 | | | | | | | | 54.57 | 57.96 | 61.67 | 64.42 | 68.13 | 72.06 | 76.25 | 80.73 | 83.91 | 87.10 | 90.28 | 93.46 | 96.61 |
| 38 | | | | | | | | | 59.53 | 63.33 | 66.16 | 69.97 | 74.01 | 78.31 | 82.92 | 86.18 | 89.45 | 92.72 | 95.99 | |
| 39 | | | | | | | | | | 65.00 | 67.97 | 71.81 | 75.97 | 80.38 | 85.10 | 88.45 | 91.81 | 95.16 | 98.51 | |
| 40 | | | | | | | | | | | 69.95 | 73.65 | 77.92 | 82.44 | 87.28 | 90.72 | 94.16 | 97.60 | | |
| 41 | | | | | | | | | | | | 75.48 | 79.87 | 85.50 | 89.46 | 92.99 | 96.51 | | | |
| 42 | | | | | | | | | | | | | 81.82 | 86.56 | 91.64 | 95.25 | 98.87 | | | |
| 43 | | | | | | | | | | | | | | 88.62 | 93.83 | 97.52 | | | | |
| 44 | | | | | | | | | | | | | | | 96.01 | 99.79 | | | | |
| 45 | | | | | | | | | | | | | | | | 100.00 | | | | |
| 46 | | | | | | | | | | | | | | | | | | | | |
| 47 | | | | | | | | | | | | | | | | | | | | |
| 48 | | | | | | | | | | | | | | | | | | | | |

TABLE III
GENERAL MEMBERS - TIER 2 - DEFERRED & OUTGOING RECIPROCITY
SECTION 31676.1

| Years of Service | PERCENTAGE OF FINAL COMPENSATION | | | | | | | | | | | | | | | | | |
|------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| | AGE *NO CHANGE OF PERCENTAGE AFTER AGE 65 | | | | | | | | | | | | | | | | | |
| | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 |
| 10 | | | | | | | | 14.92 | 15.63 | 16.41 | 17.25 | 18.16 | 19.16 | 19.91 | 20.91 | 21.97 | 23.10 | 24.32 |
| 11 | | | | | | | | 16.41 | 17.20 | 18.05 | 18.97 | 19.98 | 21.08 | 21.90 | 23.00 | 24.17 | 25.41 | 26.75 |
| 12 | | | | | | | | 17.90 | 18.76 | 19.69 | 20.70 | 21.79 | 23.00 | 23.89 | 25.09 | 26.37 | 27.73 | 29.18 |
| 13 | | | | | | | | 19.40 | 20.32 | 21.33 | 22.42 | 23.61 | 24.91 | 25.88 | 27.18 | 28.56 | 30.04 | 31.61 |
| 14 | | | | | | | | 20.89 | 21.89 | 22.97 | 24.15 | 25.43 | 26.83 | 27.87 | 29.27 | 30.76 | 32.35 | 34.05 |
| 15 | | | | | | | | 22.38 | 23.45 | 24.61 | 25.87 | 27.24 | 28.75 | 29.86 | 31.37 | 32.96 | 34.66 | 36.48 |
| 16 | | | | | | | | 23.87 | 25.01 | 26.25 | 27.60 | 29.06 | 30.66 | 31.85 | 33.46 | 35.16 | 36.97 | 38.91 |
| 17 | | | | | | | | 25.36 | 26.58 | 27.89 | 29.32 | 30.88 | 32.58 | 33.84 | 35.55 | 37.36 | 39.28 | 41.34 |
| 18 | | | | | | | | 26.86 | 28.14 | 29.53 | 31.05 | 32.69 | 34.50 | 35.84 | 37.64 | 39.55 | 41.59 | 43.77 |
| 19 | | | | | | | | 28.35 | 29.70 | 31.17 | 32.77 | 34.51 | 36.41 | 37.83 | 39.73 | 41.75 | 43.90 | 46.21 |
| 20 | | | | | | | | 29.84 | 31.27 | 32.82 | 34.50 | 36.33 | 38.33 | 39.82 | 41.82 | 43.95 | 46.21 | 48.64 |
| 21 | | | | | | | | 31.33 | 32.83 | 34.46 | 36.22 | 38.14 | 40.25 | 41.81 | 43.91 | 46.15 | 48.52 | 51.07 |
| 22 | | | | | | | | 32.83 | 34.40 | 36.10 | 37.95 | 39.96 | 42.16 | 43.80 | 46.00 | 48.34 | 50.83 | 53.50 |
| 23 | | | | | | | | 34.32 | 35.96 | 37.74 | 39.67 | 41.77 | 44.08 | 45.79 | 48.10 | 50.54 | 53.14 | 55.93 |
| 24 | | | | | | | | 35.81 | 37.52 | 39.38 | 41.40 | 43.59 | 46.00 | 47.78 | 50.19 | 52.74 | 55.46 | 58.37 |
| 25 | | | | | | | | 37.30 | 39.09 | 41.02 | 43.12 | 45.41 | 47.91 | 49.77 | 52.28 | 54.94 | 57.77 | 60.80 |
| 26 | | | | | | | | 38.80 | 40.65 | 42.66 | 44.85 | 47.22 | 49.83 | 51.77 | 54.37 | 57.13 | 60.08 | 63.23 |
| 27 | | | | | | | | 40.29 | 42.21 | 44.30 | 46.57 | 49.04 | 51.75 | 53.76 | 56.46 | 59.33 | 62.39 | 65.66 |
| 28 | | | | | | | | 41.78 | 43.78 | 45.94 | 48.30 | 50.86 | 53.66 | 55.75 | 58.55 | 61.53 | 64.70 | 68.10 |
| 29 | | | | | | | | 43.27 | 45.34 | 47.58 | 50.02 | 52.67 | 55.58 | 57.74 | 60.64 | 63.73 | 67.01 | 70.53 |
| 30 | 31.92 | 33.66 | 35.45 | 37.28 | 39.08 | 40.90 | 42.78 | 44.77 | 46.91 | 49.23 | 51.75 | 54.49 | 57.50 | 59.73 | 62.74 | 65.93 | 69.32 | 72.96 |
| 31 | | 34.78 | 36.63 | 38.52 | 40.38 | 42.26 | 44.20 | 46.26 | 48.47 | 50.87 | 53.47 | 56.31 | 59.41 | 61.72 | 64.83 | 68.12 | 71.63 | 75.39 |
| 32 | | | 37.81 | 39.77 | 41.68 | 43.63 | 45.63 | 47.75 | 50.03 | 52.51 | 55.20 | 58.12 | 61.33 | 63.71 | 66.92 | 70.32 | 73.94 | 77.82 |
| 33 | | | | 41.01 | 42.98 | 44.99 | 47.05 | 49.24 | 51.60 | 54.15 | 56.92 | 59.94 | 63.25 | 65.70 | 69.01 | 75.52 | 76.25 | 80.26 |
| 34 | | | | | 44.29 | 46.35 | 48.48 | 50.73 | 53.16 | 55.79 | 58.65 | 61.76 | 65.16 | 67.69 | 71.10 | 74.72 | 78.56 | 82.69 |
| 35 | | | | | | 47.72 | 49.91 | 52.23 | 54.72 | 57.43 | 60.37 | 63.57 | 67.08 | 69.69 | 73.19 | 76.91 | 80.87 | 85.12 |
| 36 | | | | | | | 51.33 | 53.72 | 56.29 | 59.07 | 62.10 | 65.39 | 69.00 | 71.68 | 75.28 | 79.11 | 83.19 | 87.55 |
| 37 | | | | | | | | 55.21 | 57.85 | 60.71 | 63.82 | 67.21 | 70.91 | 73.67 | 77.37 | 81.31 | 85.50 | 89.99 |
| 38 | | | | | | | | | 59.41 | 62.35 | 65.55 | 69.02 | 72.83 | 75.66 | 79.47 | 83.51 | 87.81 | 92.42 |
| 39 | | | | | | | | | | 63.99 | 67.27 | 70.84 | 74.75 | 77.65 | 81.56 | 85.70 | 90.12 | 94.85 |
| 40 | | | | | | | | | | | 69.00 | 72.66 | 76.66 | 79.64 | 83.65 | 87.90 | 92.43 | 97.28 |
| 41 | | | | | | | | | | | | 74.47 | 78.58 | 81.63 | 85.74 | 90.10 | 94.74 | 99.71 |
| 42 | | | | | | | | | | | | | 80.50 | 83.62 | 87.83 | 92.30 | 97.05 | 100.00 |
| 43 | | | | | | | | | | | | | | 85.62 | 89.92 | 94.49 | 99.36 | 100.00 |
| 44 | | | | | | | | | | | | | | | 92.01 | 96.69 | 100.00 | 100.00 |
| 45 | | | | | | | | | | | | | | | | 98.89 | 100.00 | 100.00 |

