



**Stanislaus County Employees'
Retirement Association**

Service Retirement Packet



StanCERA Service Retirement Application

APPLYING FOR A SERVICE RETIREMENT – INFORMATION PACKET

Could you be better prepared for retirement? Is your retirement date just around the corner?

StanCERA recommends that you give as much notice as possible of your intended retirement date. Preferably the entire sixty (60) days prior to retirement allowed by law in the event there are discrepancies in your account.

As a new retiree, there are a few things that you will need to provide to StanCERA.

Information concerning the forms and retirement benefit information is discussed within this packet. The forms not contained in this packet will be completed during your final meeting with retirement staff.

When contemplating retirement, there are important factors to consider.

- Your date of retirement cannot be effective until the day after your last day on paid status with your employer. **You cannot be paid by your employer for that day.**
- Your retirement effective date cannot be earlier than the date StanCERA receives your application.
- Your completed application form filed with StanCERA is considered a letter of resignation for retirement purposes. You must notify your employer of your intent to retire and the effective date of your retirement.
- An incremental age adjustment makes a difference. For each ¼ year increase in age up to age 50 for Safety and age 62 for

the General plan, your retirement allowance increases.

- The annual cost of living adjustment (COLA) as a retiree is effective on the first of April (April 1st) of each year. As long as you retire prior to April 1st, you will receive the appropriate cost of living increase/decrease provided that year to retirees. **You must retire on or before March 31st to be eligible for the COLA for any given year.** There is no cost of living adjustment for Tier 3 retirees.

DOCUMENTS YOU MUST PROVIDE

The following documents are required to complete the service retirement application process. To avoid delay, you may provide copies of these documents to StanCERA at any time.

- Marriage or Domestic Partner Registration certificate, if applicable
- Beneficiary(ies) Birth certificate(s)
- Beneficiary(ies) Social Security Number(s)
- Pictures of retiree and beneficiary(ies)
- Estimate from Social Security, if applicable

Also, if divorced during StanCERA membership:

- A court endorsed Dissolution of Marriage/Partnership Judgment and Marital Settlement agreement in its entirety.

A service retirement application may be withdrawn, or the date of retirement changed, upon submitting a written request to StanCERA prior to the effective date of retirement. A withdrawal of retirement application or change in retirement date will not serve to automatically reinstate your status as an employee. This is a separate issue between you and your employer and the outcome will have no effect on your eligibility to receive retirement benefits.

Members who withdraw their retirement application will be required to repeat the process and complete another packet.

FORMS SUBMITTAL

To expedite retirement processing, please submit the following forms no earlier than sixty (60) days prior to the effective date of your retirement. A minimum of 30 days is recommended to meet published retirement benefit pay dates.

- The original completed retirement application
- Copies of documents that must be provided
- Designation of Beneficiary other than Spouse/domestic partner, if applicable
- W-4P – Federal and California State tax withholding form
- \$5,000.00 Death Benefit form, if applicable
- Authorization Agreement for Automatic Deposit

Upon receipt of the completed retirement application and the above completed forms, a StanCERA staff member will contact you to schedule a date and time to choose your retirement payment option.

Beneficiaries

For most members, the beneficiary is their qualified spouse or registered domestic partner. A qualified spouse or domestic partner is a person you have been *married or registered to for at least one year prior to retiring*. By definition, a qualified spouse's or domestic partner's interest in a continuing retirement benefit cannot be terminated by the member or waived by the spouse or registered domestic partner. If a member marries or remarries after retirement, that new spouse or new registered domestic partner is not eligible for a continuing retirement benefit.

Designation of Beneficiary other than Spouse/Domestic Partner

If you designate your spouse/partner and choose the Unmodified Option, you will need to complete this form. In the unlikely event that both you and your spouse/partner pass away before all of your contributions have been returned to you, in the form

of monthly benefit payments, the beneficiary/beneficiaries will receive a lump sum return of the contributions remaining in your account. This form requires the signature of yourself and a witness.

Federal and California State Withholding (Form W - 4P)

Complete this form by checking one box each for Federal and California State tax withholding. A new Tax Withholding form may be completed as often as you wish throughout your retirement.

\$5,000.00 Death Benefit

If a retiree dies, a death benefit is paid to the designated beneficiary upon presentation of a valid death certificate to StanCERA. This is not a life insurance benefit and is taxable income to the designated beneficiary. You are permitted to change this beneficiary throughout your retirement. This form requires the signature of yourself and a witness.

Exceptions to the \$5,000.00 burial allowance:

- In cases of reciprocity, if the retiree was last with another system, the benefit will be paid by the last system.
- One death benefit is paid and applies to the original retiree only.

