



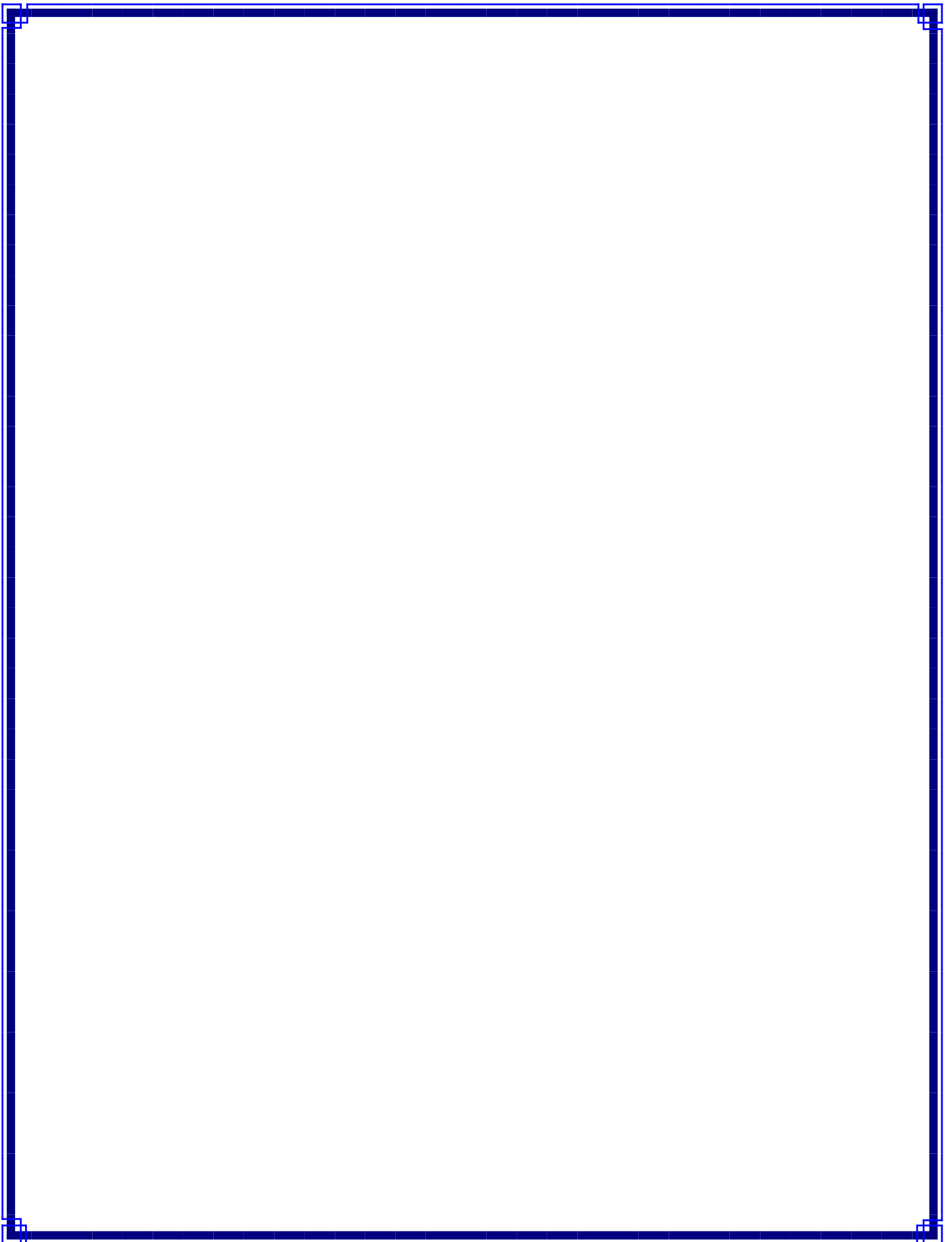
Member Handbook

2012



**Stanislaus County Employees'
Retirement Association**

**832 12th Street, Suite 600
Modesto, CA 95354**



The StanCERA Member Handbook was prepared by the staff of the Stanislaus County Employees' Retirement Association to assist StanCERA members in understanding their member benefits.

The *Member Handbook* is intended as a ready source of information about StanCERA and not as a legal document or a substitute for the law. If differences appear between the law and the handbook, the law must prevail.

StanCERA

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Introduction

The StanCERA Member Handbook provides an overview of the programs and services administered by the Stanislaus County Employees' Retirement Association. It has been prepared to answer frequently asked questions about your retirement system and to help you understand the benefits and responsibilities of membership in StanCERA.

The retirement benefits described in this booklet originate from California State law as approved by the Stanislaus County Board of Supervisors through resolution, memorandum of understanding with employee bargaining units or other action. These other documents govern your retirement benefits.

The retirement system is self-funded and unique. No other California county has exactly the same retirement system that we enjoy as members of the Stanislaus County Employees' Retirement Association.