TABLE IV
GENERAL MEMBERS - TIER 3
SECTION 31676.1

PERCENTAGE OF FINAL COMPENSATION

| Years of Service | AGE *NO CHANGE OF PERCENTAGE AFTER AGE 65 | | | | | | | | | | | | | | | | | |
|------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 |
| 10 | | | | | | | | 14.92 | 15.63 | 16.41 | 17.25 | 18.16 | 19.16 | 19.91 | 20.91 | 21.97 | 23.10 | 24.32 |
| 11 | | | | | | | | 16.41 | 17.20 | 18.05 | 18.97 | 19.98 | 21.08 | 21.90 | 23.00 | 24.17 | 25.41 | 26.75 |
| 12 | | | | | | | | 17.90 | 18.76 | 19.69 | 20.70 | 21.79 | 23.00 | 23.89 | 25.09 | 26.37 | 27.73 | 29.18 |
| 13 | | | | | | | | 19.40 | 20.32 | 21.33 | 22.42 | 23.61 | 24.91 | 25.88 | 27.18 | 28.56 | 30.04 | 31.61 |
| 14 | | | | | | | | 20.89 | 21.89 | 22.97 | 24.15 | 25.43 | 26.83 | 27.87 | 29.27 | 30.76 | 32.35 | 34.05 |
| 15 | | | | | | | | 22.38 | 23.45 | 24.61 | 25.87 | 27.24 | 28.75 | 29.86 | 31.37 | 32.96 | 34.66 | 36.48 |
| 16 | | | | | | | | 23.87 | 25.01 | 26.25 | 27.60 | 29.06 | 30.66 | 31.85 | 33.46 | 35.16 | 36.97 | 38.91 |
| 17 | | | | | | | | 25.36 | 26.58 | 27.89 | 29.32 | 30.88 | 32.58 | 33.84 | 35.55 | 37.36 | 39.28 | 41.34 |
| 18 | | | | | | | | 26.86 | 28.14 | 29.53 | 31.05 | 32.69 | 34.50 | 35.84 | 37.64 | 39.55 | 41.59 | 43.77 |
| 19 | | | | | | | | 28.35 | 29.70 | 31.17 | 32.77 | 34.51 | 36.41 | 37.83 | 39.73 | 41.75 | 43.90 | 46.21 |
| 20 | | | | | | | | 29.84 | 31.27 | 32.82 | 34.50 | 36.33 | 38.33 | 39.82 | 41.82 | 43.95 | 46.21 | 48.64 |
| 21 | | | | | | | | 31.33 | 32.83 | 34.46 | 36.22 | 38.14 | 40.25 | 41.81 | 43.91 | 46.15 | 48.52 | 51.07 |
| 22 | | | | | | | | 32.83 | 34.40 | 36.10 | 37.95 | 39.96 | 42.16 | 43.80 | 46.00 | 48.34 | 50.83 | 53.50 |
| 23 | | | | | | | | 34.32 | 35.96 | 37.74 | 39.67 | 41.77 | 44.08 | 45.79 | 48.10 | 50.54 | 53.14 | 55.93 |
| 24 | | | | | | | | 35.81 | 37.52 | 39.38 | 41.40 | 43.59 | 46.00 | 47.78 | 50.19 | 52.74 | 55.46 | 58.37 |
| 25 | | | | | | | | 37.30 | 39.09 | 41.02 | 43.12 | 45.41 | 47.91 | 49.77 | 52.28 | 54.94 | 57.77 | 60.80 |
| 26 | | | | | | | | 38.80 | 40.65 | 42.66 | 44.85 | 47.22 | 49.83 | 51.77 | 54.37 | 57.13 | 60.08 | 63.23 |
| 27 | | | | | | | | 40.29 | 42.21 | 44.30 | 46.57 | 49.04 | 51.75 | 53.76 | 56.46 | 59.33 | 62.39 | 65.66 |
| 28 | | | | | | | | 41.78 | 43.78 | 45.94 | 48.30 | 50.86 | 53.66 | 55.75 | 58.55 | 61.53 | 64.70 | 68.10 |
| 29 | | | | | | | | 43.27 | 45.34 | 47.58 | 50.02 | 52.67 | 55.58 | 57.74 | 60.64 | 63.73 | 67.01 | 70.53 |
| 30 | 31.92 | 33.66 | 35.45 | 37.28 | 39.08 | 40.90 | 42.78 | 44.77 | 46.91 | 49.23 | 51.75 | 54.49 | 57.50 | 59.73 | 62.74 | 65.93 | 69.32 | 72.96 |
| 31 | | 34.78 | 36.63 | 38.52 | 40.38 | 42.26 | 44.20 | 46.26 | 48.47 | 50.87 | 53.47 | 56.31 | 59.41 | 61.72 | 64.83 | 68.12 | 71.63 | 75.39 |
| 32 | | | 37.81 | 39.77 | 41.68 | 43.63 | 45.63 | 47.75 | 50.03 | 52.51 | 55.20 | 58.12 | 61.33 | 63.71 | 66.92 | 70.32 | 73.94 | 77.82 |
| 33 | | | | 41.01 | 42.98 | 44.99 | 47.05 | 49.24 | 51.60 | 54.15 | 56.92 | 59.94 | 63.25 | 65.70 | 69.01 | 75.52 | 76.25 | 80.26 |
| 34 | | | | | 44.29 | 46.35 | 48.48 | 50.73 | 53.16 | 55.79 | 58.65 | 61.76 | 65.16 | 67.69 | 71.10 | 74.72 | 78.56 | 82.69 |
| 35 | | | | | | 47.72 | 49.91 | 52.23 | 54.72 | 57.43 | 60.37 | 63.57 | 67.08 | 69.69 | 73.19 | 76.91 | 80.87 | 85.12 |
| 36 | | | | | | | 51.33 | 53.72 | 56.29 | 59.07 | 62.10 | 65.39 | 69.00 | 71.68 | 75.28 | 79.11 | 83.19 | 87.55 |
| 37 | | | | | | | | 55.21 | 57.85 | 60.71 | 63.82 | 67.21 | 70.91 | 73.67 | 77.37 | 81.31 | 85.50 | 89.99 |
| 38 | | | | | | | | | 59.41 | 62.35 | 65.55 | 69.02 | 72.83 | 75.66 | 79.47 | 83.51 | 87.81 | 92.42 |
| 39 | | | | | | | | | | 63.99 | 67.27 | 70.84 | 74.75 | 77.65 | 81.56 | 85.70 | 90.12 | 94.85 |
| 40 | | | | | | | | | | | 69.00 | 72.66 | 76.66 | 79.64 | 83.65 | 87.90 | 92.43 | 97.28 |
| 41 | | | | | | | | | | | | 74.47 | 78.58 | 81.63 | 85.74 | 90.10 | 94.74 | 99.71 |
| 42 | | | | | | | | | | | | | 80.50 | 83.62 | 87.83 | 92.30 | 97.05 | 100.00 |
| 43 | | | | | | | | | | | | | | 85.62 | 89.92 | 94.49 | 99.36 | 100.00 |
| 44 | | | | | | | | | | | | | | | 92.01 | 96.69 | 100.00 | 100.00 |
| 45 | | | | | | | | | | | | | | | | 98.89 | 100.00 | 100.00 |

