

2022 COMPENSATION LIMITS

INTERNAL REVENUE CODE & CALIFORNIA GOVERNMENT CODE

Federal and state laws place annual limits on the compensation that can be used to determine contributions and benefits for CCCERA plan members.

Legacy Members (Tiers 1, 3, A or C)

The Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans which are adjusted annually for cost-of-living increases.

Members who commenced participation in CCCERA on or after January 1, 1996 are *subject* to the annual federal Internal Revenue Code Section 401(a)(17) compensation limit as shown:

- For CERL benefit formulas (Tiers 1, 3, A, & C), the 2022 calendar year compensation limit was increased to \$305,000;

Members who commenced participation in CCCERA prior to January 1, 1996 are *not subject* to the Internal Revenue Code annual compensation limit.

PEPRA Members (Tiers 4, 5, D or E)

For new employees who commenced participation in CCCERA on or after January 1, 2013 under PEPRA benefit formulas (Tiers 4, 5, D & E), the compensation which exceeds that annual pensionable compensation limit under California Government Code Section 7522.10(c) and (d) is *not included* in determining benefits or contributions.

The 2022 calendar year PEPRA compensation limits are as follows:

- For employees *enrolled* in Social Security – increased to \$134,974;
- For employees *not enrolled* in Social Security – increased to \$161,969.

Administrative Procedures

It is the obligation of each agency's payroll department to ensure compliance with the compensation limit for affected CCCERA members. The participating employer's payroll department is responsible to stop *both* member and employer contributions to CCCERA when the compensation limit is met. The participating employer should resume the required contributions with the first payroll check dated in the next calendar year.

If the membership date is not known for a member who exceeds the compensation limit, CCCERA will provide the agency with

the membership date upon request. It is the responsibility of each employer to request the membership date from CCCERA. Questions? Email employers@cccera.org.

I-29 AND I-30 REPORT SUBMISSIONS

MAINTAINING AND TRANSMITTING ACCURATE MEMBER DATA

Participating employers are required to report employer and employee contribution data to CCCERA. Refer to the Current Transmittal File Layout Specifications in Section 7 of the Participating Employer Handbook for information regarding the transmittance of this file, available at cccera.org/employers.

What is submitted on the I-29 File?

- Name changes
- Address changes
- Position changes
- Bargaining unit changes
- New hires
- Terminations
- Leaves of absences (LOA). If a member is on a LOA and contributions were not taken, regular monthly earnings with no retirement contributions for LOA member must be reported on a I-30 File.

What is submitted on the I-30 File?

- Earnings code
- Monthly hours

- Member and employer contribution amounts (basic and COLA contributions)
- Accruals

Employers should report all earnings/pay codes separately on the I-30 File. Please note, the I-30 headers *must* have the correct reporting dates (first day to the last day of the month). Corrections to data previously submitted on a I-30 File should be reported on an adjustment file.

What goes in Retiree Deduction Files?

The employer should provide a health deduction file which lists the retiree, the benefit deduction type and the amount of the monthly deduction.

Due Dates for Contributions and Reports

Each employer must provide reports and contributions to CCCERA in a manner and frequency as determined by the CCCERA Board of Retirement sufficient for CCCERA to credit contributions and service to each member's record. Unless otherwise specified, reports will be due no later than the 10th of each month for the previous month's payroll and will be accompanied by member and employer contributions. Generally, the retiree health file is due on or before the 20th of each month. If the 10th or 20th of the month falls on a weekend or holiday, the due date will be the last business day before the 10th or 20th.

Reports that are unreadable or incorrect will not be accepted and will be returned to the employer. Reports and contributions received after the due date will be considered late and subject to a late reporting penalty equal to the prime rate in effect on the due date computed on a daily, non-compounding basis and applied to the contributions due.

Direct all inquiries regarding secure site access and file transmission issues to employers@cccera.org.

FELONY FORFEITURE

REPORTING REQUIREMENTS

Effective January 1, 2013, the California Public Employees' Pension Reform Act of 2013 (PEPRA) established pension forfeiture, without exception, for all public employees convicted of a felony for job related conduct, in pursuit of office, or in connection with obtaining salary, retirement, or other benefits. PEPRA requires public agencies that employ or employed a public employee who was convicted of such a felony to notify CCCERA of the conviction within 90 days of the conviction.