All of the retirement plans administered by StanCERA are defined benefit plans. Defined benefit plans are based on criteria other than your contributions and accrued interest. Our retirement plans are all based on three factors:

1. Your final average monthly salary
2. Your length of service
3. Your age at retirement.

All three factors are multiplied together with the result that the higher your salary is, the longer you serve and the older you are the greater your monthly retirement benefit will be.

Management and Administration

The California State Legislature mandates that a board consisting of elected and appointed individuals direct the management of the retirement system.

The Retirement Board is comprised of nine members. The seat designations, manner of joining and terms are listed below:

<u>Seat No.</u>	<u>Manner of Joining Board</u>	<u>Term</u>
1	Stanislaus County Treasurer	Ex-Officio
2	Employee elected by General Members	3 years
3	Employee elected by General Members	3 years
4	Appointed by Board of Supervisors	3 years
5	Appointed by Board of Supervisors	3 years
6	Appointed by Board of Supervisors	3 years
7	Employee elected by Safety Members	3 years
	Alternate elected by Safety Members	3 years
8	Retiree elected by retirees	3 years
	Alternate elected by retirees	3 years
9	Appointed by Board of Supervisors	3 years

The Board of Retirement sets policy for operation of the Retirement Association, makes determinations for disability retirement benefits, recommends contribution rates based on actuarial studies, controls the investment of assets and authorizes the disbursement of Association funds.

The Board of Retirement meets on the second Wednesday and fourth Tuesday of each month at 2:00 p.m. at 832 12th Street, Suite 600 (Sixth Floor), Modesto. The meetings focusing on investment issues are held on the fourth Tuesday. The Board or its Chairperson can make special meetings or changes to the above schedule. The meetings are open to the public.

Day-to-day administration of membership counseling, information gathering, and accounting for the Retirement Association assets are managed by a Board appointed Executive Director and staff.

Annual reports, Member Statements and quarterly newsletters are published to keep you apprised of the financial and statistical information generated by the Retirement Association's activities.

The StanCERA website at www.stancera.org is an excellent place to learn answers to FAQs, get up-to-date notices, reports, agendas, as well as download forms and calculate estimates of your monthly retirement benefit or bi-weekly contribution.

RETIREMENT ASSOCIATION SYSTEM WIDE INFORMATION

The following information deals with the Retirement Association's history, composition, structure and benefits.

BRIEF HISTORY

Date	Event
July 1, 1948	Stanislaus County Board of Supervisors established the retirement system
May 1, 1958	General members' integration with Social Security retroactive to January 1, 1956
Year 1960	Safety members' integration with Social Security retroactive to January 1, 1956
January 1, 1970	Effective date of maximum 3% cost-of-living adjustment for retirees' allowances
January 1, 1971	Fixed Formula and "Safety Member" provisions adopted
September 1, 1971	Final average salary based on member's highest 12 months salary (instead of highest 36 months)
March 1973	Minimum retirement age lowered to 50 (from 55)
May 8, 1973	\$750 Death Benefit for Retirees was established
June 19, 1973	Members allowed to purchase other public service credit
July 1, 1974	The City of Ceres joins the retirement association
July 1, 1974	Board of Supervisors' adopts higher General member benefits of Government Code Section 31676.12 (Tier 1- FAS based on 12 months)
December 1, 1975	County begins paying one-half of members' contributions as an employer contribution
September 8, 1976	Survivor benefits extended to minor eligible children as well as surviving spouses
June 8, 1977	Employees with 30 years of service cease to make member contributions providing the member was a member on March 7, 1973 and remained in membership continuously until credited with 30 years' service. Due to the County's payment of ½ of member's contributions – 30 year members receive additional pay
July 1, 1980	Tier 2 retirement plan implemented (FAS based on 36 months, members pay full rate)
January 1, 1984	Raised Retiree Death Benefit from \$750 to \$1,000
April 1986	Elective Tier 3 retirement plan implemented, General members only, lower benefit, no member contribution, (FAS based on 36 months)
January 1, 1990	New hires are subject to IRS Code Section 415 limits; Probation Officers became Safety Members

