



*Contra Costa County
Employees' Retirement
Association*



General Member

*Retirement
Benefits
Handbook*

Tiers 1, 1E, 2, 3, 3E

Saving in the present. . .

For a secure future.



Employees' Retirement Association
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IMPORTANT NOTICE

The benefit plans described in this handbook are subject to change. This is not a legal document; should discrepancies occur between this document and your actual retirement benefits, the law will take precedence.

This handbook does not contain complete information; it is formatted as a basic guide for active General members of CCCERA, and does not contain every legal condition of the Plan. The 1937 Act is the final authority.

Benefit availability, benefit amounts and determinations will be based on your actual circumstances. Your rights to benefits are based on documents, contracts, policies and laws in effect at the time of action.

Taking Care of Business with CCCERA

- OFFICE HOURS: Monday Through Friday
8:00 am to 12:00 Noon
12:30 pm to 5:00 pm
The office is closed for lunch between Noon and 12:30 pm
- TELEPHONE: **925.521.3960**
- FAX: 925.646.5747
- VOICEMAIL: CCCERA's voicemail system is available 24 hours a day. You can leave a message in the General Mailbox. Your message will be forwarded to the correct person for response. Remember to leave your name and telephone number. Please speak clearly.
- INFORMATION: General information questions often can be answered at the time of your call. **Specific questions about your personal account**, or assistance with more complex subjects, may require research. CCCERA staff will answer your queries as soon as possible.
- COUNSELORS: Counselors are available for individual appointments and telephone consultations between 9:00 am and 4:00 pm, Monday through Friday. Counselors are assigned alphabetically to accounts and are trained in all aspects of the benefit structure and the retirement process.
- APPOINTMENTS: Appointments to discuss your specific situation can be made by calling CCCERA.
- GROUP COUNSELING: Group counseling is available to all members, but is particularly helpful for members planning to retire within 5 years. Sessions are held frequently throughout the year. Call the Retirement Office for more information and reservations.
- ADDRESS: **Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520**
- WEB SITE: www.cccera.org



Diablo Valley seen from Dinosaur Hill Park in Pleasant Hill.

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Throughout this guidebook, you will find numerical annotations in gray type. These numbers are the code sections of the 1937 Act that are the legal documentation for CCCERA benefits. We have included these statutes in case you require additional information "from the source."

Please be advised: The citations are not a complete list of all the interrelated statutes that govern, describe, or delineate a given subject. The 1937 Act is a very complex document covering 20 different counties and related public agencies in California.

All statutes DO NOT apply to all counties, districts or members.

And...

If you have questions about CCCERA, your membership, retirement benefits, estimates, counseling, or related subjects,

Please...

Call or write. We're here to provide the information you need.



CCCERA Membership

Welcome to the Contra Costa County Employees' Retirement Association. Whether you are beginning your career or have extensive public service, CCCERA membership can be an important component of financial security for your future.

CCCERA is a "defined benefit" retirement plan.

This means your future retirement benefit is not based on how much you and your employer contribute, investment returns, or other factors that could cause your pension value to fluctuate.

Defined benefit pensions are based on a formula set by law, in this case the *County Employees' Retirement Law of 1937*. This statute has been amended and updated many times since its inception, evolving with the workplace.

Your Membership Date

You become a CCCERA member the first month *following* your employment in an eligible position.



Retirement benefit contributions begin with your first monthly paycheck.

You will not receive a paycheck until the month **after** you started working. Your first contribution toward your retirement will be taken from your first paycheck.

Naming A Beneficiary for Your Account

When you start working in an eligible position for Contra Costa County or a participating Special District employer, you will be enrolled in CCCERA. You will complete a "Member's Enrollment Affidavit." **At that time, you must name a beneficiary for your account.**




A beneficiary is someone, or some entity such as a trust, that will receive your survivor benefits, if you should die. ***You can change your designated beneficiary any time you want. However . . .***

If you are married, or in a registered domestic partnership, **by law your beneficiary must be your spouse or partner**, unless you file a *spousal waiver* (see page 31). If you are not married or in a registered domestic partnership, you can name any party you choose, your children, a friend, or a trust. An important point about trusts: trusts will only receive a lump sum payment death benefit. Trusts cannot receive a "continuance" or monthly survivor benefit, such as a spouse, domestic partner, or minor children may receive.

Contributing To Your Future

Active, eligible employees and all employers contribute to the retirement system.

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31557.

Membership is mandatory for *most* employees in permanent positions, working half-time or more; the exceptions are elected officials, who may choose membership by declaration, and employees who begin working after the age of 60. These individuals may waive membership in the system.

The amount you contribute is based on your salary¹, your differentials², and your age³ when you enter the system.


1. Your base salary is expected to increase throughout your career.
2. Differentials are additional pay elements that may increase your pay and add to your retirement benefit, such as bilingual pay, uniform allowance, etc. (All differentials are not subject to retirement.)
3. CCCERA uses the “*entry age normal*” method of determining contribution rates. (“Entry age normal” means the age you enter the system is the starting point for figuring a *present* estimate of the amount your *future* benefit will cost, factored as a level amount for the number of years it will take to arrive at your retirement age.)

Contributions are made through monthly, pretax* payroll deductions. Deduction amounts are taken out of your pay before taxes are withheld. *There are two districts that use post-tax contributions.

 31453.5

This method of contributing is advantageous, because pretax contributions lower your current taxable income. The tax normally paid on this amount is “deferred;” you won’t pay income tax on your contributions until you begin to draw a retirement benefit, or receive a lump sum payout, closing your account. While contributions lower your present disposable income, you are building a sound investment in your future security.

Employees and employers share the cost of future retirement benefits.

However, employers pay substantially more than employees to fund these benefits.  31581.1
31630.
If you look at your paycheck stub, you can see the difference in amounts. Most employers pay 50% (or more) of employees’ **basic** contribution rates (called *subvention*). Employers also pay for the *unfunded liability* of the system. The unfunded liability is a cumulative amount needed to fund future benefits, when those benefit costs increase due to benefit improvements, higher final average salaries, terminal pay items, etc.

Contribution rates *can* change for both employees and employers, depending on the cost of benefits, economic assumptions, and demographics of the membership. Retirement industry professionals often cite the “No Free Lunch Rule,” meaning you can’t expect to receive benefits in the future that you don’t pay for today. Your personal retirement account must be funded in order to invest and grow.

Interest is credited on your contributions every June 30th and December 31st.

The Retirement Board adopts an assumed interest rate annually. This interest amount is subject to change, depending on actuarial recommendations. The current interest rate is published each year in your annual benefits statement.

 31591.


 31453.



While contributions lower your present disposable income, you are building a sound investment in your future security, and deferring income tax at the same time.

There are three important cost elements that make up contribution rates for both members and employers. These are:

1. Basic (Normal) Contribution Rate
2. Cost of Living Adjustment
3. UAAL (Unfunded Actuarial Accrued Liability)

 31620.
31621.
31621.1
31630.

Members *generally* pay one-half of the **basic** contribution rate, an amount that creates an *annuity*. An annuity is considered a "payment for life" by the 1937 Act. (The actual percentage paid depends on your employer and union MOU (Memorandum of Understanding).

 31453.5

An additional estimated amount funds the cost of living (COLA) component of your retirement benefit. (Many pension plans do not have a cost of living component; CCCERA members have this valuable element that helps reduce future inflationary impacts on pension benefit spending power.) Members pay the COLA portion of their contribution.

Employers *generally* pay one-half of the member's **basic** contribution rate, plus **normal costs** (payroll percentages sufficient to fund prospective member benefits from career beginning to retirement), plus the **UAAL**, (unfunded actuarial accrued liability). The UAAL includes expenses related to benefit improvements, higher than expected salary increases, sick leave or vacation credits, and benefits paid over longer terms than expected.

Remember, County and Special Distict employers do not all pay the same subvention percentages. The examples above are to give you an idea of how combined contributions create your retirement benefit.

30 Year Members

 31625.2

General members who have accumulated 30 years (or more) of retirement service credit, AND who were members on or before March 7, 1973, are not required to contribute. (30 years of reciprocal service also qualifies if membership in a reciprocal system began on or before March 7, 1973.)

The Retirement Tier Structure

On July 1, 1945, the citizens of Contra Costa County voted to establish a retirement plan for County and Special District employees under the provisions of the State of California's *County Employees' Retirement Law of 1937* (CERL). The 1937 Act (including its extensive amendments), is the legal basis for CCCERA's benefit tier structure.

Laws governing our institutions may seem permanently in place, but in reality, revision is common, depending on the problems and solutions required. The same is true for retirement system design, where a multitude of variables may impact the needs of employees, employers and retirees who depend on the strength of the system for future security.

There are two broad categories of active membership: General and Safety.

- General members are employed by Contra Costa County or special districts. General members may have service in Tiers 1, 1E, 2, 3, and 3E. The "E" stands for "enhanced," which means the benefit formula is calculated with an age factor that gives you a higher benefit at retirement.
- Safety members are in active law enforcement, fire suppression and other "high risk" classifications, designated by the Retirement Board. Safety members accrue service in the "3% at 50" enhanced Safety Tier A, and in Safety Tier "C" for Deputy Sheriffs.

Currently, your retirement plan has eight benefit "tiers," mandated by amendments to the '37 Act, and adopted by the County Board of Supervisors.

Benefit Tier Differences

Due to legislative changes designed to improve benefits, nearly all new General members hired after January 2006 are covered by the Tier 3E benefit structure. (Certain Special Districts are Tier 1 or Tier 1E.)

Your tier designation depends primarily on the benefit structure adopted by your employer.

The tier structure may seem confusing, but member benefits are all calculated using the same, basic formula. However, variables applied to the formula may be different for each tier. For example:

- Tier 1, 1E and Tier 3, 3E service retirement benefits are based on the same final average salary period (12 months), age factors, and cost-of-living percentages.
- Tier 2 and Tier 3, 3E disability retirement benefits are based on more stringent guidelines than Tier 1.
- Tier 2 service retirement benefits are based on a 36 month Final Average Salary period.
- For General members, Tier 1 contribution rates are the highest; Tier 2 contribution rates are the lowest, but the benefit is lower, too.