For details on how to report this, please refer to the reporting template in the Participating Employers Handbook.

REMINDERS FOR EMPLOYERS

EMPLOYEE COMMUNICATION

FY 2022-2023 Contribution Rates

Contribution rates for members and employers have been updated for July 1, 2022. Members can find their contribution rate effective July 1, 2022 by visiting cccera.org/contributioncalculator.

Approval Process for New Pay Codes

Employers are required to report new or changed codes to CCCERA in writing no later than 30 days prior to implementation as per CCCERA Board of Retirement Regulations, Sections VI. 2. C. and IV. 2. Employers are also required to submit a list of all of their pay codes (both pensionable and non-pensionable) annually for review toward the end of the year. Inquiries and notifications should be sent to employers@cccera.org for review.

Updated Participating Employers Handbook

The CCCERA Participating Employers Handbook, created to assist participating employers in enrolling employees in retirement, death, survivor and disability benefits, was recently updated. To obtain a copy, visit cccera.org/employer.

CCCERA Newsletter

CCCERA distributes a member newsletter, CCCERA News, three times a year. For active members, this newsletter is emailed to each employer, who are asked to forward the newsletter to their employees. To add your name to this list, email employers@cccera.org.

Videos for Members

We have two videos to assist members with their retirement planning. Our videos, How to Use the Pension Calculator, and the CCCERA Overview, are available at cccera.org.

EMPLOYER WORKSHOPS

Would your organization like a virtual meeting with CCCERA staff to review report and form submission requirements? Email employers@cccera.org.

OVERVIEW WORKSHOP VIDEO

CCCERA Overview Workshops, which are intended for members who have more than five years from retirement, is now available as a video on our website at cccera.org.

AB 197 LAWSUIT

In 2012, the Governor signed Assembly Bill 197, with an effective date of January 1, 2013. The measure changed how county retirement boards were permitted to calculate their current members' retirement allowances. Later that year members and their representative bargaining units filed a lawsuit challenging the new law. By operation of a court-imposed Stay Order, CCCERA was prohibited from implementing the new law for members whose effective date of retirement was on or before July 11, 2014. In 2020, the California Supreme Court issued a unanimous decision upholding the constitutionality of the legislative changes contained in AB 197 to the definition of "compensation earnable."

In September 2021, the Board of Retirement considered the issues of member contributions and retirement benefit adjustments in connection with elements of pay no longer pensionable under AB 197 and the California Supreme Court's *Alameda* decision. The Board adopted Resolution 2021-5 that authorizes actions in compliance with the *Alameda* decision and applicable state and federal law, to commence upon the final resolution of the three AB 197 lawsuits involving CCCERA. For more information and frequently asked questions, visit cccera.org/post/ab-197.

NOTICE

The materials in this newsletter are intended to provide a general reference or resource only and are not to be construed as providing financial, legal, tax, or any other professional service or advice. CCCERA is governed by the County Employees Retirement Law of 1937 (CERL or 1937 Act) and PEPRRA; the CCCERA retirement system is administered in accordance with these laws. If there is any conflict between statements made herein and provisions of the applicable retirement law, the law will prevail.

CALENDAR DATES

UPCOMING CCCERA CLOSURES

February 21

President's Day

VIRTUAL PRE-RETIREMENT WORKSHOPS

Workshops fill up fast. Please advise members to call or email CCCERA for availability and to sign up.

February 17, 2022, 9 a.m. – 11 a.m.

March 17, 2022, 2 p.m. – 4 p.m.

UPCOMING BOARD MEETINGS

February 23, 2022

March 9, 2022

March 23, 2022

April 13, 2022

April 27, 2022

May 4, 2022

NEWSLETTER SUGGESTIONS?

Please email employers@cccera.org.

CONTACT US

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Concord, CA 94520
(925) 521-3960
info@cccera.org

Monday – Friday

8 a.m. – 5 p.m.;

Closed noon to 12:30 p.m.

Our office is currently open on a limited basis to visitors by appointment only. Appointments may be requested by emailing info@cccera.org or calling (925) 521-3960. For continuing updates on our current operations, please visit cccera.org/coronavirus.