Authorization Agreement for Automatic Deposit

The completion of this form authorizes StanCERA to direct deposit your monthly benefits to the bank of your choice. Your net benefit amount will be wired to your bank on the first business day of the month (does not include weekends or holidays), and a remittance advice will be mailed to you each month. You will need to attach a voided check to the form, so that transit routing numbers and account numbers can be verified. Deposit slips cannot be accepted as they use internal routing numbers that are not on the actual checks.

For retirees initiating automatic deposit or any ACH form changes, the retiree will receive an actual check the first month and the automatic deposit will begin the following month.

RETIREE PAYROLL

StanCERA attempts to pay new retirees within forty five (45) days of their retirement date. As a guide, see attached StanCERA Retirement Pay Schedule.

Your monthly retirement allowance is paid on the first business day of each month (does not include weekends or holidays) for the prior month. The monthly retirement allowance check or advice notice is mailed to the place of your choice – home, post office box, etc.

Depending on the mail service, the check or advice notice may arrive anywhere from two to seven days after it is mailed. If you are away on vacation, the mail carrier may not deliver your check or advice. If your check is lost in the mail, StanCERA cannot request a replacement check for seven (7) business days (does not include weekends or holidays).

StanCERA strongly recommends that you sign up for automatic deposit with the financial institution of your choice. If you wish to have your monthly retirement benefit deposited directly to your financial institution, you must complete the Authorization for Automatic Deposit form included in this packet.

It is your responsibility to keep your address current with StanCERA. Failure to maintain a current address or mail returned to StanCERA may result in a suspension of your monthly retirement benefit.

Any change forms need to be submitted to StanCERA by the 10th of each month to guarantee they will be effective with the following benefit payment.

The U.S. Postal Service does not forward StanCERA correspondence.

Important Information Regarding Retiree Health Insurance

Stemler, McTighe & Lewis Insurance (SML) provides coverage for eligible StanCERA retirees. StanCERA does not administer insurance benefits. Each month StanCERA receives an electronic file that is uploaded into the StanCERA payroll system. This file is generated by SML, your insurance administrator.

Please reference the Retiree Resource List for SML Insurance Services' contact information. If you choose to enroll with SML Insurance Services, it is your responsibility to make direct payment arrangements until electronic payment deduction is established between SML and StanCERA.

Additional Information

The following is a list of additional materials included in this packet which you may find helpful.

- Taxation of Retirement Benefits
- Cost of Living Adjustment
- Employment after Retirement
- Extra Help Retired County Employees

AND

- Retiree Resource List – Contact information for local and federal organizations

The information contained in this packet is general and has been made as simple as possible. If there is a conflict between the County Employees' Retirement Law of 1937 and this packet, decisions will be based on the law and not the information contained in this packet.

**Stanislaus County Employees'
Retirement Association
832 12th Street, Suite 600
Modesto, CA 95354
Website: www.stancera.org
Email: retirement@stancera.org
Phone (209) 525-6393
Fax (209) 558-4976**

StanCERA Retirement Pay Schedule

(Using County Payroll Pay Period Start and End Dates as Guideline)

Last Date Employed From To (Effective Retirement date is the day after last day employed)		Final Pay Date as an Active Employee	Earliest Possible StanCERA Retirement Pay Date
12-17-2011	12-30-2011	01-11-2012	03-01-2012
12-31-2011	01-13-2012	01-25-2012	03-01-2012
01-14-2012	01-27-2012	02-08-2012	03-01-2012
01-28-2012	02-10-2012	02-22-2012	04-02-2012
02-11-2012	02-24-2012	03-07-2012	04-02-2012
02-25-2012	03-09-2012	03-21-2012	05-01-2012
03-10-2012	03-23-2012	04-04-2012	05-01-2012
03-24-2012	04-06-2012	04-18-2012	06-01-2012
04-07-2012	04-20-2012	05-02-2012	06-01-2012
04-21-2012	05-04-2012	05-16-2012	07-02-2012
05-05-2012	05-18-2012	05-30-2012	07-02-2012
05-19-2012	06-01-2012	06-13-2012	08-01-2012
06-02-2012	06-15-2012	06-27-2012	08-01-2012
06-16-2012	06-29-2012	07-11-2012	09-04-2012
06-30-2012	07-13-2012	07-25-2012	09-04-2012
07-14-2012	07-27-2012	08-08-2012	09-04-2012
07-28-2012	08-10-2012	08-22-2012	10-01-2012
08-11-2012	08-24-2012	09-05-2012	10-01-2012
08-25-2012	09-07-2012	09-19-2012	11-01-2012
09-08-2012	09-21-2012	10-03-2012	11-01-2012
09-22-2012	10-05-2012	10-17-2012	12-03-2012
10-06-2012	10-19-2012	10-31-2012	12-03-2012
10-20-2012	11-02-2012	11-14-2012	01-02-2013
11-03-2012	11-16-2012	11-28-2012	01-02-2013
11-17-2012	11-30-2012	12-12-2012	02-01-2013
12-01-2012	12-14-2012	12-26-2012	02-01-2013



APPLICATION FOR StanCERA SERVICE RETIREMENT

Please print in black or blue ink.