TABLE V
GENERAL MEMBERS - TIER 4
SECTION 7522.20

PERCENTAGE OF FINAL COMPENSATION

| Years of Service | AGE *NO CHANGE OF PERCENTAGE AFTER AGE 67 | | | | | | | | | | | | | | | |
|------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|
| | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 |
| 5 | 5.00 | 5.50 | 6.00 | 6.50 | 7.00 | 7.50 | 8.00 | 8.50 | 9.00 | 9.50 | 10.00 | 10.50 | 11.00 | 11.50 | 12.00 | 12.50 |
| 6 | 6.00 | 6.60 | 7.20 | 7.80 | 8.40 | 9.00 | 9.60 | 10.20 | 10.80 | 11.40 | 12.00 | 12.60 | 13.20 | 13.80 | 14.40 | 15.00 |
| 7 | 7.00 | 7.70 | 8.40 | 9.10 | 9.80 | 10.50 | 11.20 | 11.90 | 12.60 | 13.30 | 14.00 | 14.70 | 15.40 | 16.10 | 16.80 | 17.50 |
| 8 | 8.00 | 8.80 | 9.60 | 10.40 | 11.20 | 12.00 | 12.80 | 13.60 | 14.40 | 15.20 | 16.00 | 16.80 | 17.60 | 18.40 | 19.20 | 20.00 |
| 9 | 9.00 | 9.90 | 10.80 | 11.70 | 12.60 | 13.50 | 14.40 | 15.30 | 16.20 | 17.10 | 18.00 | 18.90 | 19.80 | 20.70 | 21.60 | 22.50 |
| 10 | 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | 17.00 | 18.00 | 19.00 | 20.00 | 21.00 | 22.00 | 23.00 | 24.00 | 25.00 |
| 11 | 11.00 | 12.10 | 13.20 | 14.30 | 15.40 | 16.50 | 17.60 | 18.70 | 19.80 | 20.90 | 22.00 | 23.10 | 24.20 | 25.30 | 26.40 | 27.50 |
| 12 | 12.00 | 13.20 | 14.40 | 15.60 | 16.80 | 18.00 | 19.20 | 20.40 | 21.60 | 22.80 | 24.00 | 25.20 | 26.40 | 27.60 | 28.80 | 30.00 |
| 13 | 13.00 | 14.30 | 15.60 | 16.90 | 18.20 | 19.50 | 20.80 | 22.10 | 23.40 | 24.70 | 26.00 | 27.30 | 28.60 | 29.90 | 31.20 | 32.50 |
| 14 | 14.00 | 15.40 | 16.80 | 18.20 | 19.60 | 21.00 | 22.40 | 23.80 | 25.20 | 26.60 | 28.00 | 29.40 | 30.80 | 32.20 | 33.60 | 35.00 |
| 15 | 15.00 | 16.50 | 18.00 | 19.50 | 21.00 | 22.50 | 24.00 | 25.50 | 27.00 | 28.50 | 30.00 | 31.50 | 33.00 | 34.50 | 36.00 | 37.50 |
| 16 | 16.00 | 17.60 | 19.20 | 20.80 | 22.40 | 24.00 | 25.60 | 27.20 | 28.80 | 30.40 | 32.00 | 33.60 | 35.20 | 36.80 | 38.40 | 40.00 |
| 17 | 17.00 | 18.70 | 20.40 | 22.10 | 23.80 | 25.50 | 27.20 | 28.90 | 30.60 | 32.30 | 34.00 | 35.70 | 37.40 | 39.10 | 40.80 | 42.50 |
| 18 | 18.00 | 19.80 | 21.60 | 23.40 | 25.20 | 27.00 | 28.80 | 30.60 | 32.40 | 34.20 | 36.00 | 37.80 | 39.60 | 41.40 | 43.20 | 45.00 |
| 19 | 19.00 | 20.90 | 22.80 | 24.70 | 26.60 | 28.50 | 30.40 | 32.30 | 34.20 | 36.10 | 38.00 | 39.90 | 41.80 | 43.70 | 45.60 | 47.50 |
| 20 | 20.00 | 22.00 | 24.00 | 26.00 | 28.00 | 30.00 | 32.00 | 34.00 | 36.00 | 38.00 | 40.00 | 42.00 | 44.00 | 46.00 | 48.00 | 50.00 |
| 21 | 21.00 | 23.10 | 25.20 | 27.30 | 29.40 | 31.50 | 33.60 | 35.70 | 37.80 | 39.90 | 42.00 | 44.10 | 46.20 | 48.30 | 50.40 | 52.50 |
| 22 | 22.00 | 24.20 | 26.40 | 28.60 | 30.80 | 33.00 | 35.20 | 37.40 | 39.60 | 41.80 | 44.00 | 46.20 | 48.40 | 50.60 | 52.80 | 55.00 |
| 23 | 23.00 | 25.30 | 27.60 | 29.90 | 32.20 | 34.50 | 36.80 | 39.10 | 41.40 | 43.70 | 46.00 | 48.30 | 50.60 | 52.90 | 55.20 | 57.50 |
| 24 | 24.00 | 26.40 | 28.80 | 31.20 | 33.60 | 36.00 | 38.40 | 40.80 | 43.20 | 45.60 | 48.00 | 50.40 | 52.80 | 55.20 | 57.60 | 60.00 |
| 25 | 25.00 | 27.50 | 30.00 | 32.50 | 35.00 | 37.50 | 40.00 | 42.50 | 45.00 | 47.50 | 50.00 | 52.50 | 55.00 | 57.50 | 60.00 | 62.50 |
| 26 | 26.00 | 28.60 | 31.20 | 33.80 | 36.40 | 39.00 | 41.60 | 44.20 | 46.80 | 49.40 | 52.00 | 54.60 | 57.20 | 59.80 | 62.40 | 65.00 |
| 27 | 27.00 | 29.70 | 32.40 | 35.10 | 37.80 | 40.50 | 43.20 | 45.90 | 48.60 | 51.30 | 54.00 | 56.70 | 59.40 | 62.10 | 64.80 | 67.50 |
| 28 | 28.00 | 30.80 | 33.60 | 36.40 | 39.20 | 42.00 | 44.80 | 47.60 | 50.40 | 53.20 | 56.00 | 58.80 | 61.60 | 64.40 | 67.20 | 70.00 |
| 29 | 29.00 | 31.90 | 34.80 | 37.70 | 40.60 | 43.50 | 46.40 | 49.30 | 52.20 | 55.10 | 58.00 | 60.90 | 63.80 | 66.70 | 69.60 | 72.50 |
| 30 | 30.00 | 33.00 | 36.00 | 39.00 | 42.00 | 45.00 | 48.00 | 51.00 | 54.00 | 57.00 | 60.00 | 63.00 | 66.00 | 69.00 | 72.00 | 75.00 |
| 31 | 31.00 | 34.10 | 37.20 | 40.30 | 43.40 | 46.50 | 49.60 | 52.70 | 55.80 | 58.90 | 62.00 | 65.10 | 68.20 | 71.30 | 74.40 | 77.50 |
| 32 | 32.00 | 35.20 | 38.40 | 41.60 | 44.80 | 48.00 | 51.20 | 54.40 | 57.60 | 60.80 | 64.00 | 67.20 | 70.40 | 73.60 | 76.80 | 80.00 |
| 33 | 33.00 | 36.30 | 39.60 | 42.90 | 46.20 | 49.50 | 52.80 | 56.10 | 59.40 | 62.70 | 66.00 | 69.30 | 72.60 | 75.90 | 79.20 | 82.50 |
| 34 | 34.00 | 37.40 | 40.80 | 44.20 | 47.60 | 51.00 | 54.40 | 57.80 | 61.20 | 64.60 | 68.00 | 71.40 | 74.80 | 78.20 | 81.60 | 85.00 |
| 35 | | 38.50 | 42.00 | 45.50 | 49.00 | 52.50 | 56.00 | 59.50 | 63.00 | 66.50 | 70.00 | 73.50 | 77.00 | 80.50 | 84.00 | 87.50 |
| 36 | | | 43.20 | 46.80 | 50.40 | 54.00 | 57.60 | 61.20 | 64.80 | 68.40 | 72.00 | 75.60 | 79.20 | 82.80 | 86.40 | 90.00 |
| 37 | | | | 48.10 | 51.80 | 55.50 | 59.20 | 62.90 | 66.60 | 70.30 | 74.00 | 77.70 | 81.40 | 85.10 | 88.80 | 92.50 |
| 38 | | | | | 53.20 | 57.00 | 60.80 | 64.60 | 68.40 | 72.20 | 76.00 | 79.80 | 83.60 | 87.40 | 91.20 | 95.00 |
| 39 | | | | | | 58.50 | 62.40 | 66.30 | 70.20 | 74.10 | 78.00 | 81.90 | 85.80 | 89.70 | 93.60 | 97.50 |
| 40 | | | | | | | 64.00 | 68.00 | 72.00 | 76.00 | 80.00 | 84.00 | 88.00 | 92.00 | 96.00 | 100.00 |
| 41 | | | | | | | | 69.70 | 73.80 | 77.90 | 82.00 | 86.10 | 90.20 | 94.30 | 98.40 | 100.00 |
| 42 | | | | | | | | | 75.60 | 79.80 | 84.00 | 88.20 | 92.40 | 96.60 | 100.00 | 100.00 |
| 43 | | | | | | | | | | 81.70 | 86.00 | 90.30 | 94.60 | 98.90 | 100.00 | 100.00 |
| 44 | | | | | | | | | | | 88.00 | 92.40 | 96.80 | 100.00 | 100.00 | 100.00 |
| 45 | | | | | | | | | | | | 94.50 | 99.00 | 100.00 | 100.00 | 100.00 |
| 46 | | | | | | | | | | | | | 100.00 | 100.00 | 100.00 | 100.00 |
| 47 | | | | | | | | | | | | | | 100.00 | 100.00 | 100.00 |

