

Contra Costa County Employees' Retirement Association

Participating Employers Handbook



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Contra Costa County Employees' Retirement Association

Participating Employers Handbook

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About This Handbook

This handbook will assist your organization to correctly enroll employees in retirement, death, survivor and disability benefits. Accurate records must be maintained to provide these benefits to employees.

Contacting CCCERA

All member record inquiries should be routed to *employers@cccera.org*.

Employers should refer CCCERA retirement benefit questions from employees to CCCERA at *info@cccera.org* or (925) 521-3960.

Important Notices for Employers

Employers are required to submit certain data during the year (see Section 3: Participating Employers Responsibilities). The following annual notices are distributed to employers from CCCERA.

- Felony forfeiture, p. 27, p. 36
- Retiree return to work, p. 39
- Employer and Employee Contribution Reporting Policy, p. 18, p. 20
- Five-year projections of estimated employer contribution rate changes for CCCERA based on the previous valuation report.
- Contribution rates, UAAL by employer reconciliation by cost group and five-year projections based on valuation report, p. 20, p. 21
- Compensation limits, p. 18

Legal Disclaimer

The materials in this Participating Employers Handbook are intended to provide a general reference or resource only. The matrix of laws governing retirement are too complex to create a “one size fits all” handbook. These materials 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 the California Public Employees’ Pension Reform Act of 2013 (PEPRA); 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.

References

This handbook contains numerical references, such as Gov. Code Section 7522.34. These numbers refer to sections of the California Government Code that are the legal basis for Contra Costa County Employees’ Retirement Association (CCCERA) benefits. These references have been included should you require additional information from the source. The references are not a complete list of all the interrelated statutes that govern a given subject. The CERL and PEPRA are very complex documents covering 20 different counties and public agencies in California. If you have any questions, please contact CCCERA.

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Section 1: About CCCERA

WHAT IS CCCERA?

Contra Costa County Employees' Retirement Association (CCCERA) is a defined benefit retirement plan which provides a fixed, pre-established benefit for public employees at retirement. Benefits are calculated by factors such as salary, age and a member's retirement service credit.

Defined benefit pensions are based on a formula set by law, in this case the *County Employees Retirement Law of 1937 (CERL)*, and the *California Public Employees' Pension Reform Act of 2013 (PEPRA)*. PEPRA became effective on January 1, 2013. This law made substantial changes in public employee benefits, both for new and for existing retirement system members. These changes include new benefit tiers for members entering public retirement systems on or after January 1, 2013. These tiers are designated as PEPRA General Tiers 4 and 5, and PEPRA Safety Tiers D and E.

MISSION STATEMENT

CCCERA's mission is to administer pension benefits earned by our members and to be prudent stewards of plan assets.

BOARD OF RETIREMENT

The CCCERA Board of Retirement (Board) administers the association to provide service retirement, disability, death and survivor benefits for county employees and 16 other participating agencies under the CERL Gov. Code, Section 31450 et seq. and PEPRA Section 7522 et seq. CCCERA is also governed by the California Constitution and the regulations and policies adopted by the Board. The Contra Costa County Board of Supervisors may also adopt resolutions which affect benefits of CCCERA members as permitted by CERL.

The 12 member Board of Retirement 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, including the retiree alternate. Four board members are appointed by the County Board of Supervisors. 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.

BOARD REGULATIONS

The *CCCERA Board of Retirement Regulations* contains many requirements that pertain to employers and is available at cccera.org/governance-and-policies.

INTERESTED PARTIES

Employers will be notified by email about board meetings that may be of interest to employers. To subscribe to all agenda notifications, go to cccera.org/emailupdates.

PLAN FUNDING

Employer and member basic and COLA contributions are based on statute and rates recommended by an independent actuary and adopted by the Board. Employees covered by the plan are required by statute to contribute toward their pensions. The employees' rates are equal to one-half the normal cost of the benefit plan. Member contributions are refundable on termination of employment, if the member chooses.

Employers are required to contribute at an actuarially determined rate calculated in accordance with Gov. Code Section 31453(a). Pursuant to provisions of the CERL, the Board recommends annual contribution rates for adoption by the County Board of Supervisors.

CCCERA's funding objective is to meet long term benefit promises by maintaining a well funded plan and obtaining optimum investment results. This goal is accomplished by the implementation of a carefully planned and executed long term investment program. The California Constitution and Gov. 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.

CCCERA received its most recent favorable Letter of Determination from the Internal Revenue Service effective December 4, 2014. A Letter of Determination is a favorable ruling that the terms of the retirement plan comply with applicable provisions of the Internal Revenue Code and IRS rules.

Section 2: CCCERA Membership

PARTICIPATING EMPLOYERS

CCCERA administers defined retirement plan benefits for the employees of Contra Costa County (County) and other special districts, which include:

- Bethel Island Municipal Improvement District
- Byron-Brentwood-Knightsen Union Cemetery District
- Central Contra Costa Sanitary District
- Contra Costa County Employees' Retirement Association
- Contra Costa Housing Authority
- Contra Costa Mosquito and Vector Control District
- First 5 – Children & Families Commission
- In-Home Supportive Services Authority (IHSS)
- Local Agency Formation Commission (LAFCO)
- Rodeo Sanitary District
- Superior Court of California, Contra Costa County
- Contra Costa County Fire Protection District
- East Contra Costa Fire Protection District
- Moraga-Orinda Fire Protection District
- Rodeo-Hercules Fire Protection District
- San Ramon Valley Fire Protection District

In addition, CCCERA administers retirement, disability, or survivor benefits to retirees or beneficiaries of former participating agencies, which include:

- Alamo-Lafayette Cemetery District
- City of Pittsburg
- Delta Diablo Sanitation District
- Diablo Water District
- Ironhouse Sanitary District
- Kensington Fire Protection District
- Superintendent of Schools - Contra Costa County Office of Education
- Stege Sanitary District

ELIGIBILITY FOR MEMBERSHIP

Employees of participating employers become a CCCERA member on the first day of the month following their employment in an eligible position. Retirement benefit contributions begin with the first paycheck after membership. All active, eligible employees contribute to the retirement system.

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 who may waive membership in the system.

TYPES OF MEMBERSHIP

Currently CCCERA has fourteen benefit tiers, mandated by amendments to CERL, and adopted by the Contra Costa County Board of Supervisors. New (not reciprocal*) members entering the system on or after January 1, 2013, will earn retirement benefits in the PEPRA tier structure. Members who entered the system before January 1, 2013, will earn retirement benefits in pre-PEPRA tiers.

*Reciprocal members (members entering CCCERA within six months of prior public service in a system with a reciprocal agreement with CCCERA) are eligible to enter pre-PEPRA tiers, depending on individual circumstances at time of membership.

There are two broad categories of active membership – general and safety:

- General members are employed by Contra Costa County or special districts.
- Safety members are employed in active law enforcement, fire suppression, and other high risk classifications designated by Government Code.

Member benefits are calculated using the basic formula. The COLA (Cost-of-Living Adjustment) component applied to benefits also varies by tier. Tier designation depends primarily on the benefit structure adopted by the employer.

TYPES OF BENEFIT LEVELS

Tier	Final Average Salary (FAS) Used to Compute Benefits	Service Retirement Benefits	Maximum Cost of Living Adjustment (COLA)
General Tier 1: <ul style="list-style-type: none"> • Rodeo Sanitary District • Byron-Brentwood-Knightsen Union Cemetery District 	12 months	1.67% at 55	3%
General Tier 1 Enhanced: <ul style="list-style-type: none"> • Local Agency Formation Commission (LAFCO) • CC Mosquito Abatement District • Central Contra Costa Sanitary District • Bethel Island Municipal Improvement District • Children and Families Commission • Contra Costa County Employees' Retirement Association • East Contra Costa Fire Protection District • Moraga-Orinda Fire Protection District • Central Contra Costa Sanitary District • Contra Costa Housing Authority • Rodeo-Hercules Fire Protection District • San Ramon Valley Fire Protection District • Contra Costa Housing Authority • Superior Court of Contra Costa County 	12 months	2% at 55	3%
General Tier 2	36 months	1.13% at 55	4%
General Tier 3 Enhanced: <ul style="list-style-type: none"> • Contra Costa County • In-Home Supportive Services Authority (IHSS) • CC Mosquito Abatement District • Superior Court of California, Contra Costa County 	12 months	2% at 55	3% (4% for disability)
Safety Tier A: <ul style="list-style-type: none"> • Rodeo-Hercules Fire Protection District • San Ramon Valley Fire Protection District 	12 months	2% at 50	3%
Safety Tier A – Enhanced: <ul style="list-style-type: none"> • Contra Costa County • East Contra Costa Fire Protection District • Moraga-Orinda Fire Protection District • Contra Costa County Fire Protection District • San Ramon Valley Fire Protection District 	12 months	3% at 50	3%
Safety Tier C – Enhanced: <ul style="list-style-type: none"> • Contra Costa County 	36 months	3% at 50	2%

Contra Costa County Employees' Retirement Association
Section 2: CCCERA Membership (Continued)

Tier	Final Average Salary (FAS) Used to Compute Benefits	Service Retirement Benefits	Maximum Cost of Living Adjustment (COLA)
PEPRA General Tier 4: <ul style="list-style-type: none"> • Local Agency Formation Commission (LAFCO) • In-Home Supportive Services Authority (IHSS) • CC Mosquito Abatement District • Central Contra Costa Sanitary District • Rodeo Sanitary District • Byron-Brentwood-Knightesen Union Cemetery District • Bethel Island Municipal Improvement District • Children and Families Commission • Contra Costa County Employees' Retirement Association • East Contra Costa Fire Protection District • Moraga-Orinda Fire Protection District • Contra Costa County Fire Protection District • Rodeo-Hercules Fire Protection District • San Ramon Valley Fire Protection District • Contra Costa Housing Authority • Superior Court of California, Contra Costa County 	36 months	2.5% at 67	3%
PEPRA General Tier 5: <ul style="list-style-type: none"> • Contra Costa County • CC Mosquito Abatement District • Superior Court of California, Contra Costa County 	36 months	2.5% at 67	3% (4% for disability)
PEPRA General Tier 4 (2% COLA): <ul style="list-style-type: none"> • In-Home Supportive Services Authority (IHSS) • Rodeo Sanitary District • Byron-Brentwood-Knightesen Union Cemetery District • Bethel Island Municipal Improvement District • Children and Families Commission • East Contra Costa Fire Protection District • Moraga-Orinda Fire Protection District • Contra Costa County Fire Protection District • Rodeo-Hercules Fire Protection District • San Ramon Valley Fire Protection District 	36 months	2.5% at 67	2%
PEPRA General Tier 5 (2% COLA): <ul style="list-style-type: none"> • Contra Costa County 	36 months	2.5% at 67	2%
PEPRA Safety Tier D: <ul style="list-style-type: none"> • Contra Costa County • East Contra Costa Fire Protection District • Moraga-Orinda Fire Protection District • Contra Costa County Fire Protection District • Rodeo-Hercules Fire Protection District • San Ramon Valley Fire Protection District 	36 months	2.7% at 57	3%
PEPRA Safety Tier E: <ul style="list-style-type: none"> • Contra Costa County • Contra Costa County Fire Protection District • Rodeo-Hercules Fire Protection District • San Ramon Valley Fire Protection District 	36 months	2.7% at 57	2%

RETIREMENT SERVICE CREDIT

Retirement service credit is the length of time worked and contributed by payroll deduction to the retirement system. This amount of work time determines eligibility to retire. Unless a member is at least 70 years old, members must have a minimum of five years of retirement service credit to be eligible to retire in addition to other requirements such as age. One month in an eligible full-time position will accrue (earn) one month of retirement service credit.