Member's Name:		Date:
Employee ID#:	SSN:	DOB:

In accordance with provisions of the County Employees' Retirement Act of 1937 and the Bylaws governing the Association, I hereby make application for retirement from active/deferred service as

Position:	Employer:	Dept:
I request that my retirement become effective on (month/day/year):		
My last date of employment will be on (month/day/year):		

I **DO** **DO NOT** want the Social Security Modification Option (Section 31810). If selecting this option, what is your estimated Social Security amount at age 62? \$ _____

By choosing this option, you are declaring under penalty of perjury that the copy of your Social Security Benefit Estimate (dated within one year) being provided with this application is true and correct to the best of your knowledge. The Social Security Benefit Estimate provided is irrevocable. MEMBER'S INITIALS: _____

My home address is:		
My mailing address is (if different):		
My home phone is:	Work:	Cell:
My home email address is:		

Are you legally married/registered? <input type="checkbox"/> Yes <input type="checkbox"/> No	Date of Marriage/Registration:
Do you have any <u>minor</u> (natural or adopted) children? <input type="checkbox"/> Yes <input type="checkbox"/> No	
I nominate as my beneficiary my <u>spouse/domestic partner</u> or <u>minor child</u> (circle one):	
Name(s):	
If I have no spouse/domestic partner or minor child, I nominate as my beneficiary:	
Name(s):	

I declare under penalty of perjury that the above statements are accurate to the best of my knowledge.

Signature of Applicant

Signature of Current Spouse/Domestic Partner

Signature of Witness

Print/Type Name of Applicant

Print/Type Name of Spouse/Domestic Partner

Print/Type Name of Witness

Continued on reverse side

BENEFICIARY INFORMATION

BENEFICIARY #1

Name:					
Address:					
City:		State		Zip	
Phone:	()				
Date of Birth:		Social Security Number			
Relationship:					



Complete the following items only if you are designating multiple beneficiaries with no continuance options.

BENEFICIARY #2 (if applicable)

Name:					
Address:					
City:		State		Zip	
Phone:	()				
Date of Birth:		Social Security Number			
Relationship:					

BENEFICIARY #3 (if applicable)

Name:					
Address:					
City:		State		Zip	
Phone:	()				
Date of Birth:		Social Security Number			
Relationship:					

REQUIRED DOCUMENTS TO BE SUBMITTED UPON APPLICATION OF RETIREMENT:

- Copy of birth certificate for each beneficiary;
- Copy of marriage/registration certificate (if named beneficiary is spouse/domestic partner);
- Pictures of your beneficiary(ies) and you (**current, within 5 years**);
- If choosing the Social Security Modification, you must provide a copy of your Social Security Benefit Estimate.

IMPORTANT – PLEASE READ AND INITIAL: Pursuant to StanCERA Bylaw Article 5.1 an application for service retirement shall be deemed complete when all the above required documents have been received. Applications will not be accepted more than 60 days prior to retirement date.

Member's Initials: _____



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
832 12th Street, Suite 600
P O Box 3150
Modesto, CA 95353-3150

Phone (209) 525-6393
Fax (209) 558-4976
www.stancera.org
retirement@stancera.org

DESIGNATION OF BENEFICIARY (Other than Spouse/Domestic Partner)

Complete this form only if you will be designating your spouse/partner as your retirement beneficiary to receive a 60% continuance with the Unmodified Option §31760.1.

Board of Retirement
Stanislaus County

Pursuant to Section §31760.1 of the Government Code of California, I hereby designate

Name	
Relationship	
Social Security Number	
Date of Birth	
Address	
City, State, Zip	
Phone Number	

(If more than one will be designated, please include required information for each beneficiary on the reverse side.)

as my beneficiary, should my spouse/partner predecease me.

Signature of Retiree

Signature of Witness

Print/Type Name

Print/Type Name



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e-mail: retirement@stancera.org

Substitute Form W-4P	Federal and California State Withholding Certificate For Pension or Annuity Payments	201&
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Social Security Number	
Name	
Address	
City, State & Zip	

FEDERAL

CALIFORNIA STATE

I elect **not** to have withholding

I elect **not** to have withholding

I want withholding according to the
Tax tables:

___ Married ___ Allowances
___ Single ___ Allowances

I want withholding according to the
Tax tables:

___ Married ___ Allowances
___ Single ___ Allowances

I want to withhold a flat dollar amount:

\$_____ Per month

I want to withhold a flat dollar amount:

\$_____ Per month

Signature

Date



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WRITTEN NOMINATION OF BENEFICIARY (FOR THE \$5,000 RETIREE DEATH BENEFIT†)

Retiree Name: _____
 (Please print or Type)

Retiree ID: _____
 (Social Security Number)

I hereby nominate the below-named beneficiary to receive the \$5,000 benefit payable at the time of my death and upon receipt of a copy of my death certificate.