The tables on the next page illustrate some of the benefit structure differences:

Tier	Final Average Salary (FAS) used to Compute Benefits	Cost of Living Benefit (COLA)	Service Retirement Benefits	Disability Retirement Benefits
1, 1E	1 year highest average salary	3% maximum per year	same as Tier 3, 3E	Tier 1 benefit
2	3 year highest average salary	4% maximum per year	Tier 2 benefit	same as Tier 3
3, 3E	1 year highest average salary	3% maximum per year	same as Tier 1, 1E	same as Tier 2
Safety A	1 year highest average salary	3% maximum per year	Safety service benefits	Safety disability benefits
Safety C	3 Year highest average salary	2% maximum per year	Safety service benefits	Safety disability benefits

For CCCERA members, the 1937 Act contains many statutes and amendments about tier structure. Here are a few:


 31462.
31462.1

 31751.
31752.

 31755.
31755.1

 31755.2
31755.3

 31870.
31870.3

TIER 1 (NOT ENHANCED)	General Tier 1 members hired before July 1, 1980, or by participating employers who did not adopt Tier 2 in July 1980.
TIER 1E AND 3E: ENHANCED (2% AT 55)	General Tier 1 and 3 members who will retire between the ages of 55 and 62¼ years of age, and who have ten or more years of eligible service credit. For employees with membership prior to 10/01/2002, the "2% at 55" retirement age factor is used to calculate your benefit until age 62¼. After that age, the factor reverts to the original Tier 1, non-enhanced rate, which assures you the highest benefit at retirement. (CNA date was 1/01/2003.)
TIER 2	Memberships dated on or after August 1, 1980 and those hired before August 1, 1980, who elected transfer to the Tier 2 Plan.  Tier 2 was eliminated (for future service) in October 2002 for active members. County and District Tier 2 members were transferred to Tier 3E.
TIER 3 (NOT ENHANCED)	Tier 3 was originally an elective choice for General Tier 2 members who had 5 years of eligible service. As of 2002, most employees entering the retirement system will be Tier 3E, unless they are Safety personnel.
SAFETY A: ENHANCED (3% AT 50)	Safety members with 10 or more years of continuing service, who retire on or after age 50, will receive pensions calculated with the enhanced benefit factor (3% at 50).
SAFETY C: ENHANCED (3% AT 50)	Safety Tier C pertains only to Deputy Sheriffs hired after 1/01/07, and is scheduled to "sunset" in 2012, unless extended by statute. Pensions are calculated with the enhanced benefit factor (3% at 50) but the Final Average Salary period is 36 months.
SAFETY: NOT ENHANCED (2% AT 50)	Safety members with 10 or more years of continuing service, who retire on or after age 50, will receive pensions calculated with the 2% at 50 retirement age factor. (Some Safety employers may not have adopted enhanced benefit formulas for their employees.)

Retirement Service Credit

Retirement service credit is the length of time you have worked and **contributed by payroll deduction** to the retirement system. (This means you are a member of CCCERA.)



Retirement service credit is the amount of work time that determines your eligibility to retire. You must have a minimum of 10 years of *retirement service credit* to be eligible to retire.

For example, if you work 1 month in an eligible position, you accrue (earn):

1
month of
retirement
service credit

Your 1 month scheduled hours can be

- the *traditional* schedule of an 8 hour day, five days a week,
- the *9/80* schedule of eight 9 hour days, one 8 hour day and 1 day off in a two week period,
- four 10 hour days per week,
- or any other appropriate 40 hour schedule accepted by your employer and/or union MOU* (**Memorandum of Understanding* developed by the tri-ennial meet and confer process.)

You earn 1 year of retirement service credit for each year of full-time employment.

Part-Time employees in permanent positions must work at least 20 hours a week in order to accrue retirement service credit.



Your accrued retirement service credit is pro-rated, depending on the number of hours you work. For example, if you worked 20 hours per week in a position designated permanent, part-time, you earn 20 hours of retirement service credit (50% of full-time). Part-time hours are converted to years or percentages of years for retirement calculations.

But if you worked less than 20 hours per week in an eligible position, and **no contribution** is withheld from your paycheck, **no retirement service credit** is earned.

You **DO NOT** earn CCCERA retirement service credit during time you *do not have a contribution taken from your salary*. Below are some examples:

- a position of less than 20 hours per week (you are not eligible for membership in CCCERA)
- an unpaid leave of absence (no paycheck = no contribution taken)
- a temporary position (not eligible for membership)
- during military service leave of absence (there are some exceptions in this event)

Service Credit

Service credit is different than **retirement service credit**. The difference between the two concepts is confusing, but may be easier to understand by looking at some examples.

Service credits are "purchases" of time that can be added to your retirement benefit formula. (At time of retirement, unused sick leave is also considered "service credit," which is added to your benefit calculation.) These amounts, as years of service, are used as part of the formula to compute the final amount of your retirement benefit.

The more years of service you have, the higher your benefit will be.

Remember, these purchases do not "count" toward the number of years you need to be eligible to retire, only toward your retirement benefit amount.



Retirement service credit and service credit don't necessarily equal the same amount. For example:

1. If you were employed by a different public agency (and **you will not receive a pension** from that agency) before you came to work for the County or a Special District, you may be able to "purchase" this time to add to your service credit at CCCERA. For more details on this option, see the Handbook Section *Buying Time* (page 18), and the *Service Purchase Brochure* available on our web site.
2. If you were married or in a California registered domestic partnership for part of your career, and that relationship dissolved, your community property settlement may include a Domestic Relations Order (DRO). The DRO may split your retirement account between you and your former spouse/partner. In this circumstance, some or all of your service credit and retirement contributions may be divided between you and your former spouse/partner.

In this event, you do not lose your benefit eligibility but you may lose some years of service credit, which are awarded to your former spouse/partner, as part of a community property settlement. *(If your former spouse/partner takes a refund before you retire, you may be able to regain the lost service credit by redepositing contributions.)*


Under certain circumstances, you may be able to add to one, or both, types of service credit, thus increasing your final retirement benefit. Remember, you can't *purchase* sick leave, even though unused sick leave may be converted into service credit at time of retirement.

The table below shows categories of service credit, and how they function in benefit calculations.

 <ul style="list-style-type: none"> • Prior public service with a non-participating employer • Military time • Unused sick leave • Conversions of time from one tier structure to another can be converted to <p style="text-align: center;">Service Credit*</p> <p>*time counts toward final benefit amount</p>	 <ul style="list-style-type: none"> • Redeposits • Time prior to membership • Medical Leave of Absence <p style="text-align: center;">can be converted to</p> <p style="text-align: center;">Retirement Service Credit*</p> <p>*time counts toward eligibility to retire <i>and</i> final benefit amount</p>
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See the Buying Time section (page 18) in this handbook for more information.

Your Benefit Value

Service Retirement benefits are calculated using three important variables:  31676.01

Highest Average Monthly Salary	Years of Retirement Service Credit	Age at Retirement Factor
<p>For all tiers, (except Tier 2 and Safety C), Highest Average Monthly Salary is calculated by taking your highest consecutive (unbroken by any leaves of absence) 12 months of salary and averaging that amount.</p> <p>Tier 2 and Safety C salaries are averaged over 36 consecutive months.</p>	<p>The length of time you contributed to the retirement system. You accrue retirement service credit for each pay period in which you make a contribution. By this definition, you do not earn service credit for any time you are:</p> <ol style="list-style-type: none"> 1. Absent from your job without pay, 2. Working in a position not covered by the retirement system, 3. Working part-time, less than 20 hours a week. 	<p>The percentage (expressed in decimal form) mandated by the 1937 Act statute and adopted by your employer, that is multiplied by your age and years of service to calculate your benefit. For example, 2% at 55 means if you retire at age 55, your benefit will be calculated using 2%, or .02.</p>

Highest Average Monthly Salary	X	Years of Retirement Service Credit	X	Age at Retirement Factor	=	<p style="margin: 0;">Your Retirement Benefit</p>
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Vesting and Deferred Benefits

Members of CCCERA who have at least 5 years of retirement service credit are "vested" in the system.

Vesting, in its purest sense, means a member has earned the absolute right to a retirement benefit when all other conditions for retirement eligibility are met. Recent legislation has changed aspects of this concept. Now, all members are entitled to retirement account options once previously reserved for vested members, with one important difference:



The age you may begin receiving a monthly retirement benefit is different for vested and non-vested (terminated employment before achieving 5 years of service credit) employees.

 31700.

Vested Members (5 or more years of retirement service credit) can begin receiving a monthly benefit at their earliest eligible retirement age (usually age 50). Vested members who terminate employment retain this right, if they become *deferred members*, leaving their contributions and interest in their CCCERA account.

 31706.

Non- Vested Members (less than 5 years of retirement service credit) who defer (do not take a refund when they terminate employment) are not eligible to begin receiving a monthly retirement benefit until the year following the year in which the member turns 70 1/2 years old.

Here's an example:

You started working for a participating employer when you were 33. At age 40, you leave public service and go to work in the private sector. You decide to leave your retirement contributions plus interest with CCCERA. At this point, your membership with CCCERA becomes *deferred*. You have accrued 7 years of service credit, so you are *vested*. Your contributions continue to earn interest as long as your funds remain at CCCERA. You are not eligible to retire, since you are not 50 years old. **When you reach age 50, you will be eligible for a monthly retirement allowance, since:**

- 50 is your first eligible retirement age,
- Your total service credit, plus deferred status period equals at least 10 years,
- Your funds have been on deposit at least ten years.

Both vested and non-vested members have the option to leave their contributions in their accounts with CCCERA, should they terminate employment. Your contributions will continue to earn interest until you take a refund, or begin receiving a monthly benefit.

Making the Most of Your Benefit

As you can see from the formula on page 14, the more retirement service credit you have, the higher your benefit will be. Likewise, the higher your Final Average Salary, the higher your retirement benefit.

Additionally, there are four broad categories that may also increase your retirement benefit:

Differentials · Vacation Accruals · Unused Sick Leave · Purchases

- Differentials and vacation accruals add dollars to your Final Average Salary (FAS).
- Unused sick leave and purchases add service credit.

Differentials

 31460.

Differentials are additional pay items subject to retirement.

Differentials vary from employer to employer. For example, if you are a bi-lingual employee, you may receive a pay differential for using that skill. If your work includes a uniform allowance, that allowance may be considered a special pay item, and therefore, a differential. Since retirement contributions are taken on these amounts, their value is included in your retirement benefit.

Differentials fall under the definition of "compensation" in the '37 Act. (To find out the details for your job, ask your payroll clerk.)