Members earn one 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.

Members who work part time will accrue pro-rated retirement service credit depending on the number of hours worked. For example, if a member works 20 hours per week in a position designated permanent, part-time, they will earn 20 hours of retirement service credit (50 percent of full-time). Part-time hours are converted to years or percentages of years for retirement calculations.

If no retirement contribution is taken from an employee paycheck, the employee does not earn CCCERA retirement service credit. For example, CCCERA retirement service credit is not earned when a member:

- Works in a position less than 20 hours per week.
- Has an unpaid leave of absence.
- Is in a temporary position.
- Is taking a military service leave of absence.

Section 3: Participating Employer Responsibilities

EMPLOYER ID NUMBER

CCCERA assigns each employer a unique identification number. Use this number on all CCCERA correspondence and reporting forms.

ESTABLISHING AND REPORTING NEWLY-ELIGIBLE MEMBERS

Employers submit the following forms on behalf of new members upon membership to CCCERA:

1. *Enrollment Affidavit (Form 101)*

Reciprocal members must complete Section 2 of *Form 101*. Upon receiving *Form 101* with Section 2 completed, CCCERA will mail a *Reciprocity Affidavit Form (Form 109)* to the member.

2. *Beneficiary Designation Form (Form 102)*

Members who choose a beneficiary other than their spouse/registered partner must complete Section 5 of *Form 102*.

3. *Death During Active Membership (Form 104)*, if authorizing CCCERA to file an application for non-service connected disability on a members behalf, in the event that a member is permanently incapacitated by reason of injury or other disability leading to death while the member is an active member of CCCERA.

Eligible Members Effective Entry Date

New hire documents should be submitted to CCCERA within the first week of the employee's hire date or date of transfer to an eligible position. Employers must turn in all new hire documents for the month to CCCERA no later than the 10th of the following month.

In accordance with CCCERA Board Regulation Sections III.3, every employee of the County or participating district must, upon entry into CCCERA, complete a sworn statement (*Enrollment Affidavit Form 101*) as provided for in Gov. Code Section 31526(b). A certified copy of the member's birth certificate or other evidence of birth may be required by the Board.

It is the employer's responsibility to assure compliance with this regulation. CCCERA will assess the employer five hundred (\$500) dollars per employee for every month or fraction thereof that the required certification is not submitted. CCCERA will notify the employer in writing of the imposition of assessment at least thirty days before the assessment.

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 this handbook for information regarding the transmittance of this file.

1. Employers should submit the following information on the I-29 Form:

- 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 Form.

2. Employers should submit the following information on the I-30 Form:

- Earnings code
- Monthly hours
- Member and employer contribution amounts (basic and COLA contributions)
- Accruals

The employer should report all earnings/pay codes separately on the I-30 Form. Please note, the I-30 headers must have the correct reporting dates (first day to the last day of the month).

When adding a new pay code, please email employers@cccera.org with your request for a determination to be made regarding the pensionability of the pay item prior to any hire or usage of the code. Codes must be pre-approved. If the pay item is deemed to be pensionable, the employer will need to work with CCCERA to develop the three digit earn code. Please note, the differentials are universal in our pension administration system. To ensure that the proper description is assigned to the differential, CCCERA must ensure that the earn code is not in use. CCCERA can make the earn codes employer specific but this would require advance notification.

Refer to Section 5: CCCERA-Covered Compensation, New Pay Codes - Approval Process for more information.

Section 3: Participating Employers Responsibilities *(Continued)*

3. In addition, employers must also submit an adjustment file for:

- Corrections to previously submitted data.
- Any retirement compensable payoffs for terminated or retired employees (reported on an I-30 Form or an adjustment file).
- All earnings paid to a member that are retirement compensable (reported on an I-30 Form or an adjustment file).

Districts should supply their memo for terminated, retired and new hires. Please refer to Section 7, Appendix 5 for a sample memo.

4. Retiree Health 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.

Notes

- Report all adjustments on an adjustment file.
- Report any retirement compensable payoffs for terminated or retired employees on an I-30 Form or an adjustment file.
- Report all earnings paid to a member that are retirement compensable on an I-30 Form or an adjustment file.
- Reports should be submitted in an Excel file (see Section 7 for layout specifications).

Due Dates for Member Data, I-29, I-30, Adjustment, and Retiree Health Files

Each employer must report to CCCERA in a manner and frequency as determined by the CCCERA Board of Retirement sufficient for the Board 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. The retiree health file is normally due no later than 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 working 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. *(CCCERA Board of Retirement Regulations, Section IV. 2.)*

Reporting Via the Transmittal File

The CCCERA Employer Secure File Transfer Site is merely changing the manner in which all employers transmit employer and employee contribution data to CCCERA. In all respects, the reporting requirements remain unchanged and the form and content of the files that each employer has been transmitting to CCCERA is not changing at this time.

Reminders for All Employers

- Report all address and name changes on the I-29 Form. Also report position changes and bargaining unit changes (if applicable) as well.
- Report all new hires with correct date of hire and terminations on the I-29 Form.
- Report leaves of absence on the I-29 Form. If a member is on a leave and contributions were not taken, the I-30 Form must report regular monthly earnings with no retirement contributions for the LOA member.
- I-30 Form headers need to have the correct reporting dates (first day to the last day of the month).
- Report all differentials separately on the I-30 Form.
- When adding a new differential code, please email employers@cccera.org with your request for a determination to be made regarding the pensionability of the pay item prior to any hire or usage of the code. Codes must be pre-approved. If the pay item is deemed to be pensionable, the employer will need to work with CCCERA to develop the three digit earn code. Please note, the differentials are universal in the pension administration system. To ensure that the proper description is assigned to the differential, CCCERA must ensure the earn code is not in use. CCCERA can make the earn codes employer specific but this would require advance notification.
- Report all adjustments on an adjustment file.
- Report any retirement compensable payoffs for terminated or retired employees on an I-30 Form or an adjustment file.
- All earnings paid to a member that is retirement compensable must be reported on a I-30 Form or an adjustment file.
- Districts should continue supplying their memo for terminated, retired and new hires.

SUBMITTING CONTRIBUTION DATA

In order to access the secure site, your organization must submit an Employer Secure File Transfer Site User Access Request Form. Upon receipt of the completed form, user login information will be sent directly to the registered user by CCCERA's Information Technology Department.

Please ensure that CCCERA is informed of any change in user status (e.g., change in duties, department, or termination) in a timely manner and that a new Employer Secure File Transfer Site User Access Request Form is submitted for any new employees that will have the responsibility of transmitting contribution data to CCCERA.

CCCERA Contact for File Transmission Issues

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

ADMINISTERING COMPENSATION LIMITS

Federal and state laws place annual limits on the compensation that can be used to determine contributions and benefits for CCCERA plan members. 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 plan sponsors. CCCERA provides updates to employers with pensionable compensation limits each year.

Legacy Members

- 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.
- For CERL benefit formulas (Tiers 1, 3, A, & C), the calendar year compensation limit can change.
- Members who commenced participation in CCCERA prior to January 1, 1996 are not subject to the Internal Revenue Code annual compensation limit.

PEPRA Members

- For new employees who commenced participation in CCCERA on or after January 1, 2013 under PEPRA benefit formulas (Tiers 4, 5, D & E), compensation which exceeds that annual pensionable compensation limit under Gov. Code Section 7522.10(c) and (d) is not included in determining benefits or contributions.
- The calendar year PEPRA compensation limits can change and are different depending on whether an employee is enrolled in Social Security.

Administrative Steps When Limit is Reached

- It is the obligation of each agency's payroll department to ensure compliance with the compensation limit for affected CCCERA members.
- The agency's payroll department must stop both member and employer contributions to CCCERA when the compensation limit is met. The agency must resume the required contributions with the first contribution file dated in the next calendar year.
- If the membership date is not known for a Legacy 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.

CCCERA Contact for Compensation Limits

Please direct all inquiries regarding compensation limits to *employers@cccera.org*.

ANNUAL ACTUARIAL DATA REQUEST

CCCERA's independent actuarial consulting firm conducts an annual actuarial analysis of the retirement system's demographics, including member salaries, service years, disability statistics, employee retention, life expectancies, expected investment return and other factors that impact the functioning and future trends of the fund.

DECLINING EMPLOYER PAYROLL

A participating employer may experience an actual or expected material decline in the payroll attributable to its CCCERA's active members (CCCERA-covered payroll). Participating employers must comply with the *Declining Employer Payroll Actuarial Funding Policy*, which establishes guidelines by which CCCERA intends to assure that such employer will continue to satisfy its obligation to timely pay all unfunded actuarial accrued liability (UAAL) attributable to the employer's active, retired and deferred employees and their beneficiaries by reason of their prior and future service as CCCERA's members. For more information, please see the *CCCERA Board of Retirement Declining Employer Payroll Actuarial Funding Policy*, available at cccera.org/governance-and-policies.

EMPLOYER TERMINATION

Terminating employers must comply with the *CCCERA Employer Termination Policy*, to ensure the actuarial soundness of the system. For more information, please see the *CCCERA Board of Retirement Regulations, Section X.B.*, available at cccera.org/governance-and-policies.

Section 4: CCCERA Contributions

EMPLOYEE CONTRIBUTIONS

Employees contribute a percentage of their pay for retirement contributions each pay period through automatic payroll deductions which are submitted to CCCERA and posted into their retirement account. This percentage amount is referred to as a contribution rate, which is determined annually by CCCERA's actuary.

CCCERA employee contribution rates for members are based on two factors: the members' employer and their retirement tier. Contribution rates are set to provide an average retirement annuity at the specific tier for their benefit structure.

In addition to CCCERA member contribution rates, certain employees and bargaining units will pay a portion of the employer contribution rate in addition to regular employee contributions. These rates are set by the employer and are used to offset the employer's ongoing pension obligation.

Contributions are made through, pretax payroll deductions. Pretax deduction amounts are taken out of pay before taxes are withheld. This method of contributing is advantageous because pretax contributions lower current taxable income. The tax normally paid on this amount is deferred; income tax will not be paid on employee contributions until an employee begins to draw a retirement benefit, or receive a lump sum payout, closing the account.