I also acknowledge that any amounts owed to Stanislaus County Employees' Retirement Association upon my death, which are not recoverable, will be deducted from this death benefit.

- In cases of reciprocity, if the retiree was last with another system, the benefit will be paid by the last system.
- One death benefit is paid and applies to the original retiree only.

This revokes any and all previous beneficiaries for this benefit.

BENEFICIARY INFORMATION		
Name	Relationship	Phone
Mailing address	Social Security Number	
City, State, Zip	Date of Birth	Sex
RETIREE	WITNESS	
Signature	Signature	
Date	Print/Type Witness Name	

† (Pursuant to Government code Section §31789.5 as approved by the Board of Supervisors on September 29, 1998 and funded by the Board of Retirement on September 9, 1998 to be effective January 1, 1999).



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AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSITS (ACH Credits)

SECTION 1 – PAYEE INFORMATION													
NAME OF RETIREE		SOCIAL SECURITY NUMBER											
STREET ADDRESS			NEW ADDRESS? YES <input type="checkbox"/> NO <input type="checkbox"/>										
CITY	STATE	ZIP CODE											
E-MAIL ADDRESS	HOME TELEPHONE	OTHER TELEPHONE											
SECTION II – FINANCIAL INSTITUTION INFORMATION													
NAME OF FINANCIAL INSTITUTION		TELEPHONE NUMBER											
STREET ADDRESS													
CITY	STATE	ZIP CODE											
BANK ROUTING NUMBER <i>(9-digits)</i>	BANK ACCOUNT NUMBER	ACCOUNT TYPE <i>(Check one)</i>											
<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>												Checking <input type="checkbox"/>	Savings <input type="checkbox"/>
<p>CHECKING ACCOUNTS: Attach VOIDED CHECK here (deposit slips not accepted).</p> <p>SAVINGS ACCOUNT: Attach bank documentation with routing & account number.</p> <p style="text-align: center;">IMPORTANT:</p> <p style="text-align: center;">All payroll changes must be submitted prior to the 10th of every month in order to become effective the following month. For retirees initiating automatic deposit or any ACH form changes, the retiree will receive an actual check the first month and the automatic deposit will begin the following month.</p>													
SECTION III - AUTHORIZATION													
I hereby authorize the Stanislaus County Employees' Retirement Association to initiate if necessary; debit entries and adjustments for any credit entries in error to my account indicated below, and the depository named above to credit and/or debit the same to such account. I understand that it is my responsibility to keep my U.S. postal address current on file with StanCERA. The U. S. Postal Service does not forward StanCERA correspondence. Failure to maintain a current U. S. postal address or, mail returned to StanCERA, may result in a suspension of my direct deposit.													
SIGNATURE OF RETIREE		DATE											
NAME OF RETIREE <i>(Please print or type)</i>													

RESCO
RETIRED EMPLOYEES OF STANISLAUS
COUNTY ORGANIZATIONS, Inc.

RESCO serves Retired Employees of Stanislaus County Organizations. It is an independent organization of retirees, and devoted entirely to the needs of the retirees. RESCO is the ONLY OFFICIAL ORGANIZATION that represents all retired employees of Stanislaus County and its Special Districts. Anyone who is presently receiving or anticipating a monthly retirement allowance from the Stanislaus County Employees' Retirement Association (StanCERA) is eligible to become a RESCO member.

It is your responsibility to contact RESCO directly if you'd like to become a member. RESCO contract information is:

RESCO
P.O. Box 1646, Modesto, CA 95353
1419 "J" Street
(209) 521-1666
Website: www.RescoToday.org
E-mail: Contact@RescoToday.org

My signature below is an acknowledgement that I have been informed by StanCERA that due to contract changes and confidentiality laws, StanCERA will not automatically transmit my contact information to RESCO, unless I authorize StanCERA to release my printed information below by marking "yes" and signing below. Otherwise, it will be my responsibility to contact RESCO directly if I am interested in their services.

I hereby authorize StanCERA to provide my initial contact information to RESCO upon retirement.

Yes _____ No _____

Retiree Name _____
Address _____
City, State, Zip _____
Telephone No. _____

[I also understand that it is my responsibility to maintain current address information with RESCO.](#)

Signature of Retiree _____ **Date** _____

*****IMPORTANT MEDICAL INFORMATION*****

**STEMLER, McTIGHE & LEWIS INSURANCE
Health – Dental – Vision**

Stemler, McTighe & Lewis Insurance (SML), administers the Health Care coverage for eligible StanCERA retirees.

In order to automatically receive information on Medical, Dental, Vision and any open enrollment meetings, you will need to provide StanCERA authorization to release your contact information directly to SML.