TABLE VI
SAFETY MEMBERS - TIER 1 & 2
SECTION 31664.1
PERCENTAGE OF FINAL COMPENSATION
AGE NO CHANGE OF P PERCENTAGE AFTER 50

| Years Of Service | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|
| 5 | | | | | | | | | | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 |
| 6 | | | | | | | | | | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |
| 7 | | | | | | | | | | 21.00 | 21.00 | 21.00 | 21.00 | 21.00 | 21.00 |
| 8 | | | | | | | | | | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 |
| 9 | | | | | | | | | | 27.00 | 27.00 | 27.00 | 27.00 | 27.00 | 27.00 |
| 10 | | | | | | | | | | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 |
| 11 | | | | | | | | | | 33.00 | 33.00 | 33.00 | 33.00 | 33.00 | 33.00 |
| 12 | | | | | | | | | | 36.00 | 36.00 | 36.00 | 36.00 | 36.00 | 36.00 |
| 13 | | | | | | | | | | 39.00 | 39.00 | 39.00 | 39.00 | 39.00 | 39.00 |
| 14 | | | | | | | | | | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 |
| 15 | | | | | | | | | | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 |
| 16 | | | | | | | | | | 48.00 | 48.00 | 48.00 | 48.00 | 48.00 | 48.00 |
| 17 | | | | | | | | | | 51.00 | 51.00 | 51.00 | 51.00 | 51.00 | 51.00 |
| 18 | | | | | | | | | | 54.00 | 54.00 | 54.00 | 54.00 | 54.00 | 54.00 |
| 19 | | | | | | | | | | 57.00 | 57.00 | 57.00 | 57.00 | 57.00 | 57.00 |
| 20 | 37.55 | 39.75 | 42.02 | 44.38 | 46.83 | 49.36 | 52.07 | 54.51 | 57.13 | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 |
| 21 | 39.42 | 41.74 | 44.12 | 46.60 | 49.17 | 51.82 | 54.67 | 57.24 | 59.99 | 63.00 | 63.00 | 63.00 | 63.00 | 63.00 | 63.00 |
| 22 | 41.30 | 43.72 | 46.23 | 48.82 | 51.51 | 54.29 | 57.27 | 59.96 | 62.84 | 66.00 | 66.00 | 66.00 | 66.00 | 66.00 | 66.00 |
| 23 | 43.18 | 45.71 | 48.33 | 51.04 | 53.85 | 56.76 | 59.88 | 62.69 | 65.70 | 69.00 | 69.00 | 69.00 | 69.00 | 69.00 | 69.00 |
| 24 | 45.06 | 47.70 | 50.43 | 53.26 | 56.20 | 59.23 | 62.48 | 65.41 | 68.56 | 72.00 | 72.00 | 72.00 | 72.00 | 72.00 | 72.00 |
| 25 | 46.93 | 49.69 | 52.53 | 55.48 | 58.54 | 61.69 | 65.08 | 68.14 | 71.41 | 75.00 | 75.00 | 75.00 | 75.00 | 75.00 | 75.00 |
| 26 | 48.81 | 51.67 | 54.63 | 57.70 | 60.88 | 64.16 | 67.69 | 70.86 | 74.27 | 78.00 | 78.00 | 78.00 | 78.00 | 78.00 | 78.00 |
| 27 | 50.69 | 53.66 | 56.73 | 59.92 | 63.22 | 66.63 | 70.29 | 73.59 | 77.13 | 81.00 | 81.00 | 81.00 | 81.00 | 81.00 | 81.00 |
| 28 | 52.57 | 55.65 | 58.83 | 62.13 | 65.56 | 69.10 | 72.89 | 76.31 | 79.98 | 84.00 | 84.00 | 84.00 | 84.00 | 84.00 | 84.00 |
| 29 | 54.44 | 57.84 | 60.93 | 64.35 | 67.90 | 71.57 | 75.50 | 79.04 | 82.84 | 87.00 | 87.00 | 87.00 | 87.00 | 87.00 | 87.00 |
| 30 | 56.32 | 59.62 | 63.04 | 66.57 | 70.24 | 74.03 | 78.10 | 81.78 | 85.70 | 90.00 | 90.00 | 90.00 | 90.00 | 90.00 | 90.00 |
| 31 | 58.20 | 61.61 | 65.14 | 68.79 | 72.59 | 76.50 | 80.70 | 84.49 | 88.55 | 93.00 | 93.00 | 93.00 | 93.00 | 93.00 | 93.00 |
| 32 | 60.08 | 63.60 | 67.24 | 71.01 | 74.93 | 78.97 | 83.31 | 87.22 | 91.41 | 96.00 | 96.00 | 96.00 | 96.00 | 96.00 | 96.00 |
| 33 | 61.95 | 65.59 | 69.34 | 73.23 | 77.27 | 81.44 | 85.91 | 89.94 | 94.27 | 99.00 | 99.00 | 99.00 | 99.00 | 99.00 | 99.00 |
| 34 | | | | | | | | | | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 35 | | | | | | | | | | | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 36 | | | | | | | | | | | | 100.00 | 100.00 | 100.00 | 100.00 |
| 37 | | | | | | | | | | | | | 100.00 | 100.00 | 100.00 |
| 38 | | | | | | | | | | | | | | 100.00 | 100.00 |
| 39 | | | | | | | | | | | | | | | 100.00 |
| 40 | | | | | | | | | | | | | | | |