The CCCERA retirement plan is "tax-qualified," and therefore plan participants are not taxed when contributions are made to the plan, but rather upon receipt of benefits at retirement.

AUTHORITY FOR ESTABLISHING AND AMENDING OBLIGATIONS TO MAKE CONTRIBUTIONS

Contributions are set by two factors: normal cost and contribution to the Unfunded Actuarial Accrued Liability (UAAL). The Normal Cost and the amount of payment on the UAAL are determined by the following three components of the *CCCERA Actuarial Funding Policy*:

1. Actuarial Cost Method: Allocates the total present value of future benefits to each year (Normal Cost), including all past years (Actuarial Accrued Liability or AAL);
2. Asset Smoothing Method: Spreads the recognition of investment gains or losses over a period of time for the purposes of determining the Actuarial Value of Assets used in the actuarial valuation process. This reduces the effect of short-term market volatility while still tracking the overall movement of the market value of plan assets. The gains or losses for each valuation period are recognized in level amounts over 5 years;
3. Amortization Policy: Determines the length of time and the structure of the increase or decrease in contributions required to systemically (1) fund any Unfunded Actuarial Accrued Liability or UAAL, or (2) recognize any surplus, i.e., any assets in excess of the AAL. The current amortization period is 18 years.

Contribution Rate Implementation

In order to allow employers to more accurately budget for pension contributions and other practical considerations, the contribution rates determined in each valuation (as of December 31) apply to the 12-month period beginning 18 months after the valuation date. For example, the December 31, 2015 rates will be in effect July 1, 2017 through June 30, 2018. Any shortfall or excess contributions as a result of the implementation lag will be amortized as part of CCCERA's UAAL in the following valuation.

Implementation of Contribution Rate Change Due to Plan Amendment

Any change in a contribution rate requirement that results from a plan amendment is generally implemented on the effective date of the plan amendment or as soon as administratively feasible.

Implementation of Contribution Rate Change Due to Discount Rate Change

Any change in a contribution rate requirement that results from a discount rate change is generally implemented with the annual actuarial valuation or as soon as administratively feasible.

Additional Employer Unfunded Actuarial Accrued Liability (UAAL) Payments

Any additional employer payments towards the UAAL (including those from Pension Obligation Bonds (POBs)) will be accepted by CCCERA contingent upon Board approval in exchange for a corresponding reduction in the employer's UAAL contribution rate over period(s) in a manner consistent with that employer's outstanding UAAL amortization layers and payments.

The outstanding balance of the additional UAAL payment is tracked separately in a manner consistent with the procedure used to track the UAAL amortization layers. It will be credited with earnings at CCCERA's investment return assumption in effect at each valuation date and reduced by the dollar amount of the annual reduction in the employer's UAAL contributions due to the prepayment.

Unless otherwise directed by the Board, the dollar amount of the annual reduction in the employer's UAAL contributions due to the additional UAAL payment will be based on amortizing (as a level percentage of payroll) the outstanding balance of the additional UAAL payment amount over the same period as used for actuarial gains and losses, using CCCERA's investment return and payroll growth assumptions in effect at each valuation date.

For full reference, see the *CCCERA Actuarial Funding Policy* available at cccera.org/governance-and-policies.

The reduction in the UAAL contribution rate will then equal the dollar amount of reduction in the employer's UAAL contributions divided by the employer's expected payroll for the year following the valuation date. Rate reductions will apply starting on July 1 following receipt of the payment and Board adoption of revised rate(s). The additional UAAL payment amount will be discounted back to the valuation date for which the contribution rates from that valuation become effective on July 1.

The separate tracking of the outstanding balance applies only to employers that are in a cost group with more than one employer. For employers that are in their own cost group, the additional UAAL payment amount is directly added to the assets of their cost group. Separate tracking of the outstanding balance of the additional UAAL payment is not needed in this situation as the additional UAAL payment will automatically reduce the employer's UAAL contributions.

FUNDING OBJECTIVE

CCCERA's funding objective is to meet long term benefit promises by maintaining a well funded plan and obtaining optimum investment results. This goal is accomplished by the implementation of a carefully planned and executed long term investment program. The California Constitution and Gov. Code Sections 31594 and 31595 authorize the Retirement 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.

ACTIVE EMPLOYEE CONTRIBUTIONS

CCCERA employee contribution rates for PEPRA members are based on the tier and employer; for all other members rates are based on tier, employer and age at entry into the system.

Exceptions

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 who may waive membership in the system.

Withdrawals of Contributions

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

PARTICIPATING EMPLOYER CONTRIBUTIONS

The payment of full and timely contributions by all CCCERA participating employers is a legal requirement. (Gov. Code Sections 31453, 31454, 31581, 31582, 31584, 31585, 31586.)

Each year CCCERA provides written notice of the contribution rates effective for the upcoming fiscal year to participating employers. The notice informs the employer of the date in which the new rates become effective.

Contribution rates can be located on the CCCERA website at cccera.org/contribution-rates.

CONTRIBUTION OFFSET

For employers participating in social security there is a social security offset. Refer to the contribution rate packet to determine the contribution offset.

AUDIT CONFIRMATIONS

Each year, CCCERA's external auditor conducts an audit of the financial statements of CCCERA. The external auditor may request information from the participating employers regarding the total employer contributions, the total amount of prepayments, and the total amount of additional UAAL payments paid to CCCERA. Please refer to page 26 of Section 5 for more information about audits.

Email employers@cccera.org with any questions on each participating employer's specific contribution rate.

Section 5: CCCERA-Covered Compensation

COMPENSATION EARNABLE FOR MEMBERS IN LEGACY TIERS

For all active or deferred employees who first became CCCERA members before January 1, 2013 (legacy members) compensation earnable ordinarily includes:

- Regular base salary
- FLSA premium pay for regularly scheduled work assignment (fire and law enforcement)
- Longevity pay
- Cash payments for special skills, qualifications and unique services, such as:
 - Bilingual pay
 - Shift differential
 - Special assignment differential
 - Holiday pay
- Educational incentive pay (e.g., P.O.S.T., CPA)
- In-service leave cash outs (earned and payable each year, regardless of when it is actually paid)
- Allowances (e.g., uniform, automobile)
- Standby or on-call pay (for work during normal working hours, required by the employer and not voluntary, and ordinarily worked by all others in the same grade or classification at the same rate of pay during the FAS period).
- Vacation pay (only for the portion of accrued time, such as vacation, holiday, sick or administrative leave, that is paid in the form of a lump sum at termination, and that represents time both earned and cashable during the final compensation period, is includable)(Gov. Code Section 31461).

Compensation earnable excludes:

- Overtime pay
- Expense reimbursements
- The monetary value of advantages received in kind, such as:
 - Uniforms
 - Employer payments to third-party insurers
 - Lodging
 - Transportation
 - The use of an automobile
- Employer contributions to deferred compensation plans
- Lump sum at termination for accrued unused leave that could not be cashed out annually during service
- Severance pay

For full reference, see the *CCCERA Compensation Earnable Policy* available at cccera.org/governance-and-policies.

PENSIONABLE COMPENSATION FOR MEMBERS IN PEPRA TIERS

Pensionable compensation is a term specific to PEPRA and only applies to members in PEPRA tiers. It is defined as “...the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class or employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules.”

Pensionable compensation, as mandated by law, has specific rules that exclude certain elements of total pay from being used in retirement benefit calculations. Excluded items include:

- Any compensation determined by the CCCERA Board of Retirement to have been paid to increase a member's retirement benefit.
- Any one-time, ad hoc, or bonus payments made to a member.
- Severance or any other payment that is granted or awarded to a member in connection with, or in anticipation of, a separation from employment, but is received by the member while employed.
- Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.
- Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
- Any employer provided allowance, reimbursement, or payment, including, but not limited to, payments made for housing, vehicle, or uniforms.
- Employer contributions to deferred compensation or defined contribution plans.
- Any other form of compensation a public retirement board determines should not be pensionable compensation.

The CCCERA Board of Retirement has determined that no compensation in excess of base pay will be included in pensionable compensation for all PEPRA members. (Gov. Code Section 7522.34).

For full reference, see the *CCCERA Pensionable Compensation Policy* available at cccera.org/governance-and-policies.

PENSIONABLE COMPENSATION SUBJECT TO RETIREMENT

The more retirement service credit earned, the higher the benefit. Likewise, the higher final compensation, the higher retirement benefit within 415 limits. Members have a limit on the amount of salary that can be used in the calculation of retirement benefits. The annual salary amount that can be used in the calculation of retirement benefits is capped at one amount for members who contribute to Social Security or 120 percent of that amount for members who do not contribute to Social Security. This compensation cap adjusts annually based on changes in the CPI (Consumer Price Index) for all urban consumers. Salaries can exceed these figures, but salary above these amounts will not count towards retirement benefits. Contributions will not be made to the retirement system on amounts earned over the annual salary cap.

PREVENTING PENSION SPIKING

CCCERA takes pension spiking, or the boosting of pay at the end of a career to increase a pension benefit, seriously. CCCERA has a fiduciary responsibility to collect and ensure accurate reporting of compensation. Efforts that improve our ability to aggressively detect and pursue instances of suspected inappropriate pension benefit enhancement, known as spiking, are underway.

CCCERA recently conducted a retiree lookback study, through which it became evident that excessive compensation sometimes occurs at the end of members' careers. CCCERA determines spiking to be the inappropriate enhancement of the retirement benefit, which most frequently occurs when an employer pays an excessive increase in compensation to a member at the end of his or her career. In instances where spiking is found, CCCERA will adjust benefits to the appropriate level and collect overpayments in a manner consistent with the law.

Enhancement Review

CCCERA reviews individual instances to determine if compensation changes have resulted in pension spiking. CCCERA monitors compensation elements that go into retiring members' retirement benefit calculations to assess whether pension spiking has taken place. CCCERA must exclude any compensation it determines was paid to increase the member's retirement benefit. Regular, recurring pay made to all qualified people in the same job classification is unlikely to be excluded under this criteria. Examples of potentially excludable pay include:

- a. Compensation previously paid in-kind (like use of an automobile) or to a third party (like an insurer) on behalf of employee but converted to cash payment directly to employee in the final average salary period;
- b. One-time or ad hoc payment (like a "retirement bonus") not given to similarly situated employees in same grade or class;
- c. Severance or separation pay received while employed;
- d. Any compensation improperly increased by the member.

There could be other types of pay deemed to be excludable compensation enhancements, either before or after retirement. If CCCERA determines that compensation will be excluded, the member and employer will have an opportunity to contest that determination.

Section 5: CCCERA-Covered Compensation *(Continued)*

Please see the *CCCERA Policy on Assessment of Compensation Enhancements* available at cccera.org/governance-and-policies for more information. CCCERA will continue to identify, evaluate and determine instances of pension spiking.

Gov. Code Sections 7522.34, 31539, 31542, 31543 (PEPRA Members), and Gov. Code Sections 31461, 31539, 31542, 31543 (Legacy Members).