(UNUSED) Sick Leave Accruals

 31641.01

General members accrue sick leave at the rate of 8 hours for every month worked. Part-time employees accrue a pro-rated amount of sick leave, depending on the number of hours worked. For County employees, **unused sick leave accumulates from year to year with no limit.** If you leave employment before retirement, all sick leave credit is canceled. But if you retire, **all** accumulated sick leave is converted to **service credit.** (**NOTE: Some districts have accrual limits, and may or may not offer this option.**) **Your employer may vary on these specific issues. Please check with your employer.**) Here is an example of how this time is computed for your benefit:

One hour of unused sick leave equals one hour of service credit.

An example: 1,000 hours of unused sick leave ÷ 2,000 hours (average hours worked in a year)
= .5 (1/2) of one year's service credit.

This amount of service credit is added into your final retirement benefit calculation.

Remember, **service credit increases your monetary benefit, but does not count toward retirement eligibility.**

Terminal Pay ★

(Unused) Vacation Accruals and Personal (Floating) Holiday Hours

Terminal pay is the phrase used to describe dollar amounts you are paid for certain unused vacation and personal ("floating") holiday accruals at time of retirement. Terminal pay amounts become part of the Final Average Salary (FAS) calculation. Terminal pay is added to your salary, making your Final Average Salary higher. Here's an example:

Your salary for the last twelve months before you retired was \$4,000.00 per month. At time of retirement, you have \$1000.00 worth of unused vacation time.

$$12 \text{ months} \times \$4,000 = \$48,000.$$

$$\text{Your final salary for the year is } \$48,000 + \$1,000.00 \text{ (vacation accrual)} = \$49,000.00$$

The Final Average Salary calculation is $\$49,000.00 \div 12$ (12 months in a year) = \$4,083.033.
\$4,083.33 is the final average monthly salary amount used in your retirement benefit calculation.

There is a limit on the amount of time you can use for this purpose:

- usually 1 year's unused accruals *OR*
- 2 year's accruals if you are Tier 2.

(The accrual limits are determined by collective bargaining and the MOU process during contract negotiations between employers and unions. You can find out what your annual maximum accrual rate is by checking the number of vacation hours earned per month on your paycheck and multiplying by 12.)

An example: 120 hours of accrued vacation time x your hourly salary = Amount to be added to your **Annual** Final Average Salary (FAS), which will be included in the calculation for your retirement benefit.

If you are in an employment classification that includes the ability to sell back vacation hours, the value of vacation sales accrued within the *Final Average Salary period* before you retire usually will also be used in calculating your annual Final Average Salary. (12 month Final Average Salary for Tiers 1,1E, 3,3E, and Safety A; 36 month Final Average Salary period for Tier 2 or Safety Tier C).

If available from your employer, members can also be paid for holiday comp hours on their last paycheck.

★ ATTENTION: NEW MEMBERS ENTERING THE SYSTEM WITH MEMBERSHIP DATES OF JANUARY 1, 2011 and BEYOND> PLEASE SEE IMPORTANT NOTICE ON THE NEXT PAGE ABOUT TERMINAL PAY! 

Terminal Pay for Members Entering the System After January 1, 2011

As of January 2, 2011, *in general*, **NEW** members entering the system with a membership date of January 1, 2011 and beyond, will **NOT** be able to add accrued vacation, personal holiday, holiday comp, sabbatical, sick, or administrative leave (depending on Union MOU agreements) into their retirement benefit. This policy change was adopted by the Retirement Board in March of 2010, and reflects Section 31450 et seq., of the County Employees' Retirement Law of 1937.

Accrued, unused, vacation can still be converted to cash and paid as "terminal pay." **However, these dollars will not be figured into the Final Average Salary for retirement benefit calculation.**

Members who have the capacity to "sell back" accrued vacation or other leave categories (depending on MOU agreements), may still receive credit for these sales. **However, these sales will only be counted within a 12 month period in which the accrued time was both earned and cashable during service.**

Other incentives, bonuses, and payments that are not received in cash during service, but only upon termination or retirement, will not be included in Final Average Salary calculations.

The Retirement Board Policy and Addendum to the policy are posted on our web site on the Retirement Board page.

If you are in an employment classification that includes the ability to sell vacation hours, the value of vacation sales within the final average salary period before you retire will also be used in calculating your annual Final Average Salary. (12 month Final Average Salary for Tiers 1, 1E, 3, 3E, and Safety A; 36 month Final Average Salary for Tier 2, Tier 3 Disability and Safety Tier A).

If available from your employer, members can also be paid for "holiday comp" hours on their last paycheck.)

Buying Time

Eligible Service Credit Purchases Increase your Retirement Benefit.

Your pension is based on your age at retirement, your Final Average Salary, and your total retirement service credit. The more years of retirement service credit you have, the greater your benefit.

You may be able to "buy" service time during which you were employed in public service, but not in a position eligible for retirement system membership, and not contributing to CCCERA, thus increasing your retirement benefit.

If you are considering a service credit purchase, a general rule to remember is:

Time during which you made contributions is NOT purchasable, whether you were a member of CCCERA, or other public retirement system, *unless* you withdrew your funds and no longer qualify to receive a benefit.

Members who are interested in purchasing service credit should request an estimate of the cost from the Retirement Office. You can make this request by phone, or fill out the application posted on our web site and send it in. Most necessary information is available at CCCERA, but you may be asked later for documentation if you decide to enter into a contract to purchase service.

After a retirement counselor calculates your cost estimate, CCCERA will send you a letter explaining your options. At that time, you can make an appointment with your counselor to clarify any issues you may have, decide on the amount of time to purchase, make payment arrangements and sign a contract.



Mt. Diablo from Briones Ridge in Lafayette.

Below are some categories of purchasable time:

Time Prior to Membership with CCCERA

 31641.4
31641.5
31648.

If you worked for a participating employer (special district) or Contra Costa County, and were not eligible for CCCERA membership, you may purchase service credit for the time you worked. Examples of ineligible positions are part-time (less than 20 hours per week), certain job classifications such as permanent intermittent, or temporary.

Medical Leave of Absence

 31646.

CCCERA members returning to active service following an **unpaid** medical leave of absence, can purchase up to **12 consecutive** months of time.

Military Leave

 31649.
31649.5

Time spent in military service may be purchased if you were a member of CCCERA when you (resigned or obtained a leave of absence) left to serve in the military, and returned to CCCERA membership within 90 days of your **honorable discharge**.

Military Service



If you served in the military **prior** to CCCERA membership, you may be able to purchase this time as public service time.

Public Service

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31648.

If you were employed by a public service agency **prior** to your membership with CCCERA, you may be eligible to purchase this time with CCCERA, *if* your former public employer **does not**:

1. offer *reciprocity* with CCCERA,
2. accept *redeposits* of contributions that were refunded to you at time of termination from their plan,
3. you will not receive a retirement benefit from the agency.

Examples of public service agencies are the federal government, other county or city governments in California, and special districts, such as water or sanitary districts.


How to Purchase Service Credit

Service credit purchases follow a complex set of laws and regulations established by the 1937 Act.

Generally, the costs to purchase service credit fall into two categories, **depending on the type of eligible credit:**

1. You must pay your contributions *and* interest that would have accrued during the time periods you are purchasing,

OR


 31641.2
31641.21


2. You must pay your contributions *plus* your employer's contributions *and* interest that would have accrued on both amounts.

Purchases can be made with **post-tax** dollars.

Your Payment Options:


1. One lump sum payment for the full amount;
2. Monthly payroll deductions;
3. A combination lump sum "down payment," then monthly payroll deductions to complete the contract;
4. Fund transfer from another eligible retirement plan, such as a 457 plan.


The purchase contract term usually cannot exceed the length of time you are buying. (For example, conversions from Tier 2 to Tier 3 are an exception.)

 31641.5 *And. . .*

The maximum contract time for buying any amount of service is 5 years.

All payroll deduction service contracts must be paid in full by your retirement date, or date of termination.

 31641.56
31485.7 *However. . .*

You may be able to purchase service credit with an *after-tax* lump sum payment, up to 120 days after your retirement date.

Service credit is posted to your account immediately if your payment is a lump sum. When purchasing by monthly payroll deduction, service credit is posted to your account as you make payments. For more information on purchases and payment rules, see the *Service Purchase Brochure* available on our web site or from the Retirement Office.

Post-Tax Payments

- Post-tax payments do not lower your current income for tax purposes.
- Contract timing and amounts can be changed, if you choose.
- Contracts can be stopped completely.
- Taxes are paid on purchased service credit before you begin taking a retirement benefit, lowering your tax liability during retirement years.

Interest is calculated on your service credit purchase:

The cost of your service credit includes the interest your contributions would have earned, had they been on deposit with CCCERA, from the date you became a member to the date your purchase contract commenced, or lump sum payment was accepted. If your purchase is a *redeposit* (see page 25), interest is calculated from the date you withdrew your funds.

If you choose monthly payments, your monthly payroll deduction will be calculated using the interest rate assumption in effect at the time your contract is signed.

In effect, you are "making up" the interest that didn't accumulate on the time you are purchasing to make your account whole. With monthly payments, you are paying interest on the contracted funds, like a traditional financing agreement.

Another Way to Pay: 457 Trustee to Trustee Transfers (Direct Rollover)

Tax deferred 457 retirement plan contributions can be used to purchase *eligible* service credit, or convert eligible service credit to a different retirement tier. The process is **very specific**. Rules must be followed accurately to insure compliance and protect your tax deferred status. Members who have funds in an employer sponsored Deferred Compensation 457 account may want to consider this option.



Martinez Regional Shoreline at sunset.

Individual retirement plans may have different regulations, and may or may not accept, or provide, for all qualified plan transfers.

For more information on this option, please call CCCERA and speak with a counselor. Request the brochure, *Service Credit Purchases*, which is also available on our web site.

Terminating Employment

Termination of your membership in CCCERA can occur for a variety of reasons, but usually this means you no longer work for an employer participating in CCCERA. Membership termination can also occur if your job status changes, for example, to less than half-time, or contract. *(If you have changed jobs to an ineligible position such as contract or less than 20 hours per week employment, but are still working for a CCCERA employer, you may not withdraw your contributions.)*

You have two options if you formally terminate: **Take a Refund** **OR** **Defer your Membership**  31628.

Refunds

Taking a refund means you "close" your retirement account, by withdrawing all of the contributions and interest you made while a member of CCCERA. You will no longer be entitled to a benefit from CCCERA, even if you are disabled in the future.

- You will receive your contributions and interest within 3 months, after your refund request is processed.


However...

- Because contributions are made with pretax dollars, you will now owe the tax* that was "deferred" while you were employed, *unless* you make a "direct rollover" of the funds into another tax deferred retirement account, such as an IRA.