TABLE VII
SAFETY MEMBERS - TIER 1 & 2- DEFERRED & OUTGOING RECIPROCITY
SECTION 31664
PERCENTAGE OF FINAL COMPENSATION

| Years of Service | AGE *NO CHANGE OF PERCENTAGE AFTER AGE 55 | | | | | | | | | | | | | | |
|------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 |
| 10 | | | | | | | | | | 20.00 | 21.03 | 22.16 | 23.38 | 24.67 | 26.20 |
| 11 | | | | | | | | | | 22.00 | 23.14 | 24.37 | 25.72 | 27.14 | 28.82 |
| 12 | | | | | | | | | | 24.00 | 25.24 | 26.69 | 28.06 | 29.61 | 31.44 |
| 13 | | | | | | | | | | 26.00 | 27.34 | 28.80 | 30.40 | 32.07 | 34.06 |
| 14 | | | | | | | | | | 28.00 | 29.44 | 31.02 | 32.74 | 34.54 | 36.68 |
| 15 | | | | | | | | | | 30.00 | 31.55 | 33.23 | 35.08 | 37.01 | 39.30 |
| 16 | | | | | | | | | | 32.00 | 33.65 | 35.45 | 37.41 | 39.48 | 41.92 |
| 17 | | | | | | | | | | 34.00 | 35.75 | 37.67 | 39.75 | 41.94 | 44.54 |
| 18 | | | | | | | | | | 36.00 | 37.86 | 39.88 | 42.09 | 44.41 | 47.16 |
| 19 | | | | | | | | | | 38.00 | 39.96 | 42.10 | 44.43 | 46.88 | 49.78 |
| 20 | 25.03 | 26.50 | 28.01 | 29.58 | 31.22 | 32.90 | 34.71 | 36.34 | 38.08 | 40.00 | 42.06 | 44.31 | 46.77 | 49.34 | 52.40 |
| 21 | | 27.82 | 29.41 | 31.06 | 32.78 | 34.54 | 36.44 | 38.15 | 39.99 | 42.00 | 44.17 | 46.53 | 49.11 | 51.81 | 55.02 |
| 22 | | | 30.08 | 32.54 | 34.34 | 36.19 | 38.18 | 39.97 | 41.89 | 44.00 | 46.27 | 48.74 | 51.44 | 54.28 | 57.64 |
| 23 | | | | 34.02 | 35.90 | 37.83 | 39.91 | 41.79 | 43.80 | 46.00 | 48.37 | 50.96 | 53.78 | 56.75 | 60.26 |
| 24 | | | | | 37.46 | 39.48 | 41.65 | 43.60 | 45.70 | 48.00 | 50.48 | 53.17 | 56.12 | 59.21 | 62.88 |
| 25 | | | | | | 41.13 | 43.39 | 45.43 | 47.61 | 50.00 | 52.58 | 55.39 | 58.46 | 61.68 | 65.50 |
| 26 | | | | | | | 45.13 | 47.24 | 49.51 | 52.00 | 54.68 | 57.61 | 60.80 | 64.15 | 68.11 |
| 27 | | | | | | | | 49.06 | 51.42 | 54.00 | 56.79 | 59.82 | 63.14 | 66.61 | 70.73 |
| 28 | | | | | | | | | 53.32 | 56.00 | 58.89 | 62.04 | 65.48 | 69.08 | 73.35 |
| 29 | | | | | | | | | | 58.00 | 60.99 | 64.25 | 67.81 | 71.55 | 75.98 |
| 30 | | | | | | | | | | 60.00 | 63.10 | 66.47 | 70.15 | 74.02 | 78.60 |
| 31 | | | | | | | | | | 62.00 | 65.20 | 68.68 | 72.49 | 76.48 | 81.22 |
| 32 | | | | | | | | | | 64.00 | 67.30 | 70.90 | 74.83 | 78.94 | 83.84 |
| 33 | | | | | | | | | | 66.00 | 69.41 | 73.11 | 77.15 | 81.41 | 86.46 |
| 34 | | | | | | | | | | 68.00 | 71.51 | 75.34 | 79.49 | 83.88 | 89.08 |
| 35 | | | | | | | | | | | 73.61 | 77.56 | 81.83 | 86.34 | 91.70 |
| 36 | | | | | | | | | | | | 79.78 | 84.17 | 88.81 | 94.32 |
| 37 | | | | | | | | | | | | | 86.50 | 91.28 | 96.94 |
| 38 | | | | | | | | | | | | | | 93.75 | 99.56 |
| 39 | | | | | | | | | | | | | | 96.21 | 100.00 |

TABLE VIII
SAFETY MEMBERS - TIER 3
SECTION 31664

PERCENTAGE OF FINAL COMPENSATION

| Years of Service | AGE *NO CHANGE OF PERCENTAGE AFTER AGE 55 | | | | | | | | | | | | | | |
|------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 |
| 10 | | | | | | | | | | 20.00 | 21.03 | 22.16 | 23.38 | 24.67 | 26.20 |
| 11 | | | | | | | | | | 22.00 | 23.14 | 24.37 | 25.72 | 27.14 | 28.82 |
| 12 | | | | | | | | | | 24.00 | 25.24 | 26.69 | 28.06 | 29.61 | 31.44 |
| 13 | | | | | | | | | | 26.00 | 27.34 | 28.80 | 30.40 | 32.07 | 34.06 |
| 14 | | | | | | | | | | 28.00 | 29.44 | 31.02 | 32.74 | 34.54 | 36.68 |
| 15 | | | | | | | | | | 30.00 | 31.55 | 33.23 | 35.08 | 37.01 | 39.30 |
| 16 | | | | | | | | | | 32.00 | 33.65 | 35.45 | 37.41 | 39.48 | 41.92 |
| 17 | | | | | | | | | | 34.00 | 35.75 | 37.67 | 39.75 | 41.94 | 44.54 |
| 18 | | | | | | | | | | 36.00 | 37.86 | 39.88 | 42.09 | 44.41 | 47.16 |
| 19 | | | | | | | | | | 38.00 | 39.96 | 42.10 | 44.43 | 46.88 | 49.78 |
| 20 | 25.03 | 26.50 | 28.01 | 29.58 | 31.22 | 32.90 | 34.71 | 36.34 | 38.08 | 40.00 | 42.06 | 44.31 | 46.77 | 49.34 | 52.40 |
| 21 | | 27.82 | 29.41 | 31.06 | 32.78 | 34.54 | 36.44 | 38.15 | 39.99 | 42.00 | 44.17 | 46.53 | 49.11 | 51.81 | 55.02 |
| 22 | | | 30.08 | 32.54 | 34.34 | 36.19 | 38.18 | 39.97 | 41.89 | 44.00 | 46.27 | 48.74 | 51.44 | 54.28 | 57.64 |
| 23 | | | | 34.02 | 35.90 | 37.83 | 39.91 | 41.79 | 43.80 | 46.00 | 48.37 | 50.96 | 53.78 | 56.75 | 60.26 |
| 24 | | | | | 37.46 | 39.48 | 41.65 | 43.60 | 45.70 | 48.00 | 50.48 | 53.17 | 56.12 | 59.21 | 62.88 |
| 25 | | | | | | 41.13 | 43.39 | 45.43 | 47.61 | 50.00 | 52.58 | 55.39 | 58.46 | 61.68 | 65.50 |
| 26 | | | | | | | 45.13 | 47.24 | 49.51 | 52.00 | 54.68 | 57.61 | 60.80 | 64.15 | 68.11 |
| 27 | | | | | | | | 49.06 | 51.42 | 54.00 | 56.79 | 59.82 | 63.14 | 66.61 | 70.73 |
| 28 | | | | | | | | | 53.32 | 56.00 | 58.89 | 62.04 | 65.48 | 69.08 | 73.35 |
| 29 | | | | | | | | | | 58.00 | 60.99 | 64.25 | 67.81 | 71.55 | 75.98 |
| 30 | | | | | | | | | | 60.00 | 63.10 | 66.47 | 70.15 | 74.02 | 78.60 |
| 31 | | | | | | | | | | 62.00 | 65.20 | 68.68 | 72.49 | 76.48 | 81.22 |
| 32 | | | | | | | | | | 64.00 | 67.30 | 70.90 | 74.83 | 78.94 | 83.84 |
| 33 | | | | | | | | | | 66.00 | 69.41 | 73.11 | 77.15 | 81.41 | 86.46 |
| 34 | | | | | | | | | | 68.00 | 71.51 | 75.34 | 79.49 | 83.88 | 89.08 |
| 35 | | | | | | | | | | | 73.61 | 77.56 | 81.83 | 86.34 | 91.70 |
| 36 | | | | | | | | | | | | 79.78 | 84.17 | 88.81 | 94.32 |
| 37 | | | | | | | | | | | | | 86.50 | 91.28 | 96.94 |
| 38 | | | | | | | | | | | | | | 93.75 | 99.56 |
| 39 | | | | | | | | | | | | | | 96.21 | 100.00 |