Audits

CCCERA conducts audits and analyzes employer compensation reports to identify excessive increases that could enhance a member's final pension benefit. This includes an analysis of employer pay practices, such as large amounts of pay differential compensation, excessive on-call or other pay for work beyond normal work hours, and inconsistent pay raises throughout a member's career.

CCCERA's audit and compliance review of employers participating in the retirement system is authorized under the California Public Employees' Pension Reform Act of 2013 (PEPRA) and related County Employees' Retirement Law (CERL) provisions enacted in 2013. CCCERA's goal is to ensure that employee and payroll information used in the calculation of retiree pension benefits is correct and verifiable. Areas and goals for the audit include:

- Correctness of retirement benefits;
- Reportable compensation;
- Enrollment in, and reinstatement to the system (Gov. Code Section 31543);
- PEPRA Pensionable compensation (Gov. Code Section 7522.31 (c)(1), (c)(11), (c)(12));
- Determine if employees convicted of certain felonies have forfeited benefits earned or accrued from the commission of the felony (Gov. Code Section 7522.72(g) and Gov. Code Section 7522.74(g));
- Evaluate whether MOUs are being complied with (e.g., EE contribution rates, vacation sales etc.);
- Evaluate whether compensation is paid to enhance a member's retirement benefit (Gov. Code Section 31461(b)(1)).

The employer reviews will be conducted by CCCERA staff and will be coordinated with the district as to the scheduling of on-site visit dates (if needed), requests for documents, follow-up items, and discussion of findings if any. Prior to the commencement of any on-site review, each employer will receive an "Review Notification Letter" that will request the employer to provide acceptable dates for CCCERA staff to visit and perform the on-site review. In addition, the notification letter will indicate the types of information that may be required both in advance and on the dates of review needed by CCCERA staff and a questionnaire that is to be completed by the employer providing CCCERA staff with any additional scheduling, information handling, or administrative items that would need to be coordinated during the on-site review.

The types of information and the number of records that will be requested in connection with these reviews will depend in some part by the size of the employer and the methods by which each employer administers and archives its records. Most information requests will include but will not be limited to the following:

Section 5: CCCERA-Covered Compensation *(Continued)*

- Payroll data
- Employee Schedules (including shift & vacation schedules)
- Employee rosters including, full-time, part-time, contractors
- Salary schedules
- Employee handbooks & administrative policies
- Financial statements
- Contribution records

The length of the review will also vary depending on the size of the employer. Typically an on-site review may take anywhere from one to three days, but under some circumstances additional days may be required. During the initial notification phase of the review CCCERA staff will work with each employer to determine what the appropriate length of on-site time may be required. Once both CCCERA staff and the employer are in agreement as to acceptable dates for the on-site review to be performed and have determined what the scope of the review will be, CCCERA will provide the employer with an “On-Site Review Engagement Letter” confirming the dates and review scope.

NEW PAY CODES – APPROVAL PROCESS

When an employer has negotiated a new compensation item with its represented or unrepresented employees it will need to seek advice from CCCERA as to whether the compensation item would be considered as compensation earnable for retirement purposes.

Employers must report new or changed codes to CCCERA in writing no later than 30 days prior to implementation. Notifications received after the 30 days 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 contribution rate. *(CCCERA Board of Retirement Regulations, Sections VI. 2. C. and IV. 2.)*

The following information regarding pay codes should be submitted to *employers@cccera.org*:

- A full description of the compensation to be paid including what duties, services, and conditions the employees must meet to be eligible for the compensation to be paid;
- Copy of the memorandum of understanding, employee agreement, side letter, or contract that indicates that rate at which the compensation is to be paid and the job classifications for which the compensation will be eligible;
- Copy of the employer board resolution or other action approving the new compensation;
- Copy of the employer’s personnel policy, salary regulations or other administrative guide that governs the payment of salary and benefits for the new position.

A review will be performed by CCCERA to determine if the compensation item meets the conditions to be considered as compensation earnable for retirement purposes for legacy members only (see Compensation Earnable for Legacy Members section on page 24 of this handbook). PEPRAs members are not eligible to have any compensation item over base pay be considered as pensionable compensation.

Once the review has been completed by CCCERA, an advisory will be returned to the requesting employer indicating whether or not the compensation item met the conditions to be considered compensation earnable for retirement purposes. If the compensation item is deemed to have met the compensation earnable conditions, the employer then must coordinate with CCCERA's Member Services Department to have an appropriate earn code assigned for the compensation item under which the employer will report the compensation to CCCERA. The assignment of the pay code must occur well in advance of the first anticipated payroll date on which the new compensation will be paid. It is needed to ensure that at the time of transmittal of the employer's I-29 and I-30 Forms to CCCERA that accurate compensation is credited to the employee(s) and correct employee and employer retirement contributions are paid.

Publicly Available Pay Schedules

Pensionable compensation is limited to the amount listed on a publicly available pay schedule. A publicly available pay schedule must meet all of the following requirements:

- Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
- Identifies the position title for every employee position;
- Shows the pay rate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
- Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
- Is posted at the office at the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's website;
- Indicates an effective date and date of any revisions;
- Is retained by the employer and available for public inspection for not less than five years; and
- Does not reference another document in lieu of disclosing the pay rate.

Please see the *CCCERA Pensionable Compensation Policy* at cccera.org/governance-and-policies for more information.

OTHER FORMS OF COMPENSATION EARNABLE FOR LEGACY MEMBERS

Vacation Sell Back and/or Cash-Out Payments

Applicable Law

Compensation earnable does not include, in any case, the following: payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, in an amount that exceeds that which may be earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid. (Gov. Code Section 31461(b) (2).)

Employer Policies and Practices

Every CCCERA employer has policies and memoranda of understanding governing its employees' ability to earn vacation, sick, compensatory and other leave time, and to receive the value of some or all of those accruals in cash in lieu of time off, but not all such cash payment for unused leave can be included as compensation earnable.

Cash payment for unused leave will be included only to the extent it does not exceed that which may be earned and payable in each 12-month period during the final average salary period. The CCCERA Board has determined that if a legacy member has an employment agreement that allows an annual "sell back" of a certain number of leave hours (e.g., every calendar or fiscal year), then the payment to be included in the FAS period will be limited to that same number of hours per year, regardless of whether the member actually cashed out more during the selected one- or three-year FAS period. Thus, if a member earns 240 hours of vacation leave in a calendar year and is allowed to sell back 80 hours of unused leave each calendar year, the amount that can be counted as "earned and payable" during the FAS period will be 80 hours, even if the member chose a FAS period that "straddles" two calendar years and sells back 80 hours twice during that period. This avoids the distortion that could arise between comparable members solely due to the selection of the twelve (or thirty-six) month FAS period, and yields a true average annual compensation earnable.

In general, it does not matter whether the member actually received the cash in lieu of time while still employed or at termination. If it was both earned and payable during the FAS period and does not exceed the employment agreement annual sell back limits, it will be compensation earnable, regardless of when it is actually paid.

CCCERA does not need to trace the origin of each hour of leave earned, accrued and/or sold during a member's career. CCCERA looks to the applicable employment agreement to determine how much a member may earn and receive in cash in each time period (e.g., each calendar year or fiscal year) during the FAS period to determine how much is to be included in compensation earnable.

Exception: "Estoppel Class" Members are Entitled to Include Additional Leave Cash Out Amounts Beyond that AB 197 Allows

Applicable Law

Under current law, some legacy members of CCCERA may be entitled to include additional leave cash-out amounts in their compensation earnable beyond the amounts allowed by Gov. Code Section 31461. The requirements are:

- Before December 31, 2012, the member's employer allowed, during employment, a cash out of unused leave time in amounts in excess of the amount of leave time earned in the selected FAS period.
- On December 31, 2012, the member had accrued ("banked") such excess leave time.
- At retirement, the member still has some or all of that banked leave time at commencement of his or her FAS period.
- The member cashes out some or all of that bank during service in the FAS period (not upon termination).

If all the foregoing requirements are met, CCCERA also will include in the legacy member's compensation earnable for the FAS period the lesser of (a) the accrued bank or (b) the amount of the bank actually cashed out during the FAS period.

The CCCERA Board of Retirement has determined that the bank can be preserved entirely if the member never uses or sells back more than what the member earns and can sell after December 31, 2012. For example, assume that the member had a bank of 320 hours on December 31, 2012, and prior to the beginning of the final compensation period the member only uses or sells back hours that the member earned after December 31, 2012. If the employer allows the member to sell back 320 hours during the final compensation period, it will all count towards the retirement allowance.

PREPARATION OF YEAR-END WAGE STATEMENTS

Participating employers must distribute an IRS Form W-2 Wage and Tax Statement, following guidelines by the Internal Revenue Service and the Franchise Tax Board. When completing the Form W-2 Wage and Tax Statement, follow these guidelines:

- Check Box 13 Retirement Plan, as CCCERA is a qualified plan under Internal Revenue Code Section 401(a).
- Report the amount of the employee's CCCERA contributions in Box 14.
- Report taxable CCCERA contributions returned to the employee through the employer as instructed below, if applicable.

Reporting Returned Contributions on Year-End Statements

If contributions are returned to an employee, employers should be aware of the taxability of the payment. CCCERA contributions are currently made on a pre-tax basis for federal and state income tax purposes, which means contributions returned to employees may be subject to both federal and/or state taxes when paid, depending on the time period during which they were originally withheld.

When a payment is made outside of the payroll system, you will need to increase the federal wages (Box 1) and state wages (Box 16) on the Form W-2 Wage and Tax Statement by the amount of the returned contributions. Federal or state withholding taxes and boxes must also be adjusted if those taxes are imposed.

Section 6: What to Do When

HIRING A CCCERA-ELIGIBLE EMPLOYEE

CCCERA membership forms should be submitted whenever an employee moves from either permanent intermittent (P/I) or temporary to permanent status.

The date of hire or date of permanent employment is the effective date of the employee's permanent status. For example, if an employee worked as a temporary employee from January 1, 2015 to March 22, 2015, going to permanent status on March 23, 2015, the CCCERA date of hire/employment would be March 23, 2015.

The new employee will need to complete the *Enrollment Affidavit (Form 101)* and the *Beneficiary Designation Form (Form 102)*. If the employee is currently married, California law states that, if married, the spouse must be designated as sole beneficiary or complete Section 5 of *Form 102* and have the form notarized. The employee may elect multiple or non-spouse beneficiaries but must submit a notarized *Form 102* with Section 5 completed to validate these elections. CCCERA will provide a letter of explanation and forms for these members.

The member will also need to complete a *Death During Active Membership (Form 104)*, if authorizing CCCERA to file an application for non-service connected disability on the member's behalf, in the event that a member is permanently incapacitated by reason of injury or other disability leading to death while the member is an active member of CCCERA. Additionally, if eligible for reciprocity, the member will need to complete a *Reciprocity Election Form (Form 103)*.