July 1, 1990	Managers with reciprocity are allowed into Tier 1 if they had higher benefits in the preceding reciprocal system.
January 4, 1997	Group Supervisors are General members for 3 years before becoming Safety members (Repealed 05/13/98)
January 7, 1997	Management and Confidential members can convert sick leave accrued above employee's individual maximum to service credit on an hour for hour basis upon retirement. All represented members need to refer to individual MOU's for eligibility.
October 1, 1997	Effective date of increased final average compensation pursuant to Ventura County Deputy Sheriff's Association vs. Board of Retirement Ventura County Employees' Retirement Association decision.
January 31, 1998	Effective date of members eligible to re-establish Tier 1 service through redeposit in accordance with Garry Aquilino et al. vs. Marin County Employees' Retirement Association et al. decision
May 13, 1998	Group Supervisors, Senior Group Supervisors, Deputy Probation Officer, or Supervising Probation Officers shall become a safety member on the first day of entrance into service
July 8, 1998	50th Anniversary Celebration of the forming of the Stanislaus County Employees Retirement Association
January 1, 1999	Retiree Health Insurance Allowance of a 5% maximum per year of employer service (up to a maximum of 20 years) paid per month; Raised retiree death benefit from \$1,000 to \$5,000; Retiree ad hoc Special COLA paid(reviewed annually)
March 9, 2002	Tier 1 enhanced to Tier 4 for active County members Tier 2 enhanced to Tier 5 for active County members Tiers 1, 2, 3 & 4 closed to new hires Safety Member Retirement, commonly known as "3% at 50" implemented (Government Code Section 31664.1) General Member Retirement , commonly known as "2% at 55" implemented (Government Code Section 31676.14)
March 9, 2002	Ninety day opt in/opt out window for Tiers, 1, 2 & 3. Tier 3 members have the option to convert prior service to the enhanced benefit at the employee's expense.
March 26, 2002	Members allowed to purchase intermittent part time service.
August 10, 2002	StanCog enhances benefits.
September 1, 2002	Eastside Mosquito Abatement District and Salida Sanitary District enhance benefits.
December 17, 2002	All members with 30 years of service, regardless of date of hire, cease to make contributions.
April 1, 2003	Hills Ferry Cemetery District enhances benefits.
July 1, 2004	City of Ceres enhances benefits for Department Heads, Mid-management, Supervisor/Confidentials.
January 1, 2005	City of Ceres enhances benefits for all employees.

January 1, 2007	Second and Final 90 day opt in window for Tier 2 & 3 members to move into the enhanced Tier 5.
January 1, 2007	Retiree Revocable Health Benefit Subsidy revised (30 years vs. 20 years)
July 8, 2009	Revocable Health Benefit Subsidy suspended effective 01/01/2010 – to be reviewed annually
January 1, 2011	Tier 2 retirement plan implemented for most Stanislaus County new hire General and Safety members (FAS based on 36 months, members pay full rate)
January 1, 2012	Tier 2 retirement plan implemented for most Stanislaus Court new hire members (FAS based on 36 months, members pay full rate)



Membership

Membership in StanCERA

Membership in StanCERA is mandatory for all full-time employees of Stanislaus County, City of Ceres, Stanislaus County Superior Court, Salida Sanitary District, East Side Mosquito Abatement, Keyes Community Services, Hills Ferry Cemetery and StanCOG. Employees hired before October 1, 1988 became members on the first day of the calendar month following their date of hire. Employees hired on or after October 1, 1988 became members on the date of hire.

Membership may be waived if you are age 60 or older upon hire or if you are an elected official.

Integration with Social Security

Members of the Retirement Association (except Keyes Community Services employees) are covered under and contribute to both the County employees Retirement Act of 1937 ("the 1937 Act") and the Federal Social Security program. Our retirement system is integrated with Social Security, which means that our plan's benefits and contributions are reduced in acknowledgement that you are covered under both systems. (See [Page 14 for Tier Information](#))

Integration break-out: All Tier 1, 2, 4 and 5 members contribute 1/3 less on the first \$350 per month (\$161.54 biweekly) of pay and receive 1/3 less benefits on the first \$350 per month of final compensation used for the calculation of the monthly retirement benefit.

In addition, Government Code Section 31810 allows members to receive a higher monthly retirement benefit before age 62 and a reduced benefit after age 62 to coordinate benefits with Social Security. Questions regarding Social Security benefits, applications and eligibility should be directed to a Social Security office at 1-800-772-1213. StanCERA does not have the expertise to answer questions or the authority to resolve any problems, which arise regarding your Social Security benefits.

Domestic Partner Legislation Effective January 1, 2005

Wherever "spouse" is written into California laws, "domestic partner" will be added. Retirement options and death benefits previously available only to a spouse may be available to a State Registered Domestic Partner.

Domestic partners must be registered with the California Secretary of State at least one year prior to retirement. A certified copy of the registration form will be required as proof.

Once domestic partnership is established, it may only be terminated by filing a court action or under certain conditions, by filing a notice of termination with the California Secretary of State.

For more information please log on to www.sos.ca.gov/dpregistry.

Enrollment

When hired or transferred into a permanent full-time position with benefits, members will complete a separate enrollment questionnaire for retirement benefits. A proof of birth (eg; photocopy of your birth certificate) as well as the completion of the Internal Revenue Service Code Section 415 notification relating to Federal limitations on retirement benefits is required.

Beneficiary Designation While Employed

One of the important items in the enrollment process is the designation of beneficiaries. If a member dies while still employed, the beneficiary is entitled to receive a lump sum payment of the employee's retirement contributions, plus interest posted to that account and/or other benefits listed on [page 13](#).