*The tax withholding on refunds, by Federal law, is a mandatory 20%, since refunds are considered "distributions." The 20% helps cover you or your beneficiary's Federal income tax. State tax withholding of 2%, to cover state income tax, is optional.


- If you start working for an employer who offers "reciprocity" with CCCERA within 6 months, you cannot take a refund of your contributions.
- If you return to membership with CCCERA, and have previously taken a refund, you have no previous retirement service credits to build upon, unless you redeposit.

If you decide to request a refund, you must fill out and return a "Distribution Election Form" to CCCERA.



Your refund will NOT include the contributions made by your employer on your behalf.
Your refund will be your contributions and interest, only.

The way you receive your refund is very important; tax liability may be an issue.



You must have terminated employment with a CCCERA employer at least 45 days before you are eligible for a refund. (Hardships may be considered.)

Refunds are NOT ALLOWED if you became ineligible due to a job status change (such as part-time, less than 20 hours per week or temporary) but are still working for a participating employer.

You can request a refund of your contributions and interest, **even if your original choice was deferred membership**, (unless you are working for a reciprocal employer), or until you begin taking a retirement benefit.



You can receive your funds in any way you choose, but remember, if the refund is sent directly to you, under IRS regulations, you may immediately incur tax liability, unless you "**roll over**" the funds into another tax deferred plan.

If you are under 55 years old, you may also be subject to early withdrawal tax penalties when you file your taxes. (There are some exceptions to this rule.) If your refund is \$200 or less, CCCERA is not required to withhold tax from your refund, but you may owe taxes on the amount.

Defer your Retirement Membership



Deferring your retirement membership means you leave your funds in your account at CCCERA.

- Your contributions will continue to earn interest until you withdraw them or retire.
- If you are **vested** (5 or more years of service credit) and leave your funds on deposit until you are eligible to retire, you will qualify to begin receiving a monthly retirement benefit when you are eligible to retire.
- If you are **NOT vested**, you are eligible to receive a retirement benefit the year *after* you reach age 70 1/2.
- If you return to membership with CCCERA before retirement, you will already have some service credit toward retirement established.
- If you return to membership, you will not have to redeposit to regain service credit that was cashed out.
- If you go to work for a reciprocal system, you can choose to link your benefits with CCCERA.

If you leave membership in CCCERA, and do not declare whether to defer or to take a refund, CCCERA will "default" your choice to "deferred membership."

The Termination Process

CCCERA will receive notification of your termination from your employer's Human Resources department. The Retirement Office will send you a packet explaining the options concerning your retirement account and possible tax liability. A "Distribution Election Form" and instructions for filling out the form are included. Return the completed forms to CCCERA.

If you need assistance with any aspect of the termination process and your options, call CCCERA and speak with a counselor. Counselors are not able to advise you on tax issues; if you are considering a refund of your contributions and interest, we strongly recommend you contact a tax professional for advice on handling your funds.

Deciding whether to take a refund or defer your retirement is a very important decision.

Termination decisions have potential impact on tax liability, reciprocity with other public employers, and future income. Please consider your options. We encourage you to consult a tax professional before deferring your retirement or requesting a refund.

You will find additional information about tax considerations in:

- IRS Publication 575, Pension and Annuity Income
- IRS Publication 590, Individual Retirement Arrangements



Pine Creek flows down from 3849' Mt. Diablo through Castle Rock Park, a popular spot for hiking and horseback riding.

Returning To Work (Before Retirement)

If you are rehired by a participating employer after you terminated employment, you will rejoin CCCERA (unless you are rehired in an ineligible position, as mentioned earlier). Service credit starts accruing just as it did during your previous membership: on the first day of the month *following* your rehire date (the first time a contribution is taken from your paycheck).

If you **took a refund** when you left, you have two choices:

1. **Redeposit** the contributions and interest you withdrew, thus re-establishing your retirement account and your original service credit,

OR

2. Do nothing, and start your service credit from your current membership date.

Deferred Members Returning to Membership

If you **deferred your retirement benefits** when your earlier employment ended (left your contributions and interest in your account), your funds are still earning interest. The contributions and service credit you earn after rehire will be added to your deferred service credit to build a higher benefit when you retire.

1. Your contribution rate will be the rate for your original age at entry into the retirement system.
2. You will return to your **current** employer's benefit tier. (An example: You left as a Tier 2 member. Since you departed, Tier 2 was eliminated. When you return to work, your new service will be in Tier 3E.)

Redeposits

Redeposits after Re-employment




A redeposit re-establishes your retirement account to pre-termination levels. You return the contribution amounts you withdrew, plus the interest the funds would have earned during your absence from membership. Once these funds are redeposited into your account, your original service credit is reinstated. Redepositing can be a good financial decision, because it restores your retirement service credit to original amounts. As your career continues, you have these credits to build on, giving you a higher benefit when you retire. (Higher service credit at retirement equals a better benefit.)

For the service you are restoring, you must redeposit your contributions, plus all the interest that would have accrued on the amount if your funds had been left at CCCERA. (You do not have to replace the funds your employer contributed for you. Those funds are still on deposit with CCCERA.)

Your redeposit will reinstate your previous service credit in whichever tier you left, regardless of your current membership tier.


You will return to CCCERA membership in the tier your current employer offers. For the majority of rehired members, this will be Tier 3E, since Tier 2 was eliminated for future service by legislation in 2002.



Regardless of the option you choose, if your funds are left on deposit, you will be paid interest on your account until you withdraw the money in a lump sum, or begin taking a monthly benefit.

Redeposits after a Domestic Relations Order

If you are required to divide accumulated service credit due to a divorce or domestic partnership dissolution court-ordered settlement, you may be able to reinstate (purchase) the service credit awarded to your former spouse/domestic partner with a **Redeposit**, under specific circumstances.

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Since separate accounts are created for both individuals, redepositing contributions and interest *may* be possible for both the active member and/or the non-member (former spouse/domestic partner), in order to restore each account to pre-DRO levels, ***under very specific circumstances.***

For example: **non-members** may only redeposit contributions and interest previously refunded to the active member, *and* considered community property.

Active members may redeposit contributions and interest forfeited to the non-member, only if the non-member takes a refund. The active member must redeposit the funds within 5 years of notification that a refund was taken and no later than 120 days after retirement.

If a non-member takes a refund of court awarded contributions and interest, the non-member permanently relinquishes all rights to any retirement benefits, potential redeposits, or service credit purchases.

Each dissolution is different, so be sure to speak with a retirement counselor to verify your options. More information on this subject is available on page 32, Divorce or Partnership Dissolutions.

Redeposit Payment Options

Redeposits must be for the entire amount of previous service. However, you can pay the amount owed in installments. You can redeposit your funds by:

- lump sum payment,
- a combination of both methods,
- payroll deduction,
- a trustee to trustee transfer, called a "rollover,"
- with pretax or post-tax funds.

If you are unable to complete your redeposit for any reason (including disability or death), the contributions plus interest you paid into your account will be refunded and service credit will not be reinstated .

The maximum time frame for redeposit contracts is 5 years, regardless of the amount of service to be reinstated. However, your contract cannot extend longer than the time of the original service you are redepositing.

You can decide to redeposit any time *up to 120 days past your date of retirement, as long as the redeposit is completed* before the 120 day window closes.

Rollovers

A *rollover* is a transfer of your contributions and interest from one "qualified" plan into another "qualified" retirement plan or IRA (Individual Retirement Account). A *direct rollover* means the money transfers directly from plan to plan, without ever passing through your hands, thus deferring possible tax liability until you withdraw the funds later. A "qualified" retirement plan means a plan approved by the IRS (Internal Revenue Service) under Code 401(a), 403(a) or 457(b).



Employer plans are not required to accept rollovers. Be sure to find out what types of distributions your designated plan accepts, and what restrictions on subsequent distributions may apply, **before** you make arrangements.

For example: CCCERA ONLY accepts 457 plan (deferred compensation) trustee to trustee transfers.

Contact the retirement office to find out what your redeposit will cost, and to discuss your payment options.

Reciprocity

Reciprocity encourages career public service by allowing retirement benefit credits to accrue and link together from one public employer to another public employer.



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For example, if you are employed with Contra Costa County and decide to take a job with Alameda County, your service *may qualify as reciprocal*, since Contra Costa County and Alameda County are both 1937 Act counties (retirement benefits legislated under the 1937 Act).

There are advantages to being a reciprocal member of a retirement system:

1. Your retirement contribution rate in all reciprocal systems, which is usually based on your age at entry into the first reciprocal system, will be lower. (Younger members pay a lower contribution rate, since they have more time to contribute before retirement.)
2. Service credits earned in *all* reciprocal systems may be used to meet system vesting and retirement eligibility.
3. When you retire, your highest rate of final compensation from *any* reciprocal system will be used by *all* reciprocal systems to calculate your benefit. (For Contra Costa County, the Final Average Salary will be based on either a 12 or a 36 month Final Average Salary calculation, depending on your retirement tier.)
4. ***Benefits are computed by individual system, based on the benefit formula for each retirement system.***

The requirements for establishment of reciprocity are very specific:

1. After separation from a reciprocal system, *you must enter membership in the next system within 180 days (6 months), or 1 year, if you were laid off.*
2. You cannot be employed with two reciprocal systems at the same time. *You must be separated from the first system prior to joining the second system. This even includes overlapping time due to use of leave or vacation credits.*
3. If you choose reciprocity, *you may not take a refund of contributions* from the system you are leaving.
4. *You must retire on the same date from all reciprocal systems* by filing an application with each system.
5. All public employers are **NOT reciprocal** with CCCERA.

1. CCCERA is reciprocal with other 1937 Act counties:

Alameda	Fresno	Imperial	Kern	Los Angeles	Marin
Mendocino	Merced	Orange	Sacramento	San Bernardino	San Diego
San Joaquin	San Mateo	Santa Barbara	Sonoma	Stanislaus	Tulare
Ventura					

2. As of 2011, CCCERA is reciprocal with CalPERS (California Public Employees Retirement System).

3. As of 2011, CCCERA has limited reciprocity with the following agencies through state law and agreement with CalPERS (Employment *with* a PERS agency is not required, but your employer must have a reciprocal agreement with PERS):

CalSTRS (State Teachers Retirement System)	LRS (Legislators' Retirement System)
JRS (Judges' Retirement System)	JRS II (Judges' Retirement System II)
(UCRP) University of California Retirement Plan	

4. As of 2011, CCCERA is also reciprocal with the following independent public agencies, *through reciprocal agreements with CalPERS*:

Cities:

Concord
Costa Mesa (Safety only)
City of Fresno
Oakland (Non-Safety only)
Pasadena (Fire and Police)
City of Sacramento
San Clemente (Non-Safety only)
City of San Diego
City of San Francisco
San Jose
City of Los Angeles

Other Agencies:

California Administrative Services Authority
CCCWD (Contra Costa County Water District)
County of San Francisco
County of San Luis Obispo
EBMUD (East Bay Municipal Utility District)
EBRPD (East Bay Regional Park District - Safety only)
Long Beach Schools Business Management Authority
Los Angeles County Metropolitan Transportation Authority
(Non-contract employees' Retirement Income Plan)

Reciprocal retirement agreements between public agencies can change, or terminate.