StanCERA, does not administer any part of the insurance benefits. They will only provide SML with your contact information and SML will service all your Health Care needs. Should you decide not to give StanCERA authorization to release your contact information, it will be your responsibility to contact SML directly to obtain any Medical, Dental, Vision and open enrollment meeting information.

SML contact information is:

Stemler, McTighe, Lewis
445 W. Weber Ave., #200
Stockton, CA 95203
Direct Line: 209-846-2934
Fax Line: 209-451-5546
Stancera@smlins.com

My signature below is an acknowledgement that I have been informed by StanCERA that due to contract changes and confidentiality laws, StanCERA will not automatically transmit my contact information to SML, unless I authorize StanCERA to release my printed information below by marking “yes” and signing below.

I hereby authorize StanCERA to provide my initial contact information to SML upon retirement.

Yes _____ No _____

Retiree Name _____
Address _____
City, State, Zip _____
Telephone No. _____

I also understand that it is my responsibility to maintain current address information with SML Insurance.

Signature of Retiree _____ Date _____

Taxation of Your Retirement Benefit

This is a general summary of how StanCERA withholds from retirement payments and reports such payments and withholding to the Internal Revenue Service (“IRS”) and California Franchise Tax Board (“FTB”). The general provisions in this summary may not apply to your benefits. You should consult with an independent tax professional to ensure that you are properly filing your tax returns and paying the correct amount of federal and state taxes.

Retiree Payroll Federal and State Income Tax Withholding Information

All Stanislaus County Employees' Retirement Association (StanCERA) retirees who receive a pension and do not take a refund are required to select one of three tax withholding options:

- to have no federal and/or state income taxes withheld;
- to have a specific dollar amount withheld for federal and/or state income taxes;
- to have federal and/or state income taxes withheld according to tax tables based on marital status and number of exemptions.

For those who elect to have their withholding based on tax tables, taxes will not be withheld unless your gross monthly retirement allowance exceeds the minimum amount listed on the tax table for your filing status. If you do not choose a filing status and exemption, StanCERA will indicate exempt state and federal taxes until further notice from the retiree.

You may be subject to penalties assessed by the IRS and FTB if you do not have a sufficient amount of tax withheld and fail to pay the correct amount of estimated taxes during the year that you receive income.

California State Tax Information for Non-Residents

If you live outside the State of California, no California state taxes will be withheld unless you elect withholding. StanCERA is still required to report the benefits paid to the California Franchise Tax Board.

1099-R Tax Statement

Each January, StanCERA will provide you with a 1099-R form that contains information on the benefits paid to you by StanCERA in the prior calendar year. Box 1 of the 1099-R, labeled "Gross Distribution," contains the total amount of the retirement benefits paid in the prior year (including any Revocable Health Benefits Allowance). There are special rules for service connected disability benefits, described in the section below. Box 2a, labeled "Taxable Amount" contains the amount of the benefit that is taxable.

Service-Connected Disability Retirement

The Internal Revenue Code provides special tax treatment if you retire due to a service-connected disability. Service-connected disability benefits from StanCERA that are not calculated based upon your age, service or contributions generally may be excluded from taxation. If your service connected disability pension is no more than 1/2 of your final average salary (“FAS”) as determined by StanCERA, the entire amount is generally tax free because it is in the nature of workers compensation. If your service connected disability pension is more than 1/2 of your FAS, then generally the part that equals 1/2 of FAS is tax free and the remainder is taxable. In addition, if all or part of your pension is tax free because it is service connected, then generally any related COLA is tax free. The COLA will be prorated so that, for example, if 3/4s of your pension is tax free, then 3/4s of the COLA will be tax free.

If you receive any taxable amount from StanCERA, the entire benefit paid to you will be reported in Box 1 of the 1099-R as Gross Distribution. The taxable amount reported in Box 2a will be reduced by any tax free service connected disability and by a portion of your after-tax contributions calculated using the rules for regular retirement payments as set out below.

Please note that if you retire with a service-connected disability and elect to have taxes withheld from your monthly benefit using the tax tables, the amount withheld from your monthly check will be based on the total monthly allowance that you receive. This may result in excess withholding.

Calculation of the Taxable Amount of Your Benefit

Generally, the full amount of your pension is taxable except as described above for service connected disability benefits. However, if you contributed to StanCERA from after-tax funds, then you can recover these amounts tax free. The amount of your after-tax contributions that you can recover tax free each year is reported on Box 5 of your Form 1099-R. The rules on recovery are different depending on when you retired.

If you retired before July 2, 1986...

...the "Three Year Rule" was the method used to determine the taxability of your retirement benefit (so long as your total after-tax contributions did not exceed your total pension payments for the first 36 months of distribution). This rule allowed you to take up to 36 months of your initial retirement income tax free in order to recover your previously taxed contributions to the plan. Your retirement benefit is most likely fully taxable now.