If married or registered with the State of California as a Domestic Partner, the spouse/domestic partner would be the beneficiary. If the

member is not married/registered, but has eligible minor children, these children are the beneficiaries. If the member is not married/registered and has no minor children, he/she may designate any other person or persons by name as the beneficiary.

California Community Property law requires that a surviving spouse or minor children supersede any named beneficiary. California law also requires notification to the current spouse of the election you have made regarding your StanCERA account and the appropriate signatures are required when selecting or changing your beneficiaries.

Minor as Beneficiary: Often StanCERA members, without eligible surviving spouses, want minor children to receive their death benefit in the event of death while in service. Unfortunately, simply naming the minor children as the beneficiaries may lead to delays in the distribution of the benefit. StanCERA cannot provide the death benefit directly to minor children. Therefore, if a member dies and names minor children as the beneficiaries without naming a legal guardian, an adult will be required to petition a court to be appointed the legal guardian. The court may then require other conditions be met to protect the children's interest.

StanCERA therefore recommends that interested members create an estate plan, wherein the legal guardian is established. Depending on the type of the death benefit available and selected, the benefits may be provided until the children reach age 18 or if eligible, longer.

PLEASE NOTE: A BENEFICIARY CHANGE WITH YOUR EMPLOYER DOES NOT AUTOMATICALLY CHANGE YOUR BENEFICIARY WITH STANCERA

Reciprocity

Reciprocity is the condition of multiple California Public Retirement Plan benefit coordination. When you leave employment from one retirement system and begin employment with another system that has reciprocal agreements -within a 6 month period - and you do not withdraw your funds from the previous system, you can establish reciprocity. Reciprocity is intended to encourage

a career in public service by maintaining and/or enhancing some retirement benefits for members.

Reciprocal benefits can include lower contribution rates and the use of the higher salary from any system to calculate your monthly retirement benefit.

Members may also use the years in all systems towards vesting requirements (5 years for Tiers 1, 2, 4 & 5, 10 years for Tier 3). When calculating actual retirement benefits, each system will use its own unique formula with the years of service within its own system. A member cannot "double-up" years of service in one system for the purpose of receiving retirement benefits from that system.

The 1937 Act County Retirement Systems are:

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

StanCERA is also reciprocal with the California Public Employees' Retirement System (CalPERS), the County of San Luis Obispo, the City and County of San Francisco, the State Teachers' Retirement System and many more in California.

A special handbook has been developed to assist members with reciprocity questions which can be accessed at www.stancera.org - Member Services.

If a member elects reciprocity, member contributions to StanCERA remain on deposit and cannot be withdrawn unless the member terminates employment and withdraws the funds from ALL participating retirement systems.

Please Do Not Assume That Your Status Upon Termination Is Automatically Known Or Given. You Must Decide What You Want To Do With Your Retirement Benefits Upon Termination Of Employment And File The Appropriate Form With StanCERA.

Who Pays - Employer and Employee Contributions

The retirement plan is funded by employee and employer contributions and financial market returns on the prudent investment of those contributions.

Employee/member contributions are mandatory and withheld from your paycheck. The employee contribution rate is a percentage of the employee's earnings determined to be compensation for retirement benefits. Generally, this is your gross pay excluding any overtime pay or reimbursements.

The actual contribution rates, which are used for each member, are determined by actuaries and normally change annually with the first full pay period for time worked in July. The rates are differentiated by age upon entrance into the Retirement Association so that employees who started in the retirement system at a younger age pay lower percentages than employees who were hired at an older age.

Employees of Stanislaus County, Superior Court, StanCOG, Hills Ferry Cemetery District and Salida Sanitary District, with 30 years of service credit, no longer make contributions. The employer continues to make contributions until the member retires.

The employer contribution rates are also determined by an actuarial study. The rates are based on funding projected retirement benefits less the statutorily determined employees' contributions. Some employers in the Association may pay all or part of the member's contributions as a negotiated benefit.

Employer contributions are not refundable to either the employee or employer upon termination of the member. The only time a member accesses the employer contributions is when he/she retires and receives a pension that is funded by employer contributions.

Credited Interest

Employee contributions are accumulated in an account and interest, if approved, is added on June 30th and December 31st of each year to the

employees prior 6-month account balance. The Board of Retirement sets the interest rate.

Interest is credited to members' accounts primarily to provide a lump-sum benefit to those members who terminate all creditable service and withdraw their contributions, or to the beneficiaries of members who die without survivors who are eligible for monthly benefits.

It is important to understand that your retirement benefit is a monthly amount calculated by using the benefit formula, not the contribution or interest amount in your StanCERA account.

Semi-Annual Statement of Account

Every year around January (ending balance as of December 31st) and July (ending balance as of June 30th) StanCERA mails member statements. This statement provides information about your member contributions' account balance and your designated beneficiary(ies) on file.

The statement is mailed to the member's street address as reported to the employer. If you have failed to submit an address change to your payroll clerk, your statement will be returned to StanCERA and cause a delay in you receiving it.