If eligible for reciprocity, the member will need to complete Section 2 of the *Enrollment Affidavit (Form 101)*. Upon receiving *Form 101* with Section 2 completed, CCCERA will mail a *Reciprocity Affidavit Form (Form 109)* to the member. If Section 2 of *Form 101* is not completed, a member may complete the *Reciprocity Election Form (Form 103)*.

For full reference, see the *CCCERA Board of Retirement Regulations, Section III*, available at cccera.org/governance-and-policies.

AN EMPLOYEE IS NOT COVERED BY SOCIAL SECURITY

Signed copies of Social Security Form 1945 must be submitted to CCCERA for employees who are not covered under social security.

In compliance with Social Security Administration (SSA) requirements, employers must submit copies of signed Form SSA-1945 "Statement Concerning Your Employment in a Job Not Covered by Social Security" to CCCERA for employees of your organization not participating in social security. Information about the SSA requirements can be found on the SSA website at ssa.gov/forms/ssa-1945.pdf.

Effect on Retirement Benefits from Work Not Covered by Social Security

There are two situations in which receipt of a pension based on employment not covered by social security will affect the amount of a social security benefit:

- The Windfall Elimination Provision (WEP), ssa.gov/pubs/EN-05-10045.pdf
- The Government Pension Offset (GPO), ssa.gov/pubs/EN-05-10007.pdf

A complete federal and state reference guide is available at irs.gov/pub/irs-pdf/p963.pdf.

Procedure for submitting Form SSA-1945

- Copies of signed Form SSA-1945 should be submitted to CCCERA for all current active employees that are not covered under social security.
- New employee enrollments should submit completed Form SSA-1945 with the employee *Enrollment Affidavit (Form 101)* to CCCERA.

Please direct all inquiries regarding Form SSA-1945 to employers@cccera.org.

HIRING A RECIPROCAL-ELIGIBLE EMPLOYEE

Upon hiring an employee that has provided notice of being a reciprocal member, the employer should process contributions for the member at the most recent tier. Once the employer receives confirmation from CCCERA that reciprocity has been established then the employer should adjust the contributions to the new tier as provided by CCCERA.

MOVES FROM ONE PARTICIPATING EMPLOYER TO ANOTHER

If a member has been an employee of a reciprocal system in the last 180 days and is eligible for reciprocity, the member will need to complete Section 2 of the *Enrollment Affidavit (Form 101)*. Upon receiving *Form 101* with Section 2 completed, CCCERA will mail a *Reciprocity Affidavit Form (Form 109)* to the member. If Section 2 of *Form 101* is not completed, a member may complete the *Reciprocity Election Form (Form 103)* to establish reciprocity between systems. This enables the member to maximize any potential benefit from previous membership in a reciprocal system.

JOB STATUS CHANGES

Changes from Full-Time, Part-Time, Tap (Temporary Assignment Program), Per Diem, Services as Needed, Intermittent, or Temporary

Notifications of changes should be returned to CCCERA by the 10th of each month.

NEW OCCUPATIONAL CLASSIFICATION OR CHANGE TO EXISTING CLASSIFICATION

Change To An Existing Occupational Classification

Occasionally an employer may make significant changes to the typical duties related to the conditions of employment for an occupational classification. A change in an occupational classification may potentially impact a member's status within CCCERA in three ways:

- Whether the member will be in a general or safety tier
- The eligibility for certain types of compensation to be pensionable
- How certain accrual credits such as accumulated sick leave may be calculated for additional service credit at retirement (e.g. 40 hour versus 56 hour for safety occupations)

When an employer is contemplating making a change to an existing classification, at the earliest possible time once the revised job description has been ratified, but before its effective date, the following should be sent to employers@cccera.org:

- Revised job description
- Previous job description(s)
- Copy of the personnel policy, salary regulations, or other administrative guide that governs the payment of salary and benefits for the new position
- List of members that would be in the revised classification
- Copy of the memorandum of understanding, letter of understanding, side letter, resolution or employment agreement

New Occupational Class

At the earliest time, the employer should forward the adopted and ratified job description prior to the effective date of the position being posted so that the following advisories can be provided by CCCERA:

- Position is either general or safety
- Tier placement
- Contribution rate

In addition, the employer should also provide a copy of the memorandum of understanding, employment agreement, and copies of the personnel policy, salary regulations, resolution or other administrative guides related to the salary and benefits of the newly created occupational classification.

A MEMBER BECOMES DISABLED

If an illness or injury is severe enough to force a member to permanently discontinue their job, they may need to apply for a disability retirement. Applying for a disability retirement can be a rigorous process. Specific requirements are set by statute. After a disability retirement application is submitted, the Board will determine whether the member is capable of substantially performing their job duties, based on medical evidence and the criteria for establishing permanent disability according to CERL. Usually, the process takes between three and six months.

CCCERA has many resources available for members who are considering a disability retirement and should contact CCCERA to receive complete information about how this option may affect them and their survivors.

Disability Retirement Eligibility and Application Instructions for Employers Filing on Behalf of Employee

Employer's Filing Responsibility

Employers are prohibited from terminating an employee because of a disability. An employer may apply to CCCERA for a disability retirement on the employee's behalf unless the employee waives the right to disability retirement and elects to withdraw his or her contributions or take a deferred retirement. (Gov. Code Section 31721)

Disability Retirement Eligibility

- An employee is eligible to apply for a service-connected disability retirement any time during employment.
- If the employee is in Tier 1, Tier 4 or Safety and has earned five years of retirement service credit, he or she is eligible to apply for a non-service connected disability retirement.
- If the employee is in Tier 2, Tier 3 or Tier 5 and has earned ten (10) years of retirement service credit, he or she is eligible to apply for a non-service connected disability retirement.
- Members who terminate service and withdraw their retirement contributions are not eligible to apply for a disability retirement.

Application Requirements

To apply for a disability retirement, please submit the following documents to CCCERA.

- Application for Disability Retirement.
- Tier 1, Tier 4 and Safety. A physician statement form (completed by a physician) stating the employee is permanently incapacitated for the performance of his or her duties OR you may submit medical reports or records supporting permanent disability.
- Tier 2, Tier 3 and Tier 5. A physician statement form (completed by a physician) stating the employee is permanently incapacitated from engaging in any substantial gainful employment OR all medical conditions for which you are filing an application must be supported by medical evidence. A separate physician statement may be required for each condition you are claiming.
- The doctor must review a copy of the class specification for the employee's job before he or she completes the physician statement.
- Any other pertinent data or records to support the application.

Section 6: What to Do When *(Continued)*

The physician statement and class specifications must accompany the Application for Disability Retirement, along with the other requested documents, and be returned for completion. If any of the requested documents are incomplete, the application will be returned for completion. This delay could affect the retirement date if the employee is ultimately granted a disability retirement.

In the event the employee disputes the employer's assertion that he or she be retired for disability retirement, the employer has the burden of proving to the Board that the employee is permanently disabled for the performance of his or her duties (Tier 1 and Safety) or is permanently unable to engage in any substantial gainful employment (Tier 2 and Tier 3). If the injury or illness was caused or aggravated by his or her employment, the employee has the burden of proving a real and measurable connection exists between the disability and employment.

All documents submitted to CCCERA relating to the application for disability retirement are kept confidential. Additional forms and questions can be directed to the Disability Unit at CCCERA.

For full reference, see the *CCCERA Disability Retirement Hearing Policy* available at cccera.org/governance-and-policies. (Gov. Code Section 31721)

AN EMPLOYEE IS CONVICTED FOR A FELONY

Effective January 1, 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 establishes pension forfeiture for any public employee first employed, elected, or appointed to an office before January 1, 2013 and for any public employee first employed, elected, or appointed to an office after January 1, 2013. (Gov. Code Sections 7522.72 and 7522.74)

PEPRA requires the forfeiture of "all accrued rights and benefits in any public retirement system" by any public employee convicted of any felony, as of the earliest date of the crime, "for conduct arising out of or in the performance of his or her official duties, in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits." No exceptions apply.

Elected Public Officers Convicted of Certain Felonies

Elected public officers convicted of certain felonies may be subject to a felony forfeiture based on different conduct triggers. See Gov. Code Section 7522.70 for more information.

Special Reporting Requirements for Public Employers

PEPRA requires public agencies that employ or employed a public employee who was convicted of a such felony to notify CCCERA of the conviction within 90 days of the conviction.

Sample Employer Report on Employee with Job-Related Felony Conviction

To: CCCERA Chief Executive Officer

From: [Employer Name]

Subject: Employer Report On Employee With Job-Related Felony Conviction

In accordance with the California Public Employees' Pension Reform Act (PEPRA) of 2013, the [employer] is required to report to CCCERA any employee who has been convicted of job-related felonies for conduct:

- Arising out of or in the performance of official duties in the course of [Employer Name] employment;*
- In pursuit of the office or appointment or in connection with obtaining salary, disability retirement, service retirement, or other employee benefits of the [Employer Name]; or*
- Committed within the scope of official duties against or involving a child.*

On [DATE], the [Employer or department within the employer entity] received a report of an employee felony conviction and determined the following:

Employee name:

Employee number:

Job classification:

Department:

Reporting Individual/Agency:

Type of conviction: [Felony?]

Date of conviction:

Court of jurisdiction:

Case number:

Violation Code:

Description of violation code:

Description of job duties at time of commission of felonies:

Job nexus evaluation of felony convictions to job duties:

Upon review of relevant certified court dockets and a job nexus evaluation of the felony conviction to job duties, [Employer] reasonably believes that [name of employee]'s felony conviction meets the criteria set forth in PEPRA and may result in the forfeiture of all of the employee's accrued rights and benefits in CCCERA from the date of the first commission of the felony conviction.

This memo serves to meet the [employer]'s statutory requirement in reporting certain job-related felony conviction to CCCERA pursuant to PEPRA.

CCCERA Contact in Regards to Public Employee Felony Convictions

Please direct all inquiries regarding public employee felony convictions to employers@cccera.org.

AN EMPLOYEE LEAVES FOR MILITARY SERVICE

The Uniform Services Employment and Reemployment Rights Act of 1994 (USERRA) requires employers to reemploy and preserve job security, pension, and welfare benefits for qualified employees who engage in military service. Generally, employers must make, on behalf of returning service members, any contributions to retirement plans that the employer would have made if the service member had not been absent as a result of military service.

A reemployed service member is also entitled to accrued benefits that are contingent on the making of, or derived from, employee contributions or elective deferrals (without interest) that were missed during the qualified employee's military service. The plan must provide these accrued benefits to the extent the returning service member makes payments to the plan with respect to such contributions.

Regardless of whether the reemployed service member makes up missed contributions, the period of qualified military service must be included for purposes of vesting credit under the plan.

TERMINATION PRIOR TO RETIREMENT ELIGIBILITY

Legacy members working full time, are eligible for service retirement at age 50 or older, with ten or more years of retirement service credit, or at age 70 regardless of service. PEPRA members working full time, are eligible for service retirement at age 52 or older, with five or more years of retirement service credit, or at age 70 regardless of service. A member must be active, retiring directly from their full-time job with a CCCERA participating employer. If retiring from a non-pay status, such as a leave of absence, the member may be subject to the criteria for deferred membership.