Likewise, plan policies may change by the adoption of benefit changes or legislation.

CCCERA's administrative authority under the 1937 Act only extends to your membership with Contra Costa County and Special District employers.

Membership rules vary from plan to plan; as a reciprocal member your benefits are subject to the laws and policies of each individual system. You must contact each reciprocal employer to verify plan rules and obligations.

Special Notes:

1. When you retire, you will receive separate pension payments from each system in which you maintain reciprocal memberships.
2. In *some circumstances (if you are in active law enforcement or fire suppression)* you may be able to "redeposit" refunded contributions in one system, thereby establishing limited reciprocity.
3. It's a good idea to explore your reciprocity options:
 - ➔ •before changing employment from one public agency to another,
 - before you choose to take a refund on your contributions and interest when terminating from a public employer.
4. There is no minimum amount of service credit required with any public employer to establish reciprocity.

How and When to Establish Reciprocity with CCCERA

1. When you accept a position for permanent employment with Contra Costa County or Special District employers, you will fill out an Enrollment Affidavit. If you are entering service as a reciprocal member, you will submit your previous public service information on this form.
2. All service and funds remain with each employer.
3. CCCERA will verify your information with previous employers, and receive certifications of service credit accrued and age at entry into the system, thus establishing the link between your previous and your current employment.
4. This information will be accessible in your file to streamline the research and calculations required when you choose to retire, defer, or change employment.

The accuracy of this information is crucial, since your contribution rate in all systems depends, in part, on your age at first entry into a reciprocal system.

If reciprocity is a consideration for you, please check with CCCERA about specific rules, regulations, and agency agreements.

For more information or to establish your eligibility for reciprocity, contact CCCERA.

Beneficiaries

Choosing Your Beneficiary

When you are first employed in an eligible position, you complete a *Member's Enrollment Affidavit*. This form includes your choice of beneficiary. Unless you are married or in a registered domestic partnership (*see below*), you can name anyone, or any appropriate financial planning vehicle (such as a trust) as your beneficiary.

Changing Your Beneficiary

You can change your beneficiary at any time (unless you are married or in a registered domestic partnership).

HOWEVER,

Trusts cannot be beneficiaries of a **monthly retirement benefit**. These financial planning tools can only receive lump sum payouts of the contributions and interest you accrued before your death. Be sure to tell the Retirement Office the name and address of the trust and the trustee.

Marriage, Domestic Partnerships and Beneficiaries

If you are married, or in a **registered** domestic partnership (registered with the California Secretary of State), the **beneficiary of your retirement account is your spouse or domestic partner**. This is the law, *unless you file a*:

→ Spousal/Domestic Partner Waiver Form ←

This form is available from the Retirement Office. This form must be:



31760.3

1. Signed by both you and your spouse/registered domestic partner,
2. Notarized,
3. On file at CCCERA . . . to be in effect.

After this form is received, you may change your beneficiary to anyone you choose.

You can also choose to name a trust as your beneficiary, but remember, as noted above, a trust cannot receive a monthly retirement benefit, only a lump sum payout of your contributions and interest.

If you divorce, or dissolve your domestic partnership, remember to update your beneficiary. Your most recently named beneficiary will receive your benefits in the event of your death.

Divorce or Partnership Dissolution

Accrued retirement benefits are considered community property in California.

Therefore, if you divorce or dissolve a registered domestic partnership, your benefit *may* be divided between you and your former spouse/partner, depending on the specific community property settlement agreed upon in your dissolution.

By necessity, **CCCERA must be "joined"** (become a part of) to your legal action to process your account appropriately. This "joinder" allows CCCERA to comply with the details of your settlement agreement as they apply to your retirement account.

This court ordered agreement is called a *Domestic Relations Order (DRO)*.  31685.

The '37 Act allows the member's account to be divided into two separate and distinct accounts at time of dissolution. The Court is prohibited from imposing a DRO that pays benefits with a total value that exceeds the amount the active member would have received if the order had not been issued. After this account split, the active member and non-member (former spouse/domestic partner) have rights to manage their individual accounts going forward. **They also have certain rules of law to follow.**

After an account split, each person (active member and non-member) has sole control over his or her own account. Unless specifically provided by the Domestic Relations Order, or other 1937 Act mandated notifications, individual account activity is confidential. A required notification, for example, would be if the non-member takes a lump sum payment, which creates an opportunity for the active member to "purchase" forfeited service credit, or if the active member retires before the non-member. It is important to discuss split account details with a CCCERA counselor in order to understand the process and the results. **CCCERA also strongly suggests consulting with an attorney.**

Vested members will not lose "vested status" (retirement service credit of 5 or more years of service), even if service credit is awarded to a former spouse/domestic partner. Once vested status is achieved, it cannot be lost, except through payment of a refund to the member.

The following tables show some examples of how account splitting during divorce or domestic partnership dissolution may affect active members and former spouse/domestic partners.

VESTED MEMBER (5 OR MORE YEARS OF RETIREMENT SERVICE CREDIT)	
Active Member	Non-Member
Account is split according to DRO.	May name new beneficiary.
Service credit and contributions are divided according to DRO.	May maintain new separate account.
Member may choose new beneficiary.	Interest will be credited to new account.
<i>If</i> spouse/partner takes a refund, member has 5 years to "purchase" service credits forfeited to former spouse/partner.	May later receive service retirement benefit, <i>if</i> member is vested at time of dissolution.
Vested status is not lost.	May request a refund, closing account permanently.

NON-VESTED MEMBER (LESS THAN 5 YEARS OF RETIREMENT SERVICE CREDIT)

Active Member	Non-Member
Account is split according to DRO.	Must take a refund of contributions, interest.
Service credit and contributions are divided according to DRO.	After refund, no rights to future benefits.
Member may choose new beneficiary.	No redeposit allowed.
Member has 5 years after refund date to "purchase" service credits forfeited to former spouse/partner.	Refund may not be canceled.

VESTED MEMBER SERVICE PURCHASES

Active Member	Non-Member
<i>If specified by DRO</i> , member may purchase forfeited community property share.	<i>If specified by DRO</i> , non-member is eligible to purchase his/her community property share.
<i>If DRO is silent</i> , member is eligible to purchase entire service amount.	<i>If DRO is silent</i> , non-member may not purchase any service.
Installment payments allowed.	Must pay by lump sum only.
May purchase former spouse/partner's share if non-member receives a refund, or dies.	No purchase allowed if former spouse is paid a refund.

VESTED MEMBER REDEPOSITS OF ACCOUNTS WHICH WERE WITHDRAWN *BEFORE* DRO

Active Member	Non-Member
<i>If specified by DRO</i> , member is eligible to purchase community property share.	<i>If specified by DRO</i> , non-member is eligible to purchase his/her community property share.
<i>If DRO is silent</i> , member is eligible to purchase entire service amount.	<i>If DRO is silent</i> , non-member may not purchase any service.
Installment payments allowed.	Must pay by lump sum only.
May purchase former spouse/partner's share if non-member receives a refund, or dies.	All eligible service must be purchased.

VESTED MEMBER REDEPOSITS OF ACCOUNTS WHICH WERE WITHDRAWN *AFTER* DRO

Active Member	Non-Member
Member has same redeposit rights as before.	May not redeposit his/her account once withdrawn.
May redeposit non-member's share within 5 years of spouse/partner's notice of withdrawal.	May not redeposit account withdrawn by member.

VESTED MEMBER TERMINATES MEMBERSHIP (LEAVES CCCERA EMPLOYER)

Active Member	Non-Member
May elect refund or defer account. Final Average Salary (FAS) is frozen at termination, unless member establishes reciprocity with another public agency.	Same choice as member, including FAS salary frozen at termination.

NON-VESTED MEMBER TERMINATES MEMBERSHIP (LEAVES CCCERA EMPLOYER)

Active Member	Non-Member
May elect refund or defer account. Final Average Salary (FAS) is frozen at termination unless member establishes reciprocity with another public agency.	Must take a refund.

DRO ACCOUNT SPLITTING AND RETIREMENT


Active Member	Non-Member
Service credit requirement is met using combined service <i>before</i> account split plus any service earned <i>after</i> split.	Eligible at earlier of 1) member's eligibility due to age, or 2) non-member's eligibility due to age.
Benefit is based on service credit, plus any service purchased after account split, FAS and member's age factor.	If member retires <i>prior</i> to non-member, non-member may elect to leave account intact. FAS calculation is frozen at value used for member.
May choose any optional payout available.	Non-member may elect to begin receiving retirement benefit using service credits from account split, plus any purchased service credits. FAS based on member's salary at time of non-member's retirement. Age factor is non-member's, at time of retirement.
	May select any optional payout available.

The '37 Act **requires** a member's beneficiary to be their spouse/domestic partner, unless a Spousal/Domestic Partner Waiver Form is signed and on file with CCCERA. After your account is split, each person may name a new beneficiary, other than your spouse/domestic partner. If your dissolution results in your choice of a new beneficiary, be sure to change this information with CCCERA.

FOR CLARIFICATION: Divorced/former registered domestic partner non-members are also called *alternate payees*.

IMPORTANT NOTE: The information on this page only applies to **Active** Members. If you become divorced, or your partnership is dissolved after retirement, the options are different.


Survivor Benefits

If you die while an active, deferred, disabled, or retired member of CCCERA, your retirement plan provides benefits for your survivors (beneficiaries). The amount and benefit structure depends on several variables, including the circumstances of your death, your length of service, your relationship to your beneficiaries, and whether you are an active or retired member.  31780.

When you enter membership, you designate a beneficiary in the event of your death.

As your working life progresses, it's important to keep this information up to date. For example, if you are single when you begin your career, your choice of beneficiary may change if you marry or enter into a domestic partnership.

Each year, CCCERA sends a Benefit Statement, with account information that includes your recorded beneficiary(ies) for your verification.