Examine your statement carefully each time for accuracy and file it with your important employment or financial records.

If you believe there is a discrepancy on your statement, please contact StanCERA immediately.

Access to Funds - Vested/Non-Vested

The funds in a member's account can only be withdrawn for the following reasons:

1. Termination of Employment
2. Death



A member cannot borrow from his or her StanCERA account.

For any member whose retirement system coverage ceases, but does not terminate employment and then leaves his/her accumulated contributions in the retirement fund, the interest may continue to be credited until the member retires or terminates employment completely.

If a member goes from a Full-time to a Part-time position without the "2 pay cycle" break in service, he/she is not eligible to have monies refunded. The funds will remain on account.

If the member terminates his/her employment, the member must remain off the payroll system for a minimum of 2 complete pay cycles (not receive a check for 2 complete pay cycles) before a refund can be processed. By law, StanCERA has up to a maximum of 6 months to pay out these monies.

Vested Active Members contributing to StanCERA are eligible for important benefit coverage, including disability and survivor benefits. Upon termination of service with an employer of StanCERA the member will need to determine which of the following benefit payments they are eligible for and which one to select:

1. Refund of your contributions with interest

Tiers 1, 2, 4 & 5 General and Safety members are eligible to have their contributions, with refundable interest, refunded to them upon termination. If a refund is chosen, all other retirement benefits are waived and he/she will **NOT** receive a further benefit from any employer-paid monies.

All contributions made by a member (vested or not), including refundable interest, will be refunded upon receipt of a completed refund application. Partial refunds are not permitted. Employer paid contributions are not refundable.

If any member withdraws his/her contributions plus interest as a direct payment, the distribution will be subject to an immediate 20% Federal Income Tax withholding. You will also be sent a 1099-R in January following your distribution. If you withdraw before age 59 ½, you may be subject to an additional 10% Federal Excise Tax and a 2.5% California Excise Tax when filing your tax returns.

A member may choose to roll his/her contributions plus interest into an eligible qualified plan, and possibly delay some of the tax implications.

2. Deferred retirement on a transfer basis (Reciprocity)

Members are eligible to elect to leave their contributions on deposit with the Association and defer their retirement if they are employed and covered by a reciprocal retirement system within 6-months after the employees leave employment with the Association.

3. Deferred retirement (Non-transfer basis)

Tiers 1, 2, 4 & 5 members are eligible to elect to leave their contributions on deposit with the Association and defer their retirement if they have completed five or more years of service. The member may elect to withdraw his/her funds upon request with the approval of the Retirement Board. If you continue to leave your funds on deposit with the Association and return to full-time employment within the Association, you will also return with the same Tier status. If a member re-enters Association employment, the member will make contributions based on his/her new age at entry unless the elapsed time between leaving and returning to full time employment is 180 days or less.

All Tier 3 Miscellaneous members are eligible to elect to defer their retirement if they have completed ten (10) or more years of service.

APPROPRIATE FORMS MUST BE SUBMITTED TO STANCERA BEFORE ANY ACTION IS TAKEN. PLEASE DO NOT ASSUME THAT YOUR STATUS UPON TERMINATION IS AUTOMATICALLY KNOWN OR GIVEN.

Visit our Website at

www.stancera.org



Service Credit

Service credit refers to the amount of time a member has participated in the retirement plan. A year of service credit is equal to 2080 hours.

- o If a member's regular schedule is greater than 2080 hours in a calendar year, extra service is not earned.
- o If a member's regular schedule is less than 2080 hours in a calendar year, that person may have lost time eligible for purchase.

A member's service credit is one of the factors used to determine eligibility for benefits payable under StanCERA. For example, a member must have a minimum of five (5) years of service credit (all Tier 3 members must have ten (10) years) to be eligible for a service retirement benefit.

Overtime cannot be used for accumulation of service credit or the determination of the final compensation for the purpose of calculating a monthly retirement benefit.

Purchasing Service Credit (Buybacks)

Members may be eligible to purchase service credit for past employment or an approved leave of absence for which StanCERA retirement contributions were not made. For example:

- ❖ Part-time service
- ❖ Intermittent part-time service
- ❖ Prior full-time service that you cashed out upon departure from employment
- ❖ Leave of absence or reduced schedule for medical reasons
- ❖ State Disability
- ❖ Worker's compensation
- ❖ Other public service (Tiers 1 & 4 only)
- ❖ Military time (Tiers 1 & 4 only)
- ❖ Enhance prior Tier 3 service
- ❖ Military "call up" (e.g, Operation Enduring Freedom)
- ❖ AB 2766 (safety only)

1. Specific causes of less service are:

- a) Unpaid Leave of Absence - If you requested an unpaid leave of absence, you will not receive service credit for the elapsed time.