Full-time service may include a break in service due to a medical leave of absence. If contributions were not taken during a break in service, the member may purchase the time. However, this purchase cannot exceed the 12 consecutive months of time. Payments can be made either as a lump sum, or as monthly payroll deductions, but the total amount of time credited and the length of payment contract may not be more than the length of the period for which credit is claimed. If a member has service credit in more than one tier, the retirement benefit will be the sum of both categories of service, regardless of the tier under which the member retires.

Part-time Legacy members and PEPRA Safety members are eligible for service retirement at age 50, with five or more years of retirement service credit. Part-time PEPRA General members are eligible for service retirement at age 52, with five or more years of retirement service credit.

Part-time retirement service credit must equal five full-time years of service credit. For example, if a member worked in a permanent, part-time position of 20 hours per week for a year, they would accrue six months of retirement service credit, since their schedule was half (50 percent) of full time. (A member must be in 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.

- If a member has five or more years of retirement service credit, they will be entitled to a retirement benefit from CCCERA, if they leave their contributions in their account until they would have been eligible to retire had they remained working full time. If they have less than five years of service they will be entitled to a retirement benefit at age 70. When they retire, they will receive a pension benefit from CCCERA that is appropriate for the service credit they earned while working for the County or participating employer. In this option, they become a deferred member, since they are still a member of CCCERA, but are deferring their benefit until eligible to retire.
- A member can request a refund of their contributions and interest in a lump sum. This closes their account with CCCERA, and they will no longer be eligible for a monthly benefit.

Regardless of the option they choose, if their funds are left on deposit with CCCERA, they will be paid interest on their account, until they withdraw the money in a lump sum, or begin taking a monthly benefit. For more information about termination, contact CCCERA or see the Member Handbook available at cccera.org.

RETROACTIVE REINSTATEMENT FOLLOWING INVOLUNTARY TERMINATION

Employee and employer contributions must be submitted for the missed contributions during the employee's terminated status.

A RETIREE REACHES 415 LIMIT SUBJECT TO LIMITATIONS OUTLINED IN IRC SECTION 415

Internal Revenue Code (IRC) Section 415 limits the amount of benefits that may be paid to a participant in a defined benefit plan. CCCERA will provide notification and a payment schedule to employers once a retiree has reached the 415 limit.

REINSTATEMENT FROM RETIREMENT

If a member is reinstated to active employment in a CCCERA-covered position and have retired under reciprocity, there is no provision in the law to allow them to apply reciprocal rights to their subsequent retirement since they will no longer be retired from both systems on the same date. Please direct all inquiries regarding reciprocity, including the requirements, restrictions or benefits of reciprocity, to employers@cccera.org.

RETURNING TO WORK AFTER RETIREMENT

There are two ways retirees may return to work with a CCCERA employer:

1. By suspending their retirement to return to full-time employment and reinstating as an active CCCERA member (this is referred to as a "reinstatement"), or
2. On an approved, limited basis while receiving their pension.

Section 6: What to Do When *(Continued)*

To assist in the determination of whether a retiree is eligible to return to work without reinstatement to CCCERA, employers should use the *Certification for Post-Retirement Employment (Form 213)*. Retirees cannot serve, be employed by, or be employed through a contract directly by any CCCERA employer without reinstatement from retirement, except as permitted by state law and Board of Retirement regulations.

Key Rules Governing the Re-Employment of Retirees

- Additional tax for retirees under age 59½ who return to work
- Reinstatement from retirement requirement if rehired by an employer in the same public retirement system from which the retiree receives the benefit
- Waiting period between retirement date and rehire of a retiree (with some exceptions for safety members and special circumstance general members)
- Annual hourly limitations
- Compensation limits

Key Elements to Certification for *Post-Retirement Employment (Form 213)*

Part A – To be completed by the retiree.

1. Did the retired person receive any unemployment insurance compensation within the 12 months prior to the expected date of reemployment?

If the retired person answers “YES” he or she is not eligible for re-employment.

“A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.”

Gov. Code Section 31680.2 (b)(2)

2. Was the retired person given any retirement incentive (e.g., a “golden handshake” such as an additional year of service) upon retirement?

Forming part of the “Golden Handshake” provisions that govern retirees returning to employment with a CCCERA member employer, requires the retirees to forfeit the service credit upon subsequent reentry to county employment. This would apply for a retiree that may return to work for the county and may convert back to permanent employee status. In order to maintain eligibility and not be required to reenter the CCCERA system any retiree that is re-employed by a CCCERA member employer is restricted to 960 hours per fiscal year (July 1 to June 30) and must be monitored by the member employer.

Gov. Code Section 31641.04(b)(f)

Section 6: What to Do When *(Continued)*

3. If the retired person answered 'Yes' to question 2, is their Expected Break in Service at least 180 days?

- Yes (Continue to question 4)
- No (STOP – they are not eligible for this kind of reemployment at this time; notify hiring department)

There must be a break in service of at least 180 days for a retiree to be eligible to return to employment with a member. Payment for service after retirement is prohibited after the date of retirement and in order for a retiree cannot 'retire one day' and be 're-employed the next day.' In addition, there cannot be any expectation upon the part of the retiree, whether verbal, side letter, or other means that would indicate that the retiree would be "re-hired" after the 180 day break in service.

Gov. Code Section 31680(a) & (b)

4. Was the retired person at least CCCERA Normal Retirement Age on their Date of Retirement?

If the retiree is below the Normal Retirement Age at the date of their retirement and under age 59½ when they return to work an additional 10% tax may be assessed on the retiree's pension benefit per IRS rule 72(t).

If the retiree answers "No", then question 5 will determine the retiree's eligibility to return to work for a CCCERA participating employer and establish the tax consequences under IRS rules governing "separation of service."

IRC Section 72(t)

5. Did the retired person have a bona fide separation of service from their employer, which means:

- (a) Prior to retirement they had no prearrangement with their employer to return to work after retirement, and
- (b) Their break in service will be at least 90 days (or circumstances changed after retirement that caused them to return to work).

An important aspect of CCCERA's compliance with IRS regulations for tax qualified pension plans is adherence to rules in Code Section 401. IRS rulings require (among other regulations) that CCCERA may not distribute employer-provided benefits (pension payments) to members who take a service retirement before normal retirement age unless the member had a "bona fide" separation from service. In recent rulings the IRS has reiterated its concern and emphasis on pension plan compliance with respect to "in service" distributions prior to a plan member's age 62. Therefore, a retiree under CCCERA must actually terminate employment and there cannot be any letters of agreement, or understanding between the retiree and the employer with respect to any expectation of continuous employment. Such an agreement, whether verbal, or otherwise that would create such an expectation on part of the retiree would be viewed by the IRS as indicating that the retiree had not legitimately retired.

Section 6: What to Do When *(Continued)*

The definition of bona fide separation from service is “a member who retires for service at an age younger than Normal Retirement Age...must have at least a continuous 90 day break in service from the date of the member’s last day of employment with his or her CCCERA employer prior to being reemployed by the same employer while retired.”

For full reference, see the *CCCERA Board of Retirement Regulations* available at cccera.org/governance-and-policies.

Part B – Retiree Acknowledgment

It is important that the employer ensures that the retiree fully understands the terms, conditions and limitations pertaining to their re-employment. The retiree must sign on the form where indicated acknowledging that the following will apply:

- 10% Additional Tax on Early Retirement Payments. I understand that if I am under age 59 ½ and did not have a bona fide separation of service (see Part A question 5), my retirement allowance will be subject to a 10% additional tax under Internal Revenue Code Section 72(t) until I have a bona fide separation from service or attain age 59½.
- Limit of 960 hours of employment per fiscal year. Post-retirement employment shall not exceed a total of 960 hours each fiscal year for all service to any CCCERA employer.
- Limits on hourly rate of pay. The rate of pay for the employment shall not be less than the minimum hourly rate nor greater than the maximum hourly rate as set forth on a published pay schedule for other employees performing comparable duties.
- No service credit or other retirement benefits. The employee will not acquire any service credit or retirement benefits under such reemployment without reinstatement to active service and suspension of retirement benefits.

Part C – Employer Acknowledgment

This section is to be completed by a duly authorized member employer representative that will be in a position to make the eligibility determination based on the responses provided by the retiree and the have sufficient knowledge of the retiree’s pre-retirement employment duties and post-retirement duties to affirm compliance with the eligibility criteria.

- If the retiree is receiving or has received unemployment insurance compensation in the last 12 months preceding the re-employment date the retiree will be ineligible for re-employment.
- The employer should not create the expectation that upon the exhaustion of unemployment compensation, or upon the completion of the 12 month waiting period, that a certainty of reemployment exists for the retiree.
- The employer should ensure that the retiree has been retired for no less than 180 days from their retirement date to be eligible. Per IRS rules there cannot be any expectation on behalf of the retiree or agreement in any form between the employer and retiree that there is a certainty of post-retirement reemployment as this would contravene IRS regulations governing the legitimate separation of service.
- There are two exceptions regarding the re-employment of retirees under the Gov. Code to the 180 day waiting period that may apply to CCCERA retirees (the employer should ensure that for each of the exceptions clear documentation evidencing which exception has been selected to support the retiree’s eligibility be maintained and that is an auditable item):

Section 6: What to Do When *(Continued)*

1. Section 7522.56(f)(1) The employer certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days have passed and the appointment has been approved by the governing body of the employer in a public meeting. The appointment may not be placed on a consent calendar.
 2. Section 7522.56(f)(4) The retiree is a public safety officer or firefighter hired to perform a function or functions regularly performed by a public safety officer or firefighter.
- If the retiree indicates that they are not at Normal Retirement Age in questions 4 or did not have a bona fide separation of service under 5, then the individual would have to reenter the CCCERA system upon reemployment.

Responsibilities

The employer affirms that the determination (or rejection) of eligibility has been conducted in accordance with the code, rules, and regulations governing the retiree reemployment eligibility and that if eligibility is affirmed the employer will ensure that it will maintain compliance with the terms of eligibility by monitoring the following:

- Ensure that the retiree does not work more than 960 hours per fiscal year and have a system in place to suspend the retiree from work when the limit is reached;
- Ensure that the rate of pay does not deviate from that scheduled for the position and classification;
- Ensure that the ongoing duties continue to meet the exception criteria if the retiree was granted eligibility based on one of the allowed exceptions.

Reinstatement to Active Service Retirement

After retirement, if a member returns to work in a position eligible for membership in CCCERA, they may be reinstated as an active member, without being subject to the restrictions that apply if they had continued to receive their pension.

They will not receive a retirement allowance while they are working. Retirement contributions will be taken from their salary and they will earn retirement service credit, just as they did prior to retirement.