 31760.3 **A Reminder:** If you are married or in a California Registered Domestic Partnership, *by law, your spouse or domestic partner is the primary beneficiary for your account.* To change this, you and your spouse/domestic partner must sign a "Spousal/Domestic Partner Waiver Form." This form must be notarized and on file with CCCERA to be in effect (if you wish to name someone *other* than your spouse/registered domestic partner as your beneficiary).

If your death is service connected (a result of a job related injury):

Vested Members (5 or more years of service)

Your eligible spouse/domestic partner
OR
Your minor children (under 18, or 22 years of age if a full-time student)

will receive

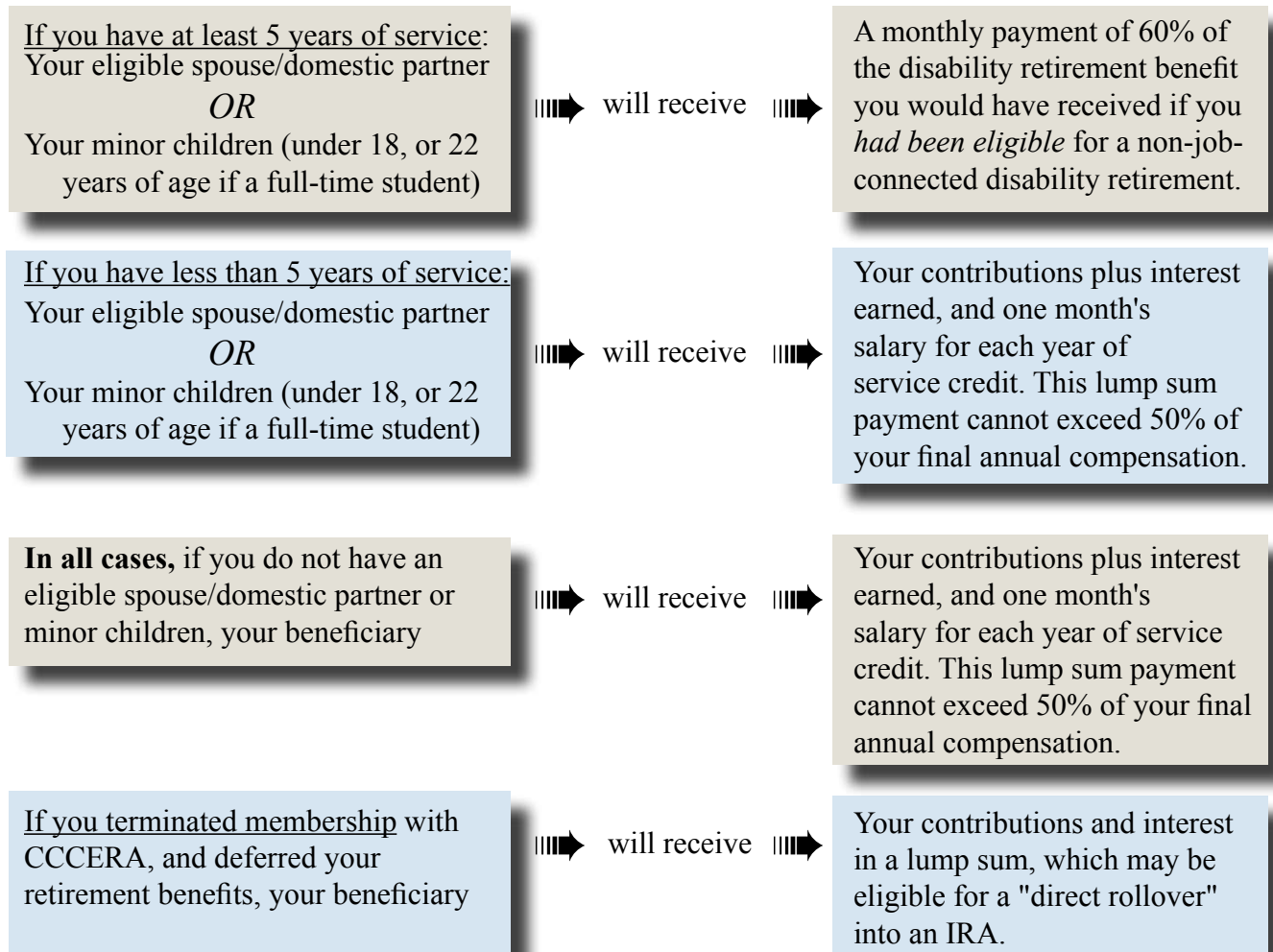
100% of the monthly disability retirement benefit you would have received as if you *had been eligible* for a job-connected disability retirement.

If you do not have an eligible spouse/registered domestic partner or minor children, your beneficiary or estate will receive your accrued contributions and interest, plus a lump sum payment equal to one month's salary for each year of service credit. This lump sum will not exceed 50% of your final annual salary.

Non-Vested Members (less than 5 years of service)

Your beneficiary(ies) or estate will receive your accrued contributions and interest, plus a lump sum payment equal to one month's salary for each year of service credit. This lump sum will not exceed 50% of your final annual salary.

If your death is non-service connected, your benefit depends on your length of service at time of death.



Regardless of family status, i.e., multiple beneficiaries including minor children, the total benefit paid cannot exceed 100% of the service or disability retirement (under the unmodified option) you would have been entitled to at time of your death.

Active Death/Disability Retirement Option

"**Active Death**" is the term used to describe the death of a *vested* CCCERA member during active (current) employment with Contra Costa County, or Special District employers. In this circumstance, the retirement system offers a continuing monthly benefit to eligible survivors.

The Active Death Disability process allows a payment to your eligible spouse, minor children, or other beneficiary(ies) based on a non-service connected disability retirement. This option results in a larger continuing allowance for your survivors. In order to receive this allowance, members must fill out the *Active Death/Disability Retirement Form*. The form must be **on file with CCCERA to be valid**.

The completion of this form allows you to elect the Option 2 retirement benefit while still an active member. The Option 2 benefit provides your beneficiary(ies) with the maximum benefit possible, a 100% continuance of the non-work connected disability retirement benefit. If you are unmarried, the beneficiary(ies) you designate may be one or more individuals. In the event of multiple beneficiaries, the continuance is divided equally between the surviving beneficiaries.

The Active Death/Disability Retirement Application Form is only in effect while you are an active member. When you retire, new retirement option forms are completed. At that time, you may change your retirement option to provide the best benefit possible to you during your retirement years.

Eligibility for the Active Death Benefit varies depending on your retirement tier, and the years of service requirement that qualifies members for a disability retirement under the CERL 1937 statutes (the legal basis for our retirement system):

Tier 1 and Safety Tiers “A” and “C” members are vested (eligible) for this benefit after they have completed **5** or more years of retirement service credit.

Tier 3 members are eligible for the Active Death Benefit if they have completed **10** or more years of retirement service credit.

Even if you have not yet reached the years of service eligibility requirement for this benefit, you can still fill out the form and have it on file with CCCERA, to be available at the appropriate time.

The form is available on our web site, or can be mailed to you by calling the Retirement Office. Complete the form, making sure you have an adult witness sign to verify your wishes. Then return the form to CCCERA.


For Survivors: Reporting An Active Member Death

Call the Retirement Office and speak with the counselor who handles active employee deaths. The counselor will need some information, such as date of death, member's social security number, and your relationship to the member. CCCERA will send a letter following this initial contact, with instructions and a request for any additional forms or documentation required to process the death benefit. CCCERA also receives a "separation notice," from the member's employer.

The process includes verifying the beneficiary(ies) listed on the member's enrollment affidavit, determining the appropriate benefit option, and calculating the benefit. The timeline for completion is dependent on the complexities of the estate.

Retirement Eligibility

Members working full-time, are eligible for service retirement:

- at age 50 or older, with 10 or more years of retirement service credit.
- at any time, with 30 or more years of retirement service credit.
- at age 70 regardless of years of retirement service credit.  31672.

You must be an active member, retiring **directly** from your full-time job with the County or a participating employer (Special District).

(If you are retiring from a non-pay status, such as a leave of absence, you may be subject to the criteria for deferred membership.)

Part-time members are eligible for service retirement:

- at age 55, with 5 or more years of retirement service credit, and
- have held a position with the County or a participating employer for a minimum of 10 years*.

 31672.1

*Part-time retirement service credit must equal 5 full-time years of service credit. For example, if you worked in a permanent, part-time position of 20 hours per week for a year, you would accrue 6 months of retirement service credit, since your schedule was half (50%) of full-time. (You must be part-time status at time of retirement for this eligibility.)

Terminating members (full-time or part-time) who are **not** eligible to retire at time of termination have two options:

1. If you have **more than 5 years of retirement service credit**, you are **vested**, which means you will be entitled to a retirement benefit from CCCERA, *if* you leave your contributions in your account until you are eligible to retire.

When you retire, you will receive a pension benefit from CCCERA that is appropriate for the service credit you earned while working for the County or participating employer. In this option, you become a **deferred member**, since you are still a member of CCCERA, but are deferring your benefit until you are eligible to retire.

OR

2. You can request a refund of your contributions and interest in a lump sum. This closes your account with CCCERA, and you will no longer be eligible for a benefit.

If you have **less than 5 years of retirement service credit**, your options are similar:

1. Request a refund of your contributions and interest in a lump sum.

This closes your account with CCCERA, and you will no longer be eligible for a benefit.

OR

2. Leave your contributions and accrued interest in your account until a later date of your choosing.

If you decide to leave your contributions until age 70, you will become eligible for a monthly retirement benefit based on the retirement service credit you accrued.

Regardless of the option you choose, if your funds are left on deposit with CCCERA, you will be paid interest on your account, until you withdraw the money in a lump sum, or begin taking a monthly benefit.

For more information about termination, please see pages 23 through 25 of this handbook, or call CCCERA.



An East County windmill stands as a reminder of Contra Costa County's agrarian past.

Retirement Readiness

Below is a brief summary of the steps required to retire. As you get closer to your retirement date, CCCERA has additional information sources, including brochures, group counseling, individual counseling appointments, benefit estimates, etc. Check our web site, www.cccera.org, or call and speak with a counselor.

*CCCERA staff are trained to offer assistance on the retirement process and beyond, but **we are not tax professionals or financial planners.** We encourage consultation with your financial advisor prior to making decisions that may affect your future security.*

Start planning your retirement:

If possible, 5 years ahead of your planned retirement date.

This may seem like a long time, but preliminary planning gives you the opportunity to save vacation credits, purchase or convert any eligible service time, consider your estimated benefit amounts at possible ages, and decide at which age retirement will be most advantageous.