- b) State Disability Insurance (SDI) - If you receive SDI payments to supplement your sick leave pay, you will only receive retirement service credit for the sick time paid by your employer and you will lose the equivalent time for which you receive SDI payments. *For example, if SDI will pay you \$200 biweekly and you normally make \$800, your employer will pay you \$600 (60 hours of time). Therefore, you will lose 20 hours of service credit, which you would normally have accrued if you had been paid fully by your employer.*

- c) Worker's Compensation - As with SDI, if you receive worker's compensation payments to supplement your sick leave pay, you will only receive retirement service credit for the sick time paid by your employer. Consequently, you will lose the equivalent time for which you receive worker's compensation payments.

IF THE LOST TIME WAS DUE TO INJURY OR ILLNESS YOU MAY REINSTATE UP TO 1 YEAR (2,080 HOURS) PER LEAVE. YOU MAY REINSTATE THE SERVICE CREDIT BY MAKING THE NORMAL RETIREMENT CONTRIBUTIONS, WHICH YOU WOULD HAVE MADE HAD YOU BEEN PAID BY PAYROLL PLUS ANY ACCRUED INTEREST.

- d) Percentage time - If you have agreed to work less than a normal 80 hours biweekly, you will accumulate less retirement service time than "full" service credit. If you only work 60 hours every two weeks, you will only receive 75% of normal full service credit. In a year's time you would only have 9 months retirement service credit. ***YOU CANNOT "BUYBACK" THIS LOST TIME OR ADD IT TO YOUR RETIREMENT SERVICE CREDIT.***

- 2. More service than elapsed time (Buybacks)
The Government Code allows members to purchase or "buyback" a variety of employer-related service. The following types of service and their individual "buyback" calculations are listed below:

- a) Prior Full-Time Service - If you were employed within the Association on a full-time basis and were a member but received a refund of your contributions and are again currently employed within StanCERA, you may "buyback" this service and add it to your current retirement service credit. This is done by re-depositing your withdrawn contributions plus the interest the contributions would have earned had you left the money on deposit within the Association from the date of refund to the date of full repayment.
- b) Prior Part-Time Service - If you worked for an employer within the Association on a part-time or "extra help" basis before your membership in the Retirement Association, you may "buyback" this service and add it to your retirement service credit. Retirement staff will calculate the cost of the "buyback" at your request.
- c) Other Public Service and Military Time - Tier 1 & 4 employees may add compensated service credit earned while working for the Federal government (including military), California State /County/City government and Stanislaus County Districts to their retirement service credit. The cost is calculated by multiplying twice the member's first monthly contribution times the number of months of other public service earned and adding "regular interest" from the date of membership to the date of payoff.

For other public service you must submit written verification from your former employer of the dates, full-time equivalent length of service and type of employment. The former employer must verify whether or not you are eligible to receive retirement benefits from the service rendered.

FOR ALL "BUYBACK" CALCULATIONS, PLEASE SUBMIT A WRITTEN, DATED REQUEST TO RETIREMENT STAFF SPECIFYING DATES AND TYPE(S) OF SERVICE YOU WISH TO "BUYBACK."

Service credit cannot be purchased if you have received, or are eligible to receive, credit for the

service in another public retirement system. Service credit cannot be purchased when listed as exclusion on a Personal Service Contract. *If you are planning to purchase additional service credit just before retirement, you must complete payment before the effective date of your retirement.*

Enhancing Prior Tier Service Time

Enhancing prior service time is an option that is available to certain active and deferred members with Tier 1, 2 or 3 service time who meet specific criteria. Please contact retirement for more information.

Members must purchase like service as a whole, it cannot be split up into portions.

Paying for Permissive Service Credit (Buybacks)

There are four ways to pay for the purchase of permissive service credit:

1. Pay in full
2. Payroll deductions
3. Rollover from a qualified plan
4. Trustee to Trustee Transfer

If you choose **payroll deductions**, you then have another decision to make. Whether to have these deductions taken pre-tax or post-tax.

If you decide to have deductions taken as pre-tax, you are locking yourself into a binding and irrevocable agreement and cannot stop the deductions until full payment is received (unless you terminate employment from the system).

If you decide to have deductions taken as post-tax, you can at any time, make a lump sum payment to pay it off, or stop the deductions. If you do stop the deductions, no credit will be given to you and all monies paid into the system for that service credit purchase will be refunded to you.

Another option for payment is a rollover or trustee to trustee transfer. A rollover is the transfer of retirement funds from a former employer to the current employer. A trustee-to-trustee transfer is transferring money from your current employer's 457(b) plan (deferred comp) to retirement.



Benefits & Eligibility

General Tier 3

Tier 3 is a non-contributory plan that requires 10 years for vesting, provides a much lower benefit, has no disability benefit and has no pre-retirement death benefit. Tier 3 members must be at least 55 years of age to be eligible for retirement benefits. Tier 3 uses a 36-month time period for the final average salary and the age factor increases yearly from age 55-65. Tier 3 members' StanCERA benefits are offset by Social Security benefits prorated by years of service. Tier 3 was closed to new hires in 2002.