If you retired between July 2, 1986 through November 18, 1996...

... StanCERA uses the IRS safe harbor method under which you recover your already taxed contributions over a fixed number of years that were calculated based upon your age at retirement. (See 1099-R Retiree Worksheet 1 for the calculation format.) You should have a letter that was sent in the year of your retirement with the already taxed contributions amount typed on it. Contact StanCERA staff if you need this information.

If you retired on or after November 19, 1996...

...StanCERA uses the IRS-required method under which you recover your already taxed contributions over a fixed number of years that are calculated based upon either your age at retirement or the combined ages of you and your youngest beneficiary.

In order to calculate an estimate of the taxable portion of your retirement benefit under this method you need to know the amount of after-tax contributions you made to StanCERA during your employment. This amount is listed on the Retirement Allowance Program summary provided to you at the time of your retirement, or can be provided to you by contacting StanCERA staff.

If your retirement allowance will NOT continue to anyone upon your death, you can use the 1099-R Retiree Worksheet 3 to calculate your StanCERA retirement taxable income.

If your retirement allowance will continue on to your beneficiary upon your death (even at a reduced rate), the 1099-R Retiree Worksheet that you use to calculate your StanCERA retirement taxable income will depend upon your retirement date. If you retired on or after November 19, 1996, and before January 1, 1998, you can use the 1099-R Retiree Worksheet 3 to calculate your StanCERA retirement taxable income. If you retire on or after January 1, 1998, you can use the 1099-R Retiree Worksheet 2 to calculate your StanCERA retirement taxable income.

ADDITIONAL INFORMATION

StanCERA's staff cannot provide tax advice to answer your personal tax questions. If you have questions regarding federal income taxes please contact the Internal Revenue Service (800) 829-1040, or state income taxes contact the State Franchise Tax Board (800) 852-5711, or consult with your personal tax advisor. You may also wish to obtain a copy of Internal Revenue Service Publication 575, "Pension and Annuity Income", or visit the web site at www.irs.ustreas.gov for more detailed information on the federal taxation of your retirement benefit. For more information on California taxation of your retirement benefit, you may wish to obtain a copy of State of California Franchise Tax Board Publication 1005 "Pension and Annuity Guidelines."

Retiree – COLA

Cost of Living Adjustment



Annual cost-of living adjustments (COLAs) are provided by law to protect retiree's monthly allowances against inflation. California Government Code mandates that each year, prior to April 1, the Board of Retirement (BOR) will determine whether there has been an increase or decrease in the cost of living, as reflected in the Bureau of Labor Statistics Consumer Price Index (CPI). **When the BOR is notified of a cost of living increase it grants a COLA that increases monthly allowances.**

The law also sets the annual maximum COLA at 3%. **If the COLA percentage exceeds the maximum allowable** the excess percentage is accumulated to supplement future COLA benefits. This is known as the **COLA Accumulation**. The longer you are retired or receiving benefits the more COLA Accumulation you can carry over.

The COLA Accumulation comes into play when inflation or deflation is more (or less) than the maximum allowable 3% Cost-of-Living Adjustment.

If the CPI is greater than the allowable 3% increase, your COLA Accumulation will grow. This would allow you to receive a COLA even in years with a zero or a negative CPI.

If the Cost of Living Remains Unchanged

If there is no change in the CPI from the prior year, no COLA adjustment will be granted. *This happened in 2009.* The Bureau of Labor Statistics announced the 2008 CPI percentage change over the prior year (December 2007 – December 2008) was 0.02%. When rounded in accordance with the law, the percentage becomes zero. Based on that, the StanCERA BOR announced a zero COLA would apply in 2009.

Let's Explore How This Affected StanCERA Retirees and Survivors

Retirees/Survivors with COLA Accumulations equal to or greater than the maximum 3% received the full 3% increase. To fund these increases, StanCERA decreased these members' COLA Accumulation by 3%.

Other Retirees/Survivors received an increase limited to the amount of their COLA Accumulation. Example 1 illustrates a member who retired in the summer of 1992; by 2009 this member had a COLA Accumulation of 1.5%.

Example 1		
COLA Accumulation (carry over)	=	1.5%
CPI Change	=	0%
Withdrawal from COLA Accumulation to fund increase	=	1.5%
New Balance of member's COLA Accumulation	=	0%
Amount of 2009 increase to member's monthly allowance	=	1.5%

If the CPI remains unchanged next year, our example retiree will not receive an increase, because their COLA Accumulation has been totally depleted.

As of 2009, a member whose retirement date is prior to 1977 has an Accumulation of 50% or more, and would receive COLA increases even when other, more recent retirees, would not receive a COLA increase.

If the CPI increases next year, our example retiree will receive an increase. If the CPI increase is in excess of the maximum allowable 3%, the excess will increase their COLA Accumulation.