The member's contribution rate will be the same percentage (flat rate) as all other members in their tier. When they retire again, their new benefit will be calculated on the most recent credited service. That benefit amount will be added to their original retirement allowance, plus any retiree cost-of-living increases granted while they were reemployed. Contact CCCERA to verify what retirement tier they will be in upon reinstatement.

Retirees Returning to Work - Federal and State Law Restrictions

In situations where an employer believes a CCCERA retiree possesses special skills or knowledge, the law allows the employer to hire that retiree on a temporary basis for a limited duration without suspending the retiree's retirement allowance; however, restrictions apply.

The 960 hour rule

An eligible retiree may return to work for up to 960 hours in a fiscal year and continue to receive his/her retirement allowance. During this post-retirement employment, the member will not accrue any additional CCCERA pension benefits, nor will the member or the employer pay contributions for this service.

The 180 days rule

Retired members must wait 180 days from their date of retirement before returning to work for the County on a temporary basis, except under the following conditions:

- If the employer certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days have passed and the appointment has been approved by the County Board of Supervisors (or the district's governing body) in a public meeting.
- If the retiree is a public safety officer or firefighter hired to perform a function that is regularly performed by a public safety officer or firefighter.

Members who received a retirement incentive, such as an early separation payoff or a "golden handshake", are not eligible to return to work until after 180 days following the date of retirement.

The 90 day rule

Notwithstanding the above conditions, to comply with IRS regulations regarding in-service distributions and protect the retirement fund's tax-qualified status, a member under the normal retirement age may not return to temporary County or district service within 90 days of his or her retirement date. The 90-day waiting period is referred to as a bona fide separation from service period. Members who retire at ages younger than Normal Retirement Age (50 for Legacy Safety members, 55 for Legacy general members, 57 for PEPRA Safety members, 67 for PEPRA General members) must have a bona fide separation from service. This means that they must truly cease employment in order to collect a retirement allowance, and there must not be a pre-existing agreement with the employer to return to work after retirement. If a member is re-employed in violation of the bona fide separation from service rules, the retirement allowance must be suspended and will not resume until the member has a bona fide separation from service or reaches the Normal Retirement Age.

Limits on Pay Rate

During his or her temporary employment, the retiree shall be paid at a rate not less than the minimum nor greater than the maximum rate paid by the employer to other employees performing comparable duties.

Restrictions for Unemployment Insurance Recipients

Any retired person who, during the 12-month period prior to a temporary appointment described in this section, has received unemployment insurance resulting from prior County or district employment, is not eligible to be employed and must wait 12 months before being eligible. Upon accepting an offer of employment, a retiree must certify in writing that he or she is in compliance with this requirement.

Additional Taxes on Retirement Allowance When Retirees Return to Work Under CCCERA

Even in cases where the retiree is eligible to work for a CCCERA employer while receiving a retirement allowance from CCCERA without violating federal or state law, that retirement allowance could be subject to a 10 percent additional federal tax under Internal Revenue Code 72(t) and a 2.5 percent additional California state tax under California Tax Code 17085(c)(1). These additional taxes apply to retirees under the age of 59 ½, even if they are over Normal Retirement Age if they did not have a bona fide separation of service (i.e., the required minimum continuous 90-day separation from service and no pre-existing agreement with the employer to return to work after retirement).

REPORTING CONTRIBUTIONS UNDER THE WRONG SOCIAL SECURITY NUMBER

Active employees should notify their payroll clerk of their correct social security number. Deferred members should notify CCCERA.

CHANGES IN MARITAL STATUS

In the event that a member marries or divorces during or after their CCCERA membership, the employee will need to update their beneficiary by completing the *Beneficiary Designation Form (Form 102)* and submit required documentation. If a member chooses a beneficiary other than their spouse/registered domestic partner, the member will need to complete Section 5 of *Form 102* and have the form notarized.

BENEFICIARY CHANGE REQUESTS

A member can change their beneficiary at any time while they are an active or deferred member. However, trusts cannot be beneficiaries of a monthly retirement benefit. Trusts are financial planning tools and can only receive a lump sum payout of the contributions and interest they accrued before their death. The member will need to inform CCCERA of the name and address of the trust and the trustee.

ADDRESS CHANGES

Active employees should notify their payroll clerk of their new address. If the member is deferred or retired, they should notify CCCERA. Address changes must be accompanied by a member's signature to protect their information. Retired and deferred members can print a *Member Mailing Address Change Form (Form 301)* from cccera.org and mail it to CCCERA.

AN ACTIVE EMPLOYEE'S DEATH

In the event of an active employee's death, the participating employer should notify CCCERA. CCCERA will guide survivors through the required process, including the collection of required forms and certificates.

NAME CHANGES

When an active member experiences a name change, CCCERA should be notified of their new legal name.

Section 7: Current Transmittal File Layout Specifications

APPENDIX 1: HEALTHCARE DEDUCTIONS

Healthcare File Layout

Employer ID	Last 4 Digits * Date of Birth * First 5 letters of Last Name	Deduction Code	Payroll Start Date	Deduction Amount	Payroll End Date	Type (usually O)
AAL	123401011965JONES	CDD	01012016	5489		O

Employer Assigned Codes Fields

CCCERA District #	Employer Name	CPAS Code
356	LOCAL AGENCY FORMATION COMMISSION (LAFCO)	AAA
508	IN-HOME SUPPORTIVE SERVICES AUTHORITY (IHSS)	AAB
3301	CC MOSQUITO ABATEMENT DISTRICT	AAC
3406	CENTRAL CONTRA COSTA SANITARY DISTRICT	AAD
3414	RODEO SANITARY DISTRICT	AAE
3483	DELTA DIABLO SANITATION DISTRICT	AAF
3501	IRONHOUSE SANITARY DISTRICT	AAG
3603	BYRON/BRENTWOOD CEMETERY	AAH
3770	BETHEL ISLAND MUNICIPAL DISTRICT	AAI
3814	DIABLO WATER DISTRICT	AAJ
4181	CHILDREN & FAMILIES COMMISSION	AAK
4980	CONTRA COSTA COUNTY EMPLOYEES RETIREMENT ASSOCIATION	AAL
7035	CCC FIRE PROTECTION DISTRICT	AAM
7060	EAST CONTRA COSTA FIRE PROTECTION DISTRICT	AAN
7274	MORAGA-ORINDA FIRE DISTRICT	AAO
7300	CCC FIRE PROTECTION DISTRICT	AAP
7800	RODEO-HERCULES FIRE PROTECTION DISTRICT	AAQ
7830	SAN RAMON VALLEY FIRE DISTRICT	AAR
9990	HOUSING AUTHORITY	AAS
9991	CITY OF PITTSBURG	AAT
9992	OFFICE OF EDUCATION	AAU
	CONTRA COSTA COUNTY	AAV

Section 7: Current Transmittal File Layout Specifications *(Continued)*

Employer Assigned Codes Fields *(Continued)*

CCCERA District #	Employer Name	CPAS Code
9500	SUPERIOR COURTS	AAX
3011	RODEO FIRE DIST	BBA
3305	DIABLO VALLEY MOSQUITO DIST	BBB
3418	STEGE SANITARY DIST	BBC
3601	ALAMO-LAFAYETTE CEMETERY DIST	BBD
7003	BETHEL ISLAND	BBE
7013	EAST DIABLO FIRE DISTRICT	BBF
7050	MORAGA FIRE DISTRICT	BBG
7080	ORINDA FIRE	BBH
7126	CONSOLIDATED FIRE	BBI
7200	WEST COUNTY FIRE DISTRICT	BBJ
7250	MORAGA FIRE DISTRICT	BBK
7260	WEST COUNTY FIRE DISTRICT	BBL
7280	ORINDA FIRE	BBM
7802	RODEO/HERCULES FIRE	BBN
7840	KENSINGTON FIRE	BBO

DFN: Deduction Type Code

Code	Display Name
AAH	CalPERS Health
CCA	CCCERA CALPers
CDD	CCCERA Dental
CHN	CCCERA Health Net
AAI	CCHP
AAO	Delta Dental
ACT	East CC Dental Only
ACV	East CC Dental Only Survivor
ACS	East CC Fire Calpers
ACU	East CC Survivor Calpers
ACN	Firefighters Hlth/Wlth Dues
ABO	HealthNet HMO Survivor

Section 7: Current Transmittal File Layout Specifications *(Continued)*

DFN: Deduction Type Code *(Continued)*

Code	Display Name
AAF	HealthNet Health
ABT	HealthNet Sr. Plus HMO
ABU	HealthNet Sr. Plus PPO
ABX	HealthNet SrP Survivor
ABY	HealthNet SrP w/HMO Survivor
AAS	Housing Authority Premium
AAG	Kaiser Health
AAQ	Long Term Care PERS
AAL	Moraga-Orinda Fire I. Premium
AAN	PMI DeltaCare
AAK	San Ramon Fire Ins. Premium
AAM	Superior Court Dental Premium
AAJ	Superior Court Health

Code	Display Name	Notes
AAF	HealthNet Health	Used by Contra Costa County
AAG	Kaiser Health	Used by Contra Costa County
AAH	CalPERS Health	Used by Contra Costa County
AAI	CCHP	Used by Contra Costa County
AAJ	Superior Court Health	Used by Superior Courts
AAK	San Ramon Fire Insurance Premium	Used by San Ramon Fire
AAL	Moraga-Orinda Fire Insurance Premium	Used by Moraga-Orinda Fire
AAM	Superior Court Dental Premium	Used by Superior Courts
AAN	PMI DeltaCare	Used by Contra Costa County
AAO	Delta Dental	Used by Contra Costa County

APPENDIX 2: CONTRIBUTIONS

Code Fields - I-30 Layout

Record Type	H
Report Date/Time	20160113123456
Employer ID	AAL
Reporting Period	20160601
Adjustment File Indicator	N
Earned Date From	20160601
Earned Date To	20160630
Detail Record Detail	135
Record Type	D
SSNID	123
Birth Date	19430102
Last Name Key	DOE
Adjustment Period Date From	
Adjustment Period Date To	
Earning Code	REG
Earnings	4263.73
Hours	173
EE Pre-Tax Money	Y
EE Basic Contribution	370.1
EE COLA Contribution	139.42
EE Subvention of ER Contribution	0
ER Basic	1,153.34
Pre-Paid ER Basic Discount	0
ER COLA	534.67
Pre-Paid ER COLA Discount	0
ER Subvention of EE Basic Contribution (non-Ref Sub)	0
ER Subvention of EE Contribution Pre-Payment Discount	0
POS Type	
Pre-Post Tax	
POS PAYMENT	
Vacation Hours Balance	19.06
Vacation Monthly Accrual Rate	10
Personal Holiday Hours Balance	9.26
Personal Monthly Accrual Rate	4
Holiday Comp Balance	0

Section 7: Current Transmittal File Layout Specifications *(Continued)*

Code Fields - I-30 Layout *(Continued)*

Holiday Monthly Accrual Rate	0
Sabbatical Hours Balance	0
Sabbatical Monthly Accrual Rate	0
Sick Leave hours Balance	30.41
Sick Leave Monthly Accrual Rate	8
Admin Leave Hours Balance	0
Admin Monthly Accrual Rate	0
Terminal Check Indicator	N
Remarks	

APPENDIX 3: EMPLOYER STATUS

Employer Status Record Code Tables - I-29 Layout

Record Type	H
Report Date/Time	20160113123456
Employer ID	AAL
Reporting Period	20160701
Detail Record Count	2
Record Type	D
SSN	123456789
SSNID	6789
Birth Date	19430102
Late Name Key	DOEDO
Employee Number	
Title	
First Name	JOHN
Middle Name	
Last Name	DOEDOE
Suffix	
Gender	F
Care Of	
Address 1	1234 HOME PLACE
Address 2	
City	HERE
State	CA
Zip Code	94512
Zip +4	
Status Change Date	20160701
Status	FT
Reason Code	ENR
Last Date of Pay	
Hours Basis	40
Standard Hours	40
Bargaining Unit	83
Job Code	97TD
Job Title (maximum of 20 characters)	OFFICE SPECIAL
Elected Official Indicator	N
Integrated Indicator	Y
Department	4980

Employer Status Record Code Tables - I-29 Layout *(Continued)*

Org	4980
Demographic Update	N
Job Info Update	Y
Data Correction	N

Person Title Codes

Code	Display Name	Code	Display Name
DR	Dr.	MR	Mr.
MRS	Mrs.	MS	Ms.