| TABLE IX | | | | | | | | |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| SAFETY MEMBERS - TIER 4 | | | | | | | | |
| SECTION 7522.25 | | | | | | | | |
| PERCENTAGE OF FINAL COMPENSATION | | | | | | | | |
| Years of | AGE *NO CHANGE OF PERCENTAGE AFTER AGE 57 | | | | | | | |
| Service | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 |
| 5 | 10.00 | 10.50 | 11.00 | 11.50 | 12.00 | 12.50 | 13.00 | 13.50 |
| 6 | 12.00 | 12.60 | 13.20 | 13.80 | 14.40 | 15.00 | 15.60 | 16.20 |
| 7 | 14.00 | 14.70 | 15.40 | 16.10 | 16.80 | 17.50 | 18.20 | 18.90 |
| 8 | 16.00 | 16.80 | 17.60 | 18.40 | 19.20 | 20.00 | 20.80 | 21.60 |
| 9 | 18.00 | 18.90 | 19.80 | 20.70 | 21.60 | 22.50 | 23.40 | 24.30 |
| 10 | 20.00 | 21.00 | 22.00 | 23.00 | 24.00 | 25.00 | 26.00 | 27.00 |
| 11 | 22.00 | 23.10 | 24.20 | 25.30 | 26.40 | 27.50 | 28.60 | 29.70 |
| 12 | 24.00 | 25.20 | 26.40 | 27.60 | 28.80 | 30.00 | 31.20 | 32.40 |
| 13 | 26.00 | 27.30 | 28.60 | 29.90 | 31.20 | 32.50 | 33.80 | 35.10 |
| 14 | 28.00 | 29.40 | 30.80 | 32.20 | 33.60 | 35.00 | 36.40 | 37.80 |
| 15 | 30.00 | 31.50 | 33.00 | 34.50 | 36.00 | 37.50 | 39.00 | 40.50 |
| 16 | 32.00 | 33.60 | 35.20 | 36.80 | 38.40 | 40.00 | 41.60 | 43.20 |
| 17 | 34.00 | 35.70 | 37.40 | 39.10 | 40.80 | 42.50 | 44.20 | 45.90 |
| 18 | 36.00 | 37.80 | 39.60 | 41.40 | 43.20 | 45.00 | 46.80 | 48.60 |
| 19 | 38.00 | 39.90 | 41.80 | 43.70 | 45.60 | 47.50 | 49.40 | 51.30 |
| 20 | 40.00 | 42.00 | 44.00 | 46.00 | 48.00 | 50.00 | 52.00 | 54.00 |
| 21 | 42.00 | 44.10 | 46.20 | 48.30 | 50.40 | 52.50 | 54.60 | 56.70 |
| 22 | 44.00 | 46.20 | 48.40 | 50.60 | 52.80 | 55.00 | 57.20 | 59.40 |
| 23 | 46.00 | 48.30 | 50.60 | 52.90 | 55.20 | 57.50 | 59.80 | 62.10 |
| 24 | 48.00 | 50.40 | 52.80 | 55.20 | 57.60 | 60.00 | 62.40 | 64.80 |
| 25 | 50.00 | 52.50 | 55.00 | 57.50 | 60.00 | 62.50 | 65.00 | 67.50 |
| 26 | 52.00 | 54.60 | 57.20 | 59.80 | 62.40 | 65.00 | 67.60 | 70.20 |
| 27 | 54.00 | 56.70 | 59.40 | 62.10 | 64.80 | 67.50 | 70.20 | 72.90 |
| 28 | 56.00 | 58.80 | 61.60 | 64.40 | 67.20 | 70.00 | 72.80 | 75.60 |
| 29 | 58.00 | 60.90 | 63.80 | 66.70 | 69.60 | 72.50 | 75.40 | 78.30 |
| 30 | 60.00 | 63.00 | 66.00 | 69.00 | 72.00 | 75.00 | 78.00 | 81.00 |
| 31 | 62.00 | 65.10 | 68.20 | 71.30 | 74.40 | 77.50 | 80.60 | 83.70 |
| 32 | 64.00 | 67.20 | 70.40 | 73.60 | 76.80 | 80.00 | 83.20 | 86.40 |
| 33 | | 69.30 | 72.60 | 75.90 | 79.20 | 82.50 | 85.80 | 89.10 |
| 34 | | | 74.80 | 78.20 | 81.60 | 85.00 | 88.40 | 91.80 |
| 35 | | | | 80.50 | 84.00 | 87.50 | 91.00 | 94.50 |
| 36 | | | | | 86.40 | 90.00 | 93.60 | 97.20 |
| 37 | | | | | | 92.50 | 96.20 | 99.90 |
| 38 | | | | | | | 98.80 | 100.00 |
| 39 | | | | | | | | 100.00 |

Reduction Factors for Retirement Allowances of Members Covered Under Social Security

| Age at Retirement | General Member Reduction | Safety Member Reduction |
|-------------------|--------------------------|-------------------------|
| 46 | \$ 1.158 | \$ 1.919 |
| 47 | 1.228 | 2.025 |
| 48 | 1.299 | 2.120 |
| 49 | 1.372 | 2.222 |
| 50 | 1.450 | 2.333 |
| 51 | 1.530 | 2.454 |
| 52 | 1.620 | 2.585 |
| 53 | 1.720 | 2.728 |
| 54 | 1.830 | 2.878 |
| 55 | 1.940 | 3.056 |
| 56 | 2.030 | 3.056 |
| 57 | 2.150 | 3.056 |
| 58 | 2.270 | 3.056 |
| 59 | 2.400 | 3.056 |
| 60 | 2.550 | 3.056 |
| 61 | 2.650 | 3.056 |
| 62 | 2.750 | 3.056 |
| 63 | 2.850 | 3.056 |
| 64 | 2.950 | 3.056 |
| 65 | 3.050 | 3.056 |

Multiply the amount opposite your age times your years of service credit. Subtract this amount from your calculation to arrive at your monthly retirement allowance if you are integrated with Social Security.

DEFINITION OF TERMS

Employee Member Handbook

DEFINITIONS OF TERMS

'37 Act – The County Employees' Retirement Law of 1937–better known as the '37 Act– is a body of law enacted to govern retirement benefits for certain public employees. MCERA is one of 20 county retirement systems in California subject to the provisions of the '37 Act.

Active Member – Member who is currently working for the employer, and participating in MCERA membership.

Actuary – Licensed retirement plan designer and consultant.

Age Factor – This is the age used in determining retirement allowances. There are maximum ages for both membership types. Working beyond a maximum age will not provide you with any further age benefit, but you will continue to add to your retirement allowance by adding to your service credit and, possibly, achieving a higher final earnable compensation. The maximum age for Safety members is 50; for General members, it is age 60.

Annuity – A series of payments (retirement benefits) derived from your contributions and interest for a specific period of time such as a number of years or for life.

Beneficiary – Person(s) you name to receive lump-sum distribution and/or monthly continuance (if eligible) upon your death. If no beneficiary is named or if the beneficiary is no longer living, the beneficiary will be your surviving: 1. Legal spouse or registered domestic partner 2. Minor children, or if none, 3 Estate

Benefits – Payments such as monthly retirement payments, disability payments or lump-sum payments. Beneficiary designations are subject to modification by court order.

COLA – A Cost-of-Living Adjustment (COLA) is the annual percentage increase in a member's monthly retirement. It is up to the Board of Retirement to award a COLA (up to 3%) annually based on the movement of a local region Consumer Price Index (CPI). Cost-of-living adjustments are for Tier 1 members only are effective April 1st of each year and are included in monthly benefit payments thereafter.

Consumer Price Index (CPI) – An indicator of the cost of living published by the Bureau of Labor Statistics, U.S. Department of Labor. It is an indicator of the changing purchasing power of the dollar.

Contributions:

Employee – Money deducted from your pay and credited to your retirement account.

Employer – Contributions made by your employer on behalf of MCERA members, in total, to finance all MCERA benefits.

Deductions – Money taken out of your active employee pay or retirement warrant.

Deferred Reciprocal Member – A contributory member who elected to defer his retirement and entered employment covered by a reciprocal retirement system within six months of termination from County, Court or District MCERA-covered employment.

Deferred Retirement – As a vested member, you may leave your retirement accumulations, if any, on deposit with MCERA and elect to retire at a later date.

Disability Retirement – For purposes of the Retirement Plan, “disabled” means that you are “permanently incapacitated of the performance of duty.”

- **Service-Connected Disability** – The disability is a result of injury or illness arising out of and in the course of employment.
- **Nonservice-Connected Disability** – The disability is not related to your job. NOTE: You must have at least five years of service credit to be considered for non-service connected disability retirement benefits.

Domestic Partnership – A State-registered committed partnership between same sex couples or opposite sex couples where one partner is age 62 or over. While registration is not the same as marriage, it does secure many important rights and responsibilities. MCERA recognizes registered domestic partners as eligible beneficiaries if they meet the required criteria.

Domestic Relations Order (DRO) – A legal judgment, decree or order that acknowledges the right of a former spouse to a community property interest in the retirement benefits.

Earnable Compensation – Your base pay, plus any other payable items (per your MOU) such as uniform allowance, shift differential, etc. This does not include overtime hours.

Eligible Beneficiary – This is a person that you name in writing to receive certain benefits provided by the plan upon your death.

Eligible Child – Your child (or children, if applicable) that is unmarried and under the age of 18, or under the age of 22 if an unmarried, full-time student.

Eligible Domestic Partner – The same-sex partner to whom you are legally registered. Or, it could be your opposite-sex partner over the age of 62 to whom you are legally

registered. For purposes of receiving a benefit, the term is defined differently depending on the situation.

Eligible Spouse – The person to whom you are legally married. For purposes of receiving a benefit, the term is defined differently depending on the situation.

Entry Age – Age you joined/rejoined MCERA based of closest birthday.