General Tier 1 and 4

If you were hired before July 1, 1980 into a permanent position with benefits by an employer of the Association and the position did not require you to perform active, criminal law enforcement or fire suppression you were originally a General (non-safety) Tier 1 member. Members who have been rehired since July 1, 1980, and who have completed a redeposit of refunded Tier 1 contributions with interest can reinstate their Tier 1 membership. If you were an active Tier 1 member on or after March 9, 2002, you are now a Tier 4 member.

If you were rehired after March 9, 2002 and before January 1, 2011 into a permanent position with benefits by an employer of the Association and the position did not require you to perform active criminal law enforcement or fire suppression and you were previously a General (non-Safety) Tier 1 member and elected deferred retirement upon leaving employment, you are now a Tier 4 member. You must complete two (2) consecutive years of service (4,160 hours) after rehire date for your prior Tier 1 service credit to convert to Tier 4.

Your payroll deductions for retirement are calculated as a percentage of your pay. The "basic" retirement benefit contribution is based on actuarially determined rates to provide you with an annual annuity equal to 1/480th of your final compensation at age 55. Your "cost-of-living" ("COL") contribution is a percentage calculated by the actuary to fund 50% of cost of living benefits in retirement.

The actual rates, which are used for each member, are determined by actuaries and normally change annually with the first full pay period for time worked in July. The rates are differentiated by age upon entrance into the Retirement Association - so that employees who started in the retirement system at a younger age pay lower percentages than employees who were hired at an older age.

Certain employee groups have negotiated employer pickups for part or all of employee contributions. (See your MOU for details)

County Tier 1 and 4 employees, not only stop making contributions after achieving 30 years of retirement service credit, but also receive additional pay equal to what their contribution (payroll deduction) would have been. *Due to this additional pay and the fact that all credited service counts towards the 30 years, members are encouraged to complete buybacks, which would allow them to reach their 30 years sooner.*

General Tier 2 and 5

If you were hired after June 30, 1980 into a permanent position with benefits by an employer of the Association and the position did not require you to perform active, criminal law enforcement or fire suppression, you were originally a General (non-safety) Tier 2 member. If you did not elect to be refunded your contributions in 1986 and accept the Tier 3 retirement plan, you remained a Tier 2 member. If you were a member on or after March 9, 2002, but before January 1, 2011 and did not opt-out of the enhanced benefits, you are now a Tier 5 member.

If you were rehired on or after March 9, 2002 but before January 1, 2011 and were originally a General (non-Safety) Tier 2 member and elected deferred retirement upon leaving employment and then rehired into employment in the Association, you are now a Tier 5 member. You must complete two (2) consecutive years of service (4,160 hours) after rehire date for your prior Tier 2 membership to convert to Tier 5.

If you were hired on or after January 1, 2011 into a permanent position with benefits by Stanislaus County and the position did not require you to perform active, criminal law enforcement or fire

suppression, or you were hired on or after January 1, 2012 into a permanent position with benefits by Stanislaus Courts, you are a General (non-safety) Tier 2 member.

Due to employee negotiations in Stanislaus County, General Tier 2 & 5 County employees stop making contributions after achieving 30 years of retirement service credit. *All credited service counts towards the 30 years. Members are encouraged to complete buybacks, which would allow them to reach their 30 years sooner.* In addition, certain employee groups have negotiated employer pickups of part or all of employee contributions. (See your MOU for details)

Your payroll deductions for retirement are calculated as a percentage of your pay. The "basic" retirement benefit contribution is based on actuarially determined rates to provide you with an annual annuity equal to 1/240th of your final compensation at age 55 for Tier 5, or 1/120^{ths} of your final compensation at age 60 for Tier 2. Your "cost-of-living" (COL) contribution is a percentage calculated by the actuary to fund 50% of cost of living benefits in retirement.

Safety 1, 2, 4 and 5

If you were hired before July 1, 1980, into a permanent position with benefits with an employer of the Association and the position required you to perform active, criminal law enforcement or fire suppression, you were originally a Safety Tier 1 member.

If you were originally a Safety Tier 1 member and elected deferred retirement upon leaving employment and then you were rehired into employment in the Association, prior to March 9, 2002 you were still a Safety Tier 1 member.

Members who have been rehired since July 1, 1980, who were not retired as of January 31, 1998 and who complete a redeposit of refunded Tier 1 contributions with interest can reinstate their Tier 1 membership. If you were a Safety Tier 1 member on or after March 9, 2002 but before January 1, 2011, you are now a Safety Tier 4 member.

If you were hired on or after July 1, 1980 into a permanent position with benefits with an employer of the Association and the position required you to perform active, criminal law enforcement or fire suppression, you were originally a Safety Tier 2 member.

If you were originally a Safety Tier 2 member and elected deferred retirement upon leaving employment and then you were rehired into employment in the Association prior to March 9, 2002, you were still a Safety Tier 2 member. If you were a Safety Tier 2 member on March 9, 2002 you are now a Tier 5 member.