During the year prior to retirement, if you need more information, call CCCERA and request:

1. A retirement benefit estimate, if needed
2. A group counseling appointment
3. An individual counseling appointment

Gather the required documentation CCCERA needs to process your retirement:

1. Your Birth Certificate
2. Birth Certificates and Social Security numbers of your beneficiaries
3. Marriage Certificate if you are married, *OR*
4. State of California Domestic Partnership Registration, if you are a registered domestic partner
5. If you have **any service in Tier 2**, you must submit an estimate from the Social Security Administration before your final benefit calculation is completed.

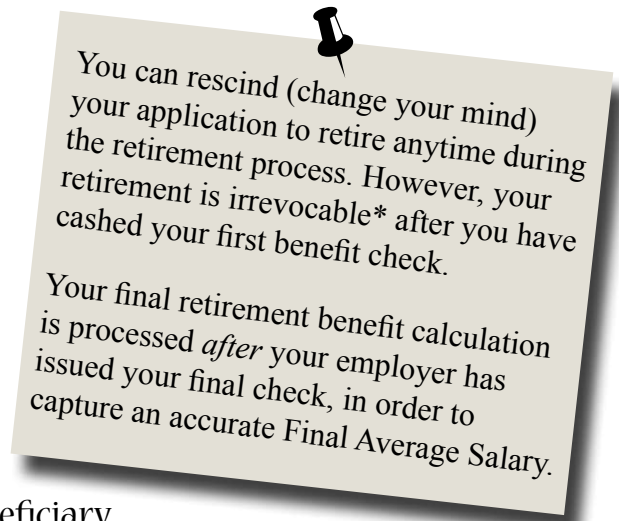
Request an *Application For Service Retirement packet* from CCCERA.

Submit your completed application (with required documentation):

No earlier than 2 months (60 days) before your planned retirement date.

Retirement Decisions

Your decision to retire will be based on your individual plans and goals. However, there are two decisions all prospective retirees make that warrant thoughtful consideration.



1. You must review your choice of beneficiary.

Your beneficiary is the person who may receive benefits from your retirement plan upon your death.

If you are married, or in a *registered* domestic partnership, by law, your beneficiary is your spouse or registered domestic partner. If you wish to change this to someone else, you must file a Spousal/Registered Domestic Partner Waiver Form.

If you choose the Unmodified Option, or Option 1, you may change your beneficiary any time you wish, throughout your retirement. **If you choose Option 2 or 3, you may NOT change your beneficiary, even if the named person dies before you.**



2. You must choose a retirement benefit "Option."

The 1937 Act has four options (methods of disbursing your retirement benefit payments).

Your option choice is an **irrevocable*** decision, so you must understand the options completely before making this crucial choice. CCCERA will send you information on these choices when we receive your **Application For Service Retirement**. The next page gives a brief description of the four options.


*Irrevocable means you can never change your decision, no matter what happens in the future.

The Unmodified Option

The unmodified option pays the highest monthly benefit to you.

Upon your death after retirement, your *eligible* spouse or registered domestic partner will receive 60% of your monthly benefit for the rest of his or her lifetime. If you do not have an *eligible* spouse/registered domestic partner, but do have minor children, the 60% continuance is paid to them until the youngest (dependent, unmarried) child reaches age 18 (22, if a full-time student). If you do not have either an eligible spouse or dependent children, the balance of your contributions and interest remaining in your retirement account will be paid in a lump sum to your designated beneficiary.

Eligible spouses/domestic partners must have been married to you or registered with the State of California as your domestic partner, at least one year prior to your retirement date, OR after retirement, have been married/registered as a domestic partner for at least 2 years prior to your death, and be at least 55 years old.

 31760.1
31760.11
31760.2

Option 1

Option 1 *reduces* your monthly benefit, but *potentially* leaves a lump sum for your survivors.

This option reduces your monthly retirement benefit, in comparison to the Unmodified Option, in order to "save" some funds in your account for your surviving beneficiary. Option 1 pays a *reduced* monthly benefit until death of the member, then pays any remaining accumulated contributions to the member's estate or survivor in a lump sum. (A word of caution: Your retirement plan is a defined benefit plan, meaning your benefit is not based on your account balance. Your monthly benefit continues regardless of the balance in your account. However, benefit funds are partially drawn against your accrued contributions. *Depending on the member's lifespan, there may not be any contributions left at death for a survivor to collect.*)

 31761.

The amount your monthly benefit is reduced depends on your age at retirement, the age of your beneficiary at your retirement date, and the life expectancy of both parties.

Option 2

Option 2 *reduces* your monthly benefit, but provides the same monthly benefit for the lifetime of your survivors.

Option 2 reduces your monthly retirement benefit, but after your death, pays the same *reduced* benefit to your named beneficiary for the rest of their lifetime. Trusts cannot be named as beneficiaries of this option; by '37 Act statute, trusts may be named as beneficiaries to lump sum payments only.

 31762.

The amount your monthly benefit is reduced depends on your age at retirement, the age of your beneficiary at your retirement date, and the life expectancy of both parties.

Option 3

Option 3 allows you to provide a monthly benefit to your beneficiary(ies) that is equal to 50% of the benefit you received during retirement. Your benefit reduction is based on the life expectancies of you and your beneficiary.

Option 3 reduces your monthly benefit, but after your death, pays a *reduced* monthly retirement benefit to your beneficiary for the rest of their lifetime.



Trusts cannot be named as beneficiaries of this option; by '37 Act statute, trusts may be named as beneficiaries to lump sum payments only.

The amount of reduction for Options 2 and 3 is based on your age at retirement, the age of your beneficiary(ies) at your retirement date, and life expectancy of all parties.

As required by law, retirement benefit reduction factors are calculated using life expectancy estimates developed by licensed, professional Actuaries employed by CCCERA, who specialize in retirement and benefit issues.

At retirement, each member and chosen beneficiary(ies) have specific, individual demographic information used to actuarially calculate the prospective reduced monthly benefits and potential survivor benefits associated with Options 1, 2, or 3. Therefore, without actual data, it is impossible to estimate what a given benefit may be for any option. In addition, combined total benefits payable to multiple beneficiaries may not exceed 100% of the member's basic retirement allowance.

This section is a brief introduction to the retirement process. For more information on retirement decisions and procedures, please call CCCERA and speak with a Retirement Counselor, or check our web site.

Appendix

About CCCERA
Miscellaneous Topics
Glossary
Life Event Checklist
Subject Index

About CCCERA

The Contra Costa County Employees' Retirement Association is a public employee retirement system established by the County of Contra Costa on July 1, 1945. The Association is administered by the Board of Retirement to provide service retirement, disability, death and survivor benefits for County employees and 16 other participating agencies under the California State Government Code, Section 31450 et.seq. (County Employees Retirement Law of 1937).

CCCERA is also governed by the California Constitution and the regulations, procedures and policies adopted by CCCERA's Board. The Contra Costa County Board of Supervisors may also adopt resolutions, as permitted by the County Employees Retirement Law of 1937, which affect benefits of CCCERA members.

The 12 member Retirement Board is responsible for the general management of CCCERA. Of the 12 members, three are alternates: one each for safety, retired and general member representatives. (The alternate members vote in the absence of primary members.) Five Board members, including the safety alternate, are elected by CCCERA's active membership. Two Board members are elected by the retirees; the candidate with the second highest vote tally becomes the alternate. The County Treasurer serves as an ex-officio member. Board members, with the exception of the County Treasurer, serve three year terms in office, with no term limits.

Employer and member basic and COLA contributions are based on statute and rates recommended by an independent actuary and adopted by the Retirement Board. Employees covered by the plan are required by statute to contribute toward their pensions. The rates are set to provide a retirement benefit equal to a fractional part of the final year's (one year or three year, depending on tier) Final Average Salary. The "Entry Age Normal," funding method is used to calculate the rate required to provide benefits to members. Member contributions are refundable on termination of employment, if the member chooses this option.

Employers are required to contribute at an actuarially determined rate calculated on the alternate funding method permitted by Government Code Section 31453.5. Pursuant to provisions of the 1937 Act, the Retirement Board recommends annual contribution rates for adoption by the Board of Supervisors.

CCCERA's investment objective is to provide CCCERA participants and beneficiaries with benefits. This goal is accomplished by the implementation of a carefully planned and executed long-term investment program. The California Constitution and Government Code Section 31594 and 31595 authorize the Board to invest in any investment deemed prudent in the Board's opinion. Investment decisions are made in the sole interest and for the exclusive purpose of providing benefits, minimizing contributions and defraying reasonable expenses for administering the system. Investments are diversified to minimize the risk of loss and to maximize the rate of return.

The Board has adopted an Investment Policy, which provides the framework for the management of CCCERA's investments. This policy establishes CCCERA's investment policies and objectives and defines the principal duties of the Board, custodian bank and investment managers.

A Few Notes About...

Annual Benefit Statements

The *Annual Benefit Statement* contains a summary of your account at a given date, usually December 31st of the previous year. This information includes your designated beneficiary, your address, date of birth and membership date. There is also a tally of your contributions and interest, any service purchases you have completed, and estimates of your projected retirement benefit at appropriate ages. These estimates will assist you with retirement planning, but do not include many of the variables that will impact your final benefit estimate as you near actual retirement. For example, even though the benefit statement uses ages in the future to estimate your benefit, the projected retirement benefit is calculated using your **present salary**, since there is no way of guessing what your salary will be at your time of retirement.

This statement is a *snapshot* in time, and a general guideline to help keep your file current with CCCERA. After you review the document, you can submit a form enclosed with the statement, to make changes to your information (if needed), such as updating your beneficiary.

CCCERA also provides estimating tools on our web site, www.cccera.org.

Remember, these resources only provide an estimate of your retirement benefits. In order to receive a more accurate, detailed projection of your benefit, you will need to contact CCCERA and discuss your request with a Retirement Counselor.

Account Balances

In a defined benefit system like CCCERA, account balances (the total of your contributions plus interest accrued) have no effect on your final retirement benefit. Benefits are determined by a formula (Final Average Salary (FAS) x Years of Service Credit x Retirement Age Factor), which is not based on your contribution amount.

(In defined *contribution* plans, such as a 401(k), your contributions, interest and investment gains or losses form the basis of your benefit.)

You may request your account balance at any time, by submitting a request, **in writing**, to CCCERA. Since the information about your account is confidential, we must have your signature before we can release the amount. Include your address, and your employee number, in your request. Your balance will not be given to anyone but you.