Since 1956 we have only seen increasing CPIs. This has resulted in continuing COLA increases. However decreases are possible. In 1949 and 1954 the CPI decreased.*

Note: The law dictates a cost-of-living decrease may not reduce a Retiree's or survivor's allowance to an amount less than the original allowance (Pension, Annuity, or Survivor Death Benefit). Only COLA payments can be subject to a decrease. Your pay stub lists your COLA or Disability COLA pay for easy identification.

To summarize: A decrease to a retiree's pay can only occur if the amount in the retiree's COLA Accumulation is less than the COLA decrease. If the retiree has anything in his or her COLA Accumulation StanCERA will use the available amount to partially "fund" the decrease. The remaining portion of the decrease will reduce the retiree's monthly COLA pay.

* Data from Bureau of Labor Statistics
CPI data, <http://data.bls.gov>

An Example of a COLA decrease

To date this has not occurred, but let's consider a **hypothetical** example using a COLA decrease of 2%.

Example 2 - HYPOTHETICAL Retiree with COLA Accumulation less than amount of CPI Decrease		
COLA Accumulation (carry over)	=	1.5%
CPI Change	=	- 2.0%
Withdrawal from COLA Accumulation to fund increase	=	1.5%
New Balance of member's COLA Accumulation	=	0%
Amount of 2009 decrease to member's monthly allowance	=	- 0.5%

In Example 2, the retiree's COLA pay would be reduced 0.5% rather than the full 2.0% because there is 1.5% in the COLA Accumulation. After this update, this member's COLA accumulation will be reduced to 0%.

Note:
Tier 3 Retirees do not qualify for COLA pay and will not be affected by either increases or decreases in the CPI.

Disclaimer: While reading this material, remember that we are governed by the County Employees Retirement Law of 1937. The statements in this brochure are general. The 1937 Act is complex and subject to change. If there is a conflict between the law and this brochure, any decisions will be based on the law and not this brochure.

**Stanislaus County Employees'
Retirement Association
832 12th Street, Suite 600
Modesto, CA 95354
209-525-6393
www.stancera.org**

EMPLOYMENT AFTER RETIREMENT



Stanislaus County Employees' Retirement Association

After you have retired, you may think about going back to work or taking a part-time job to earn some extra money or to occupy your time. There are some basic rules you need to know about working after retirement so you will not jeopardize your StanCERA retirement benefits – so be sure to review this information carefully.

A retiree may work for a StanCERA employer (an employer who contracts with StanCERA for retirement benefit administration) without reinstatement as a temporary employee as long as:

Your employment will not exceed

- **960 hours,**
in a calendar year,

You do not accrue service credit or otherwise acquire retirement rights for employment as a retiree.

Once hired, it is the responsibility of both you and the employer to ensure your employment remains in compliance during your term of employment and does not jeopardize your retirement benefits.

StanCERA law permits retiree employment in certain positions without reinstatement and without the 960-hour limit per year. A partial list of these positions is as follows:


Any person who has retired may serve as a juror, election officer, field deputy for registration of voters, member of the board of the association or temporarily as a judge when assigned by the Chairman of the Judicial Council and receive fees payable for such service.


Any member may serve who is subsequently elected to county office after retirement.

If you are considering employment with a StanCERA employer who recruits employees and retirees through a third party employment agency, please contact StanCERA for clarification of any restrictions.

Employment with an employer who does not use StanCERA for retirement benefit administration whether private or public will not affect your StanCERA retirement benefits.

Note: If you retire from StanCERA and wish to request employment into another 1937 Act, CalPERS or any other government agency, you may do so, however, reciprocity rules will not apply.

 You are encouraged to call StanCERA's retirement office should you have any questions about employment after retirement.

 While reading this material, remember that we are governed by the County Employees Retirement Law of 1937. The statements in this brochure are general. The 1937 Act is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.

**Stanislaus County Employees'
Retirement Association
832 12th Street, Suite 600
P.O. Box 3150
Modesto, CA 95353-3150
209-525-6393**



CHIEF EXECUTIVE OFFICE

Richard W. Robinson
Chief Executive Officer

Patricia Hill Thomas
Chief Operations Officer/
Assistant Executive Officer

Monica Nino-Reid
Assistant Executive Officer

Stan Risen
Assistant Executive Officer

1010 10th Street, Suite 6800, Modesto, CA 95354
P.O. Box 3404, Modesto, CA 95353-3404

Phone: 209.525.6333 Fax: 209.525.4033

TO: Stanislaus County Retiring Employees

FROM: Jody Hayes
Deputy Executive Officer

SUBJECT: **ASSEMBLY BILL 775 - EXTRA HELP RETIRED COUNTY EMPLOYEES**

On January 1, 2008 Assembly Bill 775 went into effect as law in the State of California. This bill prohibits a County retiree from being re-employed with the County if, during the 12-month period prior to the appointment, the retiree received unemployment insurance payments arising out of prior County employment. This bill does not change unemployment insurance eligibility standards, but does prohibit us from employing any retiree who receives unemployment benefits for a period of 12-months from the last date of unemployment compensation.