If you were hired on or after March 9, 2002 into a permanent position with benefits with an employer of the Association and the position required you to perform active, criminal law enforcement or fire suppression, you were originally a Safety Tier 5 member. If you were originally a Safety Tier 5 member and elected deferred retirement upon leaving employment and then you were rehired into employment in the Association, you are still a Safety Tier 5 member.

If you were hired on or after January 1, 2011 into a permanent position with benefits with Stanislaus County and the position required you to perform active, criminal law enforcement or fire suppression, you are a Safety Tier 2 member.

Your payroll deductions for retirement are calculated as a percentage of your pay. The "basic" retirement benefit contribution is based on actuarially determined rates to provide you with an annual annuity equal to 1/200th (Tiers 1 & 4) or 1/100th (Tiers 2 & 5) of your final compensation at age 50. Your "cost-of-living" (COL) contribution is a percentage calculated by the actuary to fund 50% of cost of living benefits in retirement.

The current Tier 4 Safety member contribution rates, which are calculated by the actuary, are one-half of the Tier 5 Safety rates for Stanislaus County employees. Members who continue in membership until attaining 30 years of retirement service credit cease making member retirement contributions and Stanislaus County Tier 4 Safety employees receive additional pay equal to what their contribution (payroll deduction) would have been.

See the Tier 2 handbook for more details on most current open tier for Stanislaus County.

Death Benefit While Still Employed

If you die while you are still employed within the Association, your beneficiary is entitled to one of the following death benefits:

- a. If you have less than 5 years of service, your beneficiary will receive your contributions and interest plus one month's salary for each full year of service completed in a contributory plan.
- b. If you have completed five or more years of service, your surviving spouse/domestic partner or minor children will have a choice of:
 1. A lump sum benefit comprised of your contributions plus interest and one month's salary for each year of service completed in a contributory plan, up to a maximum six-months salary.

OR

2. A monthly retirement benefit equal to 60% of the monthly retirement benefit, which you would have received if you had been granted a non-service connected disability retirement benefit.

OR

3. A combination of a lump sum benefit equal to one month's salary for each year of service completed, up to a maximum six months' salary, and a monthly retirement benefit which is the actuarial equivalent of a 60% continuance of your non-service connected disability retirement benefit less the lump sum benefit paid.
- c. If you have completed five or more years of service in a contributory plan and do not have a surviving spouse/domestic partner or minor children, your nominated beneficiary will receive your contributions plus one month's salary for each full year of service

completed up to a maximum of six-months salary.

SURVIVING SPOUSE/REGISTERED DOMESTIC PARTNER AND ELIGIBLE MINOR CHILDREN HAVE PREEMPTORY RIGHTS OVER ANY OTHER WRITTEN BENEFICIARIES. ELIGIBLE MINOR CHILDREN WILL RECEIVE BENEFITS ONLY IF THERE IS NO SURVIVING SPOUSE/DOMESTIC PARTNER. A SURVIVING SPOUSE/DOMESTIC PARTNER MAY RECEIVE A LIFETIME BENEFIT; ELIGIBLE MINOR CHILDREN RECEIVE BENEFITS UNTIL MARRIED, AGE 18 IF NOT ENROLLED IN SCHOOL OR AGE 22 IF ENROLLED IN AN ACCREDITED SCHOOL ON A FULL-TIME BASIS.



Post Retirement Employment

Are there any employment restrictions after I retire?

A retired member may be employed in a position requiring special skills or knowledge up to 960 hours per calendar year.

Visit our website
At
www.stancera.org



Pre-Retirement

As you near retirement age, it is a good time to review your current financial status and plan for your final career years and approaching retirement. If you are about age 50, or if you are within a few years of your projected retirement date, you may want to consider the following:



Retirement Counseling

How can I obtain information and retirement counseling?

Pre-Retirement Seminars

StanCERA invites all districts and County members who are within five years of retirement to join us for our pre-retirement seminar. Preparing for retirement can be a stressful, confusing time. The following presenters will share a wealth of information to assist you in making many of your retirement decisions.

- ❖ StanCERA
- ❖ Benefits Staff
- ❖ Health Insurance Broker
- ❖ Financial Advisor



Seminars have been recorded and are now available at www.stancera.org.

Personal Counseling

Before you file a retirement application, you should request an estimated figure of your monthly retirement benefit. Once received, an appointment can be scheduled with a retirement specialist to go over your retirement options.

The retirement specialist can also provide information about when you will receive your monthly retirement benefit and answer other questions you may have.

The demand for personal counseling has increased over the years. Members may experience a delay in meeting with a specialist during peak times. Members should not delay filing their retirement application while waiting for an interview.

All members may also refer to the StanCERA website at www.Stancera.org to calculate an estimate for a monthly retirement benefit.

When should I submit my retirement application?

Please submit your application no less than 30 days and no more than 60 days prior to your planned retirement date. By law, StanCERA cannot accept your retirement application more than 