Unlike some other retirement plans, **you may not borrow against your retirement funds**. Your contributions and accrued interest are your asset, but the law prohibits borrowing. While this may seem restrictive, leaving your funds with CCCERA until you retire protects against their loss, and preserves your secure benefit in retirement.

Benefit Security

CCCERA is a multi-billion dollar fund, underwritten and insured by the employers who participate. Employers in 1937 Act defined benefit plans are bound by law to cover the costs of your retirement benefit in the event of a major investment failure. Unlike many private pension plans, your contributions and interest are inaccessible to any organization or individual. CCCERA has consistently improved funding ratios, through meticulous accounting standards, stringent checks and balances, and a diversified investment policy.

Domestic Partnership

The *California Domestic Partner Rights and Responsibilities Act of 2003* amends a variety of statutes, including Section 297 of the Family Code and sections of the 1937 Act. Requirements for partners are very specific. These rights come with legal responsibilities, and a formal registration requirement with the State of California. Section 3B of the Family Code (297) includes this statement:

" . . . persons of *opposite* sexes may not constitute a domestic partnership unless one or both of the persons are over the age of 62."

A domestic partner of a CCCERA member who is (or will) retire will not qualify for a survivor continuance unless the partnership is registered with the Secretary of State at least one year prior to retirement, or two years prior to the date of death of the member and, the survivor is 55 years old on or prior to the date of death. This qualification reflects Section 31760.1 of the 1937 Act regarding survivor benefits.

415 Limits

Section 415 of the Internal Revenue Service Code (IRS) limits the maximum benefits a member can receive from a defined benefit plan, such as CCCERA. For a few high income earners, this means earned benefits over these limits must be paid by the plan sponsors (employers), rather than CCCERA. These replacement benefits are, by tax law, the responsibility of the sponsors.

Member Record Confidentiality

In order to protect your privacy, changes to your account, such as beneficiary designations, must be made in writing. Be aware that CCCERA is a public agency. Certain demographic information is considered "public" by recent court rulings and statute, and is available by valid request. The following information is not public and will not be disclosed: a member's, beneficiary's or annuitant's social security number, date of birth, address, telephone and facsimile numbers, email addresses, age at entry into service, spouse's and/or beneficiary's names, disability application, medical records, or other personal information provided by the member or beneficiary.

Retirement Account Garnishment

Your contributions on deposit with CCCERA and your retirement benefits generally are not subject to garnishment or lien while you are an active employee. For retirees, two exceptions exist:

1. A court may order CCCERA to pay a portion of your retirement benefit to cover a judgement for spousal or child support.
2. The IRS may levy your retirement benefit for payment of delinquent Federal income taxes.

Both of these circumstances might occur to retired members; they do not apply to active members.

Glossary

You may find the following terms helpful in understanding your benefits. The 1937 Act is a complicated statute with interrelated links to other laws; interpretations have been clarified by legal opinion and amendment since its inception. As public policy and procedures evolve, new elements and clarifications may be included that will affect your benefit structure. If you have questions as you plan your career and your retirement, be sure to verify your understanding of the regulations to provide the best benefit for yourself and your beneficiaries.

Accruals

Amounts, such as *accrued* service credit, *accrued* benefits, or *accrued* contributions and interest, that are accumulated in an individual's retirement account, and form the basis of future benefits or refunds.

Actuary

Professional consultants trained in the technical and mathematical calculations of projecting estimates of the amounts needed to fund pension benefits into the future.

After-Tax Contribution

Contributions taken from payroll amounts *after* income tax has been deducted. CCCERA does not take after-tax contributions from payroll amounts, but does receive after-tax funds for lump sum service purchases.

Age Factor see Retirement Age Factor

Alternate Payee

The spouse, registered domestic partner (or *former* spouse/domestic partner), of a member, who is entitled by Domestic Relations Order, to receive all or a portion of a lump sum settlement or retirement benefit division.

Beneficiary

A person(s), trust or estate named by the member to receive benefits provided by the plan or assets remaining in the member's account, at the time of the member's death.

Cash Out

A lump sum distribution (payout) to a terminating member of all contributions and interest accrued during his or her career. The cash out only includes the member's portion of the contributions and interest, not the contributions made on his behalf by his employer.

Contribution Rate

Percentage factors, calculated by actuarial valuation, used to determine the employer's and the employee's contribution amounts to fund benefits guaranteed by the retirement system.

Cost of Living Adjustment (COLA)

An increase or decrease in pension benefits dependent on the rise or fall of the cost of living, as

determined by the San Francisco Bay Area Consumer Price Index (CPI). Projected COL adjustments to future retirement benefits make up a portion of member and employer contribution rates. (Some retirement plans (other than CCCERA) do not include COLAs; after retirement these pensions can lose value without periodic adjustments to the actual cost of living.)

Death Benefit

Payments or benefits made to designated beneficiaries on the death of a member.

Deferred Membership

At termination of employment, the member chooses to leave his or her accrued contributions and interest with CCCERA until a later date. Contributions continue to earn interest until the member returns to active membership, takes a lump sum distribution, is eligible and retires, or reaches age 70½, the age of mandatory distribution.

Defined Benefit Plan

A pension plan in which retirement benefits are calculated by a specific formula, rather than by the amount of contributions and interest, or investment gains and losses, accumulated in a member's account. CCCERA is a defined benefit plan. The balance in one's account has no bearing on the amount of the benefit or the length of time benefits are paid, since the pension amount is determined by years of service credit, Final Average Salary and the retirement age factor.

Defined Contribution Plan

A retirement plan in which benefits are determined by the amounts contributed to the account, and the income, gains, expenses, or losses. Defined contribution benefits draw down an individual member's account balance until funds are exhausted.

Differentials

Additional pay items specific to certain classes of employment, such as bi-lingual pay or a uniform allowance. Some differentials are considered part of final compensation for retirement benefit calculations.

Domestic Partner

As the definition pertains to the 1937 Act and CCCERA, domestic partners must be formally registered with the State of California. Registered domestic partners are eligible for the same benefits and rights of survivorship as are available to spouses. Persons of opposite sexes may not constitute a domestic partnership unless one or both of the partners are over the age of 62.

Domestic Relations Order (or Qualified Domestic Relations Order)

A court ordered judgement that may include provisions for retirement account division. A DRO (or QDRO, Qualified Domestic Relations Order) may create or recognize an *alternate payee*, and may assign rights to that payee to receive all or a portion of a benefit.

Entry Age Normal Cost Method

The present value of projected benefits for each individual, calculated as a level cost (contribution rate) over the years of service from employment entry until retirement.

Experience Study

An actuarial analysis of the retirement system's demographics, including member salaries, service years, disability statistics, employee retention, life expectancies and other factors that impact the functioning and future trends of the fund.

Final Average Salary (FAS)

Your base salary (plus differentials subject to retirement) for your highest 12 consecutive months (or 36 months for Tier 2 or Safety Tier C) of employment, divided by 12 (or 36, if applicable) to average in pay raises you may have received during this period.

Joinder

CCCERA **must** be made a party in dissolution (divorce) cases, since retirement benefits are community property in California. A joinder is a form that must be filed with the court to legally include CCCERA in the dissolution action. CCCERA cannot accept a Domestic Relations Order without a joinder.

Normal Cost

The percentage of payroll sufficient to fund benefits for members, from their entry into the system until their retirement date, under current benefit provisions.

Qualified Plan

A retirement plan approved by the Internal Revenue Service that meets the requirements of both form and operation, as detailed in the appropriate section of the tax code. Example: 401(k) plans meet the requirements of section 401 of the IRS Code.

Reciprocity

An agreement between two or more plans in which service credit earned in all plans is linked for purposes of accruing retirement benefits.

Retirement Age Factor

A percentage expressed in decimal form, mandated by the '37 Act statute and adopted by your employer, that is multiplied by your age and years of service to calculate your benefit. For example: 2% at 55 means if you retire at age 55, your benefit will be calculated using 2%, or .02.

Social Security Integration

CCCERA members who pay into the Social Security System may be entitled to retirement benefits in both systems. Social Security benefits and CCCERA benefits are integrated by an offset formula during retirement benefit calculation that slightly decreases benefit amounts. The offset amount calculation depends on the member's retirement tier.

Social Security Retirement Age

The age that unreduced Social Security Benefits are payable. This retirement age is variable depending on date of birth, from age 65 to age 67.

Spousal or Domestic Partner Waiver

A signed, notarized statement by both the member and the spouse/domestic partner, declaring the spouse or domestic partner relinquishes 1937 Act rights to be the sole beneficiary of a retirement account, should the member die.

Vesting

An employee's non-forfeitable (guaranteed) right to receive a pension benefit, after accruing a specific amount of service credit. In the case of CCCERA, a member is *vested* after accruing 5 full years of retirement service credit.

Life Event Reminders

Your retirement plan is administered by CCCERA, which provides a seamless array of membership services, including prudent investment planning, retiree payroll, legislative monitoring, information presentation, and a host of vital behind-the-scenes functions concerning your benefit. During your membership, while actively employed and after retirement, there are some events that *may* impact your account. If changes or clarifications need to be made, please call or write the Retirement Office.

Initial employment:

1. Fill out a Member's Enrollment Affidavit.
2. Choose a beneficiary.
3. If you are a reciprocal member, verify rules, current regulations and participating employers.

Address change:

1. If you are an active **County** employee, notify your payroll clerk of your new address.
2. If you are an active **Special District** employee, notify CCCERA.
3. If you are deferred or retired, notify CCCERA.

Address changes must be accompanied by your signature to protect your information. Retired and deferred members can print out a Change of Address form from the web site to send to CCCERA.

Marriage or Domestic Partnership:

1. Make sure your beneficiary information is up to date.
2. If you choose a beneficiary other than your spouse/registered domestic partner, request a spousal/domestic partner waiver.

If you have dependent children:

Make sure your beneficiary information is accurate.

Divorce or dissolution of a Registered Domestic Partnership:

1. Verify your beneficiary.
2. Understand changes to your service credit, if an account split has been ordered by DRO (Domestic Relations Order).

Name changes:

Notify CCCERA in writing of your new legal name. Proof is required, such as a Driver's License, Social Security Card, Passport, Marriage Certificate, or Divorce Decree.

Employment status changes:

Call CCCERA for information on possible reciprocity, contribution refunds or deferment if you are terminating.

Disability while employed:

Contact CCCERA for information on procedures and forms required to submit your application.

Member death:

Notify CCCERA. A CCCERA counselor will guide survivors through the required procedures, forms and certificates that must be submitted.

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