As part of our effort to implement the provisions of this new law, we are notifying all County retirees in the event they decide to return to County service in an extra-help or personal services contract position.

This new law does not prohibit you from working for Stanislaus County or any other entity. This law does however prohibit the County from employing you in the future if you are granted any unemployment compensation benefits based on your employment with Stanislaus County. A copy of the new law is attached to this letter if you would like additional information on these new standards. You may also contact the Chief Executive Office at (209) 525-6333 should you have any questions regarding future employment with Stanislaus County.

CALIFORNIA STATE ASSEMBLY BILL 775 ATTACHED

If you have any questions regarding this memorandum, please contact Stanislaus County Chief Executive Office at (209) 525-6333.

Assembly Bill No. 775

CHAPTER 57

An act to amend Sections 31680.2, 31680.3, and 31680.6 of the Government Code, relating to county employees' retirement.

[Approved by Governor July 12, 2007. Filed with Secretary of State July 12, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

AB 775, Niello. County employees' retirement: employment of retirees: prohibition.

The County Employees Retirement Law of 1937 authorizes a county to employ, without reinstatement from retirement, a retired member in a position requiring special skills or knowledge. Under the law, a retired member may not work more than 90 working days or 720 hours, in a fiscal year or any other designated 12-month period, except as specified in Contra Costa County. The law authorizes a board of supervisors to extend that reemployment period to permit a retired member to work up to 120 working days or 960 hours, whichever is greater, in a fiscal year or any other signated 12-month period.

This bill would provide that the authorizations described above are inapplicable to a retired member who is employed by an employer under the system and who, within 12 months prior to that employment, received unemployment insurance compensation following the termination of an appointment with the same employer. The bill would require a retired person who accepts an appointment after receiving unemployment insurance compensation, as specified, to terminate that employment on the last day of the current pay period and would prohibit reappointment for a period of 12 months.

The people of the State of California do enact as follows:

SECTION 1. Section 31680.2 of the Government Code is amended to read:

31680.2. (a) Any person who has retired may be employed in a position requiring special skills or knowledge, as determined by the county or district employing him or her, for not to exceed 90 working days or 720 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend his or her retirement allowance, and no deductions shall be made from his or her salary as contributions to this system.

(b) (1) This section shall not apply to any retired person who is otherwise eligible for employment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.

(2) 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.

SEC. 2. Section 31680.3 of the Government Code is amended to read:

31680.3. (a) Notwithstanding Section 31680.2, any member who has been covered under the provisions of Section 31751 and has retired may be reemployed in a position requiring special skills or knowledge, as determined by the county or district employing the member, for not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend the person's retirement allowance, and no deductions shall be made from the person's salary as contributions to this system.

(b) (1) This section shall not apply to any retired member who is otherwise eligible for reemployment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.

(2) 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.

SEC. 3. Section 31680.6 of the Government Code is amended to read:

31680.6. (a) Notwithstanding Section 31680.2, any county subject to Section 31680.2 may, upon adoption of a resolution by a majority vote by the board of supervisors, extend the period of time provided for in Section

31680.2 for which a person who has retired may be employed in a position requiring special skills or knowledge, as determined by the county or district employing him or her, to not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend his or her retirement allowance, and no deductions shall be made from his or her salary as contributions to this system.

(b) (1) This section shall not apply to any retired person who is otherwise eligible for employment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.

(2) 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.

Retiree Resource List

Retiree Health Insurance Options



**Stemler
McTighe
Lewis**

445 W. Webber, #200
Stockton, CA 95203

d: 209.846.2934
f: 209.451.5546
stancera@smlins.com

STANCERA Benefits
Retiree Support

COBRA

Administered by Risk Management-
Employee Benefits for Retiring County
Employees

209-525-5710



Local Organizations



1419 J STREET
MODESTO, CA 95353
209-521-1666
www.rescotoday.org



United Way of Stanislaus
422 McHenry Ave
Modesto, CA 95355
P: 209.523.4562
F: 209.523.4568

www.uwaystan.org

National Organizations



Social Security Retirement Benefits
1521 N Carpenter Rd, Ste E
Modesto, CA 95351
209-523-2670
Toll Free 888-748-7698
www.ssa.gov



AARP
601 E Street, NW
Washington DC 20049

Toll-Free Nationwide: 888-OUR-AARP (888-687-2277)
Toll-Free TTY: 877-434-7589
Toll-Free Spanish: 877-MAS-DE50 (877-627-3350)
International Calls: +1-202-243-3525

www.aarp.org