Final Compensation Earnable – Average monthly compensation earnable for the 12 or 36 consecutive months of your highest compensation. (It is called “final” because normally it is a member’s last 12 or 36 months of compensation earnable, but an earlier period’s compensation earnable could be used if it is higher).

General Member – You are a General member (which is equivalent to a General member) if you do any work for an employer other than active law enforcement or probation officer.

Insurable Interest – An insurable interest is defined in California Insurance Code Section 10110 and 10110.1 (a) as follows: Every person has an insurable interest in the life and health of: a) Himself; b) Any person on whom he depends wholly or in part for an education or support; c) Any person under a legal obligation to him for the payment of money or respecting property or services, of which death or illness might delay or prevent the performance; d) Any person upon whose life any estate or interest vested in him depends.

MCERA – Merced County Employees’ Retirement Association.

Member Statement – An annual account notice sent to your mailing address that provides Active, Deferred Vested and Deferred Reciprocal members with a current balance in your retirement account.

General Member – You are a General member (which is equivalent to a General member) if you do any work for an employer other than active law enforcement or probation officer.

Prior Public Agency Service (PPAS) – Prior service in a public agency such as federal civil service, military service and some public employers in California. NOTE: This service is not purchasable if you are entitled to receive a pension or retirement benefit for it.

Reciprocal – Referring to the shared relationship/membership in two or more California public retirement plans that enhances benefits and “links” them together. See also “reciprocity.”

Reciprocity – An agreement between MCERA and another California public retirement system that allows you to receive retirement benefits from both, under certain circumstances and requirements.

Redeposit – Paying back of money and related interest that was previously withdrawn from your Retirement Plan account to restore service credit.

Retirement Date – The first date for which retirement income is payable to you and the date when your retirement election becomes irrevocable.

Safety Member – You are a Safety member if you are employed in active law enforcement or if you are a probation officer.

Service Credit – Credit you earn over time as an MCERA member. It is expressed as years and/or portions of a year. For members that are variable shift employees, a proportionate amount of credit is earned. For calculation purposes, MCERA uses 2,080 hours as the measure of one (1) year of service credit.

Survivor Benefits – Those benefits that are payable to a member's eligible spouse, registered domestic partner or children upon your death.

Vested – Members are considered "vested" or eligible to receive a future benefit after achieving five years of service credit.

Legislative Review of Proposed Legislation for 1937 Act Systems

April 25, 2019

State Legislation

AB 287, Voepel. Public employees' retirement: annual audits.

Re: Amends section 7512 of the Government Code.

Status: Referred to Com. on P.E. & R. on February 7, 2019.

Existing law creates state and local public pension and retirement systems that provide pension benefits based on age at retirement, service credit, and final compensation. Existing law requires each state and local public pension or retirement system, on and after the 90th day following the completion of the annual audit of the system, to provide a concise annual report on the investments and earnings of the system, as specified, to any member who makes a request and pays a fee, if required, for the costs incurred in preparation and dissemination of that report.

This bill would also require each state and local pension or retirement system to post a concise annual audit of the information described above on that system's internet website no later than the 90th day following the audit's completion.

AB 472, Voepel. Public employees' retirement.

Re: Amends section 7522.56 of the Government Code.

Status: Introduced February 11, 2019.

The bill would make non-substantive changes to this code section. Appears to be a placeholder.

AB 510, Cooley. Local government records: destruction of records.

Re: Amends sections 26202.6, 34090.6, and 53160 of the Government Code.

Status: Referred to Com. on L. Gov. on February 21, 2019.

This bill would exempt the head of a department of a county or city, or the head of a special district from these recording retention requirements if the county, city, or special district adopts a records retention policy governing recordings of routine video monitoring and recordings of telephone and radio communications.

AB 664, Cooper. County employees' retirement: permanent incapacity.

Re: Adds section 31720.2 of the Government Code.

Status: From Committee April 24, 2019, do pass, (Ayes 7, Noes 0).

This bill would require, for purposes of determining permanent incapacity of certain members employed as officers in the County of Sacramento, that those members be evaluated by the retirement system to determine if they can perform all of the usual and customary duties of a peace officer, as specified. The bill would apply to members who file applications for disability on or after the effective date of the act, except for cases on appeal at that time. The bill would require the board of retirement to develop a method of tracking the costs of providing permanent disability retirement to the members who become eligible for disability retirement pursuant to the bill's provisions. The bill would repeal these provisions on December 31, 2024.

AB 992, Mullin. Relating to local government.

Re: Amends section 54952.2 of the Government Code.

Status: Amended April 22, 2019. Re-referred to Com. on L. GOV.

The Ralph M. Brown Act generally requires that the meetings of legislative bodies of local agencies be conducted openly. That act defines "meeting" for purposes of the act and Prohibits a majority of members of a legislative body, outside a meeting authorized by the act, from using a series of communications of any kind to discuss, or take action on any item of business that is within the subject matter jurisdiction of the legislative body.

This bill would provide that the prohibition described above does not apply to the participation, as defined, in an internet-based social media platform, as defined, by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves, as defined, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest. This bill would make legislative findings to that effect.

AB 1184, Gloria. Public records: writing transmitted by electronic mail: retention.

Re: Adds section 6253.32 to the Government Code.

Status: Read second time and amended on April 24, 2019.

The California Public Records Act requires a public agency, defined to mean any state or local agency, to make public records available for inspection, subject to certain exceptions. Existing law specifies that public records include any writing containing information relating to the conduct of the public's business, including writing transmitted by electronic mail. The act requires any agency that has any information that constitutes a public record not exempt from disclosure, to make that public record available in accordance with certain provisions and authorizes every agency to adopt regulations stating the procedures to be followed when making its records available, if the regulations are consistent with those provisions. Existing law authorizes cities, counties, and special districts to destroy or to dispose of duplicate records that are less than two years old when they are no longer required by the city, county, or special district, as specified.

This bill would unless a longer retention period is required by statute or regulation, require a public agency for purposes of the California Public Records Act to retain and preserve for at least 2 years every writing containing information relating to the conduct of the public's business prepared, owned, or used by any public agency that is transmitted by electronic mail or other similar messaging system.

AB 1198, Stone. Public employees' retirement: pension reform: transit workers.

Re: Amends section 7522.02 of the Government Code.

Status: Com. on P.E. & R. Hearing cancelled at request of author on April 24, 2019.

The California Public Employees' Pension Reform Act of 2013 (PEPRA), among other things, establishes new retirement formulas, which are generally applicable to employees first employed on or after January 1, 2013, and which a public employer offering a defined benefit pension plan is prohibited from exceeding. PEPRA excepts certain public employees from its provisions, including certain transit workers whose interests are protected by specified federal law until a federal district court ruled that a United States Department of Labor determination that the application of PEPRA to these workers violated federal law was in error, or until January 1, 2016, as specified. A district court ruling to this effect occurred on December 31, 2014. This bill would except transit workers hired before January 1, 2016, from PEPRA by removing the federal district court contingency language from the provision excepting certain transit workers from PEPRA.

AB 1212, Levine. Public employees' retirement: pension fund management: in-state infrastructure.

Re: Amends section 7514.2 of the Government Code.

Status: Re-referred to Com. on P.E. & R. on April 24, 2019.

The California Constitution confers upon the retirement boards of public retirement systems plenary authority and fiduciary responsibility for the investment of moneys of those systems. Existing law authorizes the Board of Administration of the Public Employees' Retirement System, the Teachers' Retirement Board of the State Teachers' Retirement System, and the board of retirement or the board of investments of a retirement system established pursuant to the County Employees Retirement Law of 1937, consistent with their fiduciary duties and investment standards, to prioritize investment in an in-state infrastructure project over a comparable out-of-state infrastructure project.

This bill would require a state agency that is responsible for infrastructure projects to produce a list of priority infrastructure projects for funding consideration by the retirement boards, as described above, and to provide it to them. The bill would require a state agency also to provide further project information to a board upon request.

AB 1332, Bonta. Sanctuary State Contracting and Investment Act.

Re: adds Chapter 17.23 (commencing with section 7283.50) to Division 7 of Title 1 of the Government Code relating to local government.

Status: Read second time and amended. Re-referred to Con. on JUD.