Person Gender Codes

Code	Display Name	Code	Display Name
F	Female	M	Male
U	Unknown		

Status Codes

Code	Display Name	Code	Display Name
FT	Full Time Permanent	LOA	Leave (Non-Contributing)
PH	Part Time Hourly	PI	Permanent Intermittent
PLA	Leave (Contributing)	PT	Part Time Permanent
TER	Terminated		

Reason Codes

Code	Display Name	Code	Display Name
ADL	Administrative Leave	DIS	Disability Retirement
EDU	Education	ENR	Enrollment
EXE	To Exempt	FLL	From Layoff List
FML	Family Med Leave	LAY	Laid Off
MED	Medical	MIL	Military Service
OTH	Other	PDI	Pregnancy Disability
POS	Position Change	PRJ	To Project
REA	Reallocation	REG	Regular Service Retirement
RFL	Return from Leave	SFT	Safety Service Retirement
SUS	Suspended	TRM	Terminated
XFR	Transfer between employers		

APPENDIX 4: ADJUSTMENT FILE

Adjustment File Layout

Record Type	H	
Report Date/Time	20160113123456	
Employer ID	AAL	
Reporting Period	20160501	
Adjustment File Indicator	N	
Earned Date From	20160501	
Earned Date To	20160531	
Detail Record Count	3	
Record Type	D	
SSNID	1234	
Birth Date	19430102	
Last Name Key	DOE	
Adjustment Period Date From	20160501	
Adjustment Period Date To	20160531	
Earning Code	REG	
Earnings	115.09	
Hours	173	
EE Pre-Tax Money	Y	
EE Basic Contrib	7.2	
EE COLA	4.14	
EE Subvention of ER Contrib	0	
ER Basic	35.99	
Pre-Paid ER Basic Discount	0	
ER COLA	15.38	
Pre Paid ER COLA Discount	0	
ER Subvention of EE Basic Contribtuion (non-Ref Sub)	0	
ER Subvention of EE Basic Contribution Pre-Payment Dsicount	0	
ER Subvention of EE Subvention of EE Basic Contribution (non-Ref Sub)	0	0
ER Subvention of EE Contribution Pre-Payment Payment Discount	0	0
POS Type		
Pre-Post Tax		
POS PAYMENT		
Vacation Hours Balance	0	0
Vacation Monthly Accrual Rate	0	0
Personal Holiday Hours Balance	0	0

Section 7: Current Transmittal File Layout Specifications *(Continued)*

Adjustment File Layout *(Continued)*

Personal Monthly Accrual Rate	0	0
Holiday Comp Balance	0	0
Holiday Monthly Accrual Rate	0	0
Sabbatical Hours Balance	0	0
Sabbatical Monthly Accrual Rate	0	0
Sick Leave Hours Balance	0	0
Sick Leave Monthly Accrual Rate	0	0
Admin Leave Hours Balance	0	0
Admin Monthly Accrual Rate	0	0
Terminal Check Indicator	N	N
Remarks	Step increase effective 4/1/16	Retro Pay for 4/1/16 to 4/30/16

Sample Memo (Continued)

COMPLETE FOR RETIREES & TERMINATIONS
SALARY VERIFICATION

Base Salary	Effective Date
\$	
\$	
\$	
\$	
\$	
\$	
\$	

Base Salary and Effective Dates **MUST** cover most recent 12 months (Tier 1,3 or Safety); 36 months (Tier 2)

Differentials/Additional Pay Items (list individual differential including Holiday Pay)	Differential Amount	Period in Effect
	\$	
	\$	
	\$	
	\$	
	\$	

Annual "Cash Out"	Amount	Date Paid
Vacation	\$	
Sick Leave	\$	

"Terminal" Pay Off (Limited to 1 year accrual for Tier 1 & Safety; 3 year accrual for Tier 2)	Amount	Date Paid
Vacation	\$	
Sick Leave	\$	
Holiday Compensation	\$	
Personal Holiday Hours Payoff	\$	

~~Accounting District/Description - Retirement~~

Section 8: CCCERA Communications

WEBSITE

CCCERA's website, *cccera.org*, provides comprehensive resources for members, employers and the public. It features easy access to forms, handbooks, policies and calculators to estimate contribution rates and retirement benefits.

PUBLICATIONS

Publication	Purpose
Member Handbooks	The benefit handbooks are intended to help guide members with their individual retirement plan.
CCCERA News	CCCERA's newsletter, including updates for active, deferred and retired members.
Comprehensive Annual Financial Report (CAFR)	The CAFR contains information about CCCERA's investments, actuarial funding, and statistical information on membership. Information contained in the report is intended to provide a complete and accurate review of the year's operations.
Popular Annual Financial Report (PAFR)	In addition to the CAFR, CCCERA publishes a PAFR. This report extracts information from the CAFR and is designed to be easily understood by the general public.
Benefit Statement	Active members receive an annual benefit statement, which contains a summary of their account. This information includes a review of the members designated beneficiary, address, date of birth and membership date. There is also a tally of the member's contributions and interest, any service purchases completed, and estimates of projected retirement benefit at appropriate ages.

FREQUENTLY USED FORMS

Retirement and beneficiary information is very important. Members must fully complete each applicable form to assure the accuracy of their records. Member signatures are required on all forms to be valid.

Form	Why and When to Use
<i>Enrollment Affidavit (Form 101)</i>	<p>Employees use this form when they are new to the system.</p> <p>Special Directions:</p> <ul style="list-style-type: none"> • Section 2 must be completed if a member has worked for a reciprocal agency and would like to request reciprocity. • Section 4 must be completed by employers for validation/witness of member information.
<i>Beneficiary Designation Form (Form 102)</i>	<p>This form is used to designate or change a beneficiary.</p> <p>Note: If a member is married or has a State of California registered domestic partner, by law, their beneficiary is their spouse/domestic partner, unless they have signed and notarized Section 5 of <i>Form 102</i>. (California state law mandates that opposite sex domestic partners must be 62 years of age or older. See Section 3B of the Family Code (297)).</p> <p>Special Directions:</p> <ul style="list-style-type: none"> • Section 5 must be completed and notarized if a member is married and their spouse is not listed as 100%. • A primary beneficiary is the first person(s) who will receive any benefit in the event of a member's death.
<i>Reciprocity Election Form (Form 103)</i>	<p>This form enables the member to maximize any potential benefit from previous membership in a reciprocal system.</p>
<i>Reciprocity Affidavit Form (Form 109)</i>	<p>This form is for new CCCERA members who may be eligible for reciprocity. Members should use this form only if they have indicated on their <i>Enrollment Affidavit (Form 101)</i> that they may be eligible for reciprocity. This form will help CCCERA determine their initial retirement plan placement, which will affect the amount of retirement contributions deducted from their paycheck.</p>
<i>Death During Active Membership (Form 104)</i>	<p>This form allows eligible, active members to elect an Option 2 benefit prior to death. This election maximizes the post-death survivor benefit should the member die while in active service.</p>
<i>Request for Estimate (Form 108)</i>	<p>This form is used to request an estimate of retirement benefits, and is only accepted if the member is within five years of retirement.</p>
<i>Member Mailing Address Change Form (Form 301)</i>	<p>This form is used to change a retired or deferred member's address. Active employees must change their address with their payroll clerk.</p>
<i>Release of Information Form (Form 304)</i>	<p>This form authorizes the release and/or use of personal information (member records) to a designated person.</p>

REGULATIONS AND POLICIES

The following policies and regulations are available at cccera.org/governance-and-policies.

Governance

- 2018 Retirement Law Book
- CCCERA County Employees Retirement Law of 1937 Applicability Government Code Sections to CCCERA
- Board of Retirement Regulations
- Code of Fiduciary Conduct and Ethics
- Conflict of Interest Code
- Fiduciary Education Policy
- Actuarial Funding Policy
- Audit Committee Charter

Administrative Policies

- Disability Retirement Hearing Policy
- Hearing Policy on Non-Disability Matters
- Accessibility of Records Policy
- Procurement of Products and Services Policy

Benefits Policies

- Compensation Earnable Policy
- Pensionable Compensation Policy
- Policy on Assessment of Compensation Enhancements
- Policy Governing the Overpayment or Underpayment of Member Benefits
- Policy Governing the Overpayment or Underpayment of Member Contributions

Investment Policies/Resolutions

- Investment Policy
- Investment Asset Allocation Targets and Ranges
- Placement Agent Disclosure Policy

RETIREMENT COUNSELING

Members interested in retiring should contact CCCERA to request any of the following:

- A retirement benefit estimate (limit of two dates per request) and within five years of retirement.
- To attend at a pre-retirement workshop (for members within five years of retirement).
- An individual counseling appointment (for members within one year of retirement).

Pre-Retirement Workshop

Pre-retirement workshops are available to all members and provide a basic overview of the retirement process. The workshop is a great first step for members considering retirement, and particularly helpful for members planning to retire within five years. Sessions are held throughout the year and reservations are required. Upcoming dates are available at cccera.org.

Individual Counseling

Individual counseling is recommended for members who are within one year of retirement to review retirement estimates, applications and specific circumstances.

CONTACT INFORMATION

Physical and Mailing Address	Contra Costa County Employees' Retirement Association 1200 Concord Avenue, Suite 300 Concord, CA 94520
Office Hours	8:00 a.m. – 5:00 p.m.; Closed from noon to 12:30 p.m. Monday – Friday
Phone	(925) 521-3960
Fax	(925) 521-3969