This bill would enact the Sanctuary State Contracting and Investment Act, which would, among other things, prohibit a state or local agency from entering into a new, amended, or extended contract or agreement with any person or entity that provides a federal immigration agency with any data broker, extreme vetting, or detention facilities services, as defined, unless the state or local agency has made a finding that no reasonable alternative exists, as specified. The bill would exempt certain contracts or agreements from these provisions related to the administration of retirement benefits and investment of moneys for retirement benefits, as specified. The bill would authorize the Department of Justice to initiate, and require the department to receive and investigate, all complaints regarding violations of these provisions, and would require the department to issue findings regarding any alleged violation and notify any affected state or local agency. By increasing the duties of local officials, this bill would impose a state-mandated local program. Additionally, this bill would make a violation of these provisions subject to civil and criminal penalties, thereby imposing a state-mandated local program.

AB 1819, Committee on Judiciary. Inspection of public records: use of requester's reproduction equipment.

Re: Amends section 6253 of the Government Code.

Status: April 14, 2019 from Com. on APPR. Do pass (Ayes 18, Noes 0).

Existing law, the California Public Records Act, requires state and local agencies to make public records available upon receipt of a request that reasonably describes an identifiable record not otherwise exempt from disclosure, and upon payment of fees to cover costs.

This bill would grant the requester the right to use the requester's equipment, without being charged any fees or costs, to photograph or otherwise copy or reproduce any record upon inspection and on the premises of the agency, unless the means of copy or reproduction would result in damage to the record, or unauthorized access to a computer system of the agency or secured network, as specified. The bill would authorize the agency to impose any reasonable limits on the use of the requester's equipment that are necessary to protect the safety of the records or to prevent the copying of records from being an unreasonable burden to the orderly function of the agency and its employees. The bill would authorize the agency to impose any limit that is necessary to maintain the integrity of, or ensure the long-term preservation of, historic or high-value records. By imposing additional duties and responsibilities upon local agencies in connection with requests for inspection of records, this bill constitutes a state-mandated local program.

SB 518, Wieckowski. Public records: disclosure; court costs and attorney's fees.

Re: Amends section 6259 of the Government Code.

Status: From committee on April 23, 2019. Do pass (Ayes 6, Noes 2). Re-referred to Com. on APPR.

The California Public Records Act requires a public agency, defined to mean a state or local agency, to make its public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The act makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemptions.

The act, when it appears to a superior court that certain public records are being improperly withheld from a member of the public, requires the court to order the officer or person charged with withholding the records to disclose the public record or show

cause why that officer or person should not do so. The act requires the court to award court costs and reasonable attorney's fees to the plaintiff if the plaintiff prevails in litigation filed pursuant to these provisions, and requires the court to award court costs and reasonable attorney's fees to the public agency if the court finds that the plaintiff's case is clearly frivolous.

This bill, for purposes of the award of court costs and reasonable attorney's fees pursuant to the above provisions, would specifically not withstand a provision of existing law that prescribes the withholding or augmentation of costs if an offer is made before judgment or award in a trial or arbitration.

SB 615, Hueso. Public records: disclosure.

Re: Amends sections 6258 and 6259 of the Government Code.

Status: March 14, 2019, referred to Com. on JUD.

The California Public Records Act requires a public agency, defined to mean a state or local agency, to make its public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The act makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemptions.

Existing law permits any person to institute proceedings for injunctive or declarative relief or a writ of mandate in any court of competent jurisdiction to enforce their right to inspect or to receive a copy of any public record or class of public records covered by the act. The act, when it appears to a superior court that certain public records are being improperly withheld from a member of the public, requires the court to order the officer or person charged with withholding the records to disclose the public record or show cause why they should not do so. The act requires the court to award court costs and reasonable attorney's fees to the requester if the requester prevails in litigation filed pursuant to these provisions, and requires the court to award court costs and reasonable attorney's fees to the public agency if the court finds that the requestor's case is clearly frivolous.

This bill would require a person to meet and confer in good faith with the agency in an attempt to informally resolve each issue before instituting any proceeding for injunctive or declarative relief or writ of mandate. The bill would require the person or their attorney to file a declaration stating that this has occurred at the time that proceedings are instituted. Because the declaration would be made under penalty of perjury, the bill would expand the definition of a crime and impose a state-mandated local program.

The bill would define "improperly withheld" for purposes of the act to mean a refusal by a public agency or public official to disclose a public record or some part thereof. The

bill would require that in order for a requester to prevail in litigation related to the act, the trial court must find by a preponderance of the evidence that an agency knowingly, willfully, and without substantial justification failed to respond to a request for records, improperly withheld from a member of the public records that were clearly subject to public disclosure, unreasonably delayed providing the contents of a record subject to disclosure in part or in whole, improperly assessed a fee upon a requester that exceeded the direct cost of duplication, or otherwise did not act in good faith to comply with these provisions. The bill would make other non-substantive changes.

SB 749, Durazo. California Public Records Act.

Re: Adds section 6254.34 and 6259.5 to the Government Code.

Status: April 23, 2019, amended and re-referred to Com. on APPR.

The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Existing law provides that nothing in the act requires the disclosure of corporate proprietary information including trade secrets, among other things.

This bill would provide that records relating to wages, benefits, working hours, and other employment terms and conditions of employees working for a private industry employer pursuant to a contract with a state or local agency shall not be deemed to be trade secrets under the act. The bill would also provide that records of compliance with local, state, or federal domestic content requirements and records of a private industry employer's compliance with job creation, job quality, or job retention obligations contained in a contract or agreement with a state or local agency shall not be deemed trade secrets under the act.

Under existing law, a person may seek injunctive or declaratory relief or a writ of mandate to enforce their right to inspect or receive a copy of a public record, as specified. Under existing case law, an agency's decision to release a public record pursuant to the California Public Records Act is reviewable by a petition for a writ of mandate on the basis that the public record was confidential, which is known as a reverse public records act.

This bill would require the requester, as defined, to be named as a real party in interest in a reverse public records action, and would require a court to allow the requester to participate fully on the merits of the reverse public records action. The bill would require the person who initiated the reverse public records action to pay the requester's court costs and reasonable attorney's fees if the court denies the petition seeking to prevent the public agency from disclosing the record at issue. The bill would require a public agency to pay court costs and reasonable attorney's fees to the requester under specified circumstances.

PUBLIC PENSION CONSULTANTS

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SB 783, Committee on Labor. County Employees' Retirement Law of 1937.

Re: Amends section 31465, 31627.1, 31627.2, and 31631.5 of the Government Code.

Status: Introduced March 7, 2019. From committee, do pass (Ayes 5, Noes 0).

This bill would correct several erroneous and obsolete cross-references within the CERL.

CALIFORNIA LEGISLATIVE CALENDAR:

2019:

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| Jan. 1 | Statutes take effect |
| Jan. 7 | Legislature reconvenes |
| Jan. 10 | Budget must be submitted by Governor |
| Jan. 25 | Last day to submit bill requests to the Office of Legislative Counsel |
| Feb. 22 | Last day for bills to be introduced |
| Apr. 22 | Spring Recess begins upon adjournment Apr. 1 Legislature reconvenes from Spring Recess |
| Apr. 26 | Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house |
| May 3 | Last day for policy committees to hear and report to the Floor non-fiscal bills introduced in their house |
| May 10 | Last day for policy committees to meet prior to June 3 |
| May 17 | Last day for fiscal committees to hear and report to the Floor bills introduced in their house. Last day for fiscal committees to meet prior to June 3 |
| May 28 – May 31 | Floor session only. No committee may meet for any purpose except for Rules Committee and Conference Committees |
| May 31 | Last day for each house to pass bills introduced in that house |
| June 15 | Budget Bill must be passed by midnight |
| July 10 | Last day for policy committees to hear and report fiscal bills to fiscal committees |
| July 12 | Last day for policy committees to meet and report bills Summer Recess begins on adjournment, provided Budget Bill has been passed |
| Aug. 12 | Legislature reconvenes from Summer Recess |
| Aug. 30 | Last day for fiscal committees to meet and report bills |
| Sep. 3- 13 | Floor session only. No committee may meet for any purpose except Rules Committee, and Conference Committees |
| Sep. 6 | Last day to amend bills on the Floor |
| Sep. 13 | Last day for each house to pass bills Final Recess begins on adjournment |
| Sept. 13 | Last day for Governor to sign or veto bills passed by the Legislature before Sept.13 and in the Governor's possession on or after Sept. 13 noon |

2020:

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| Jan. 1 | Statutes take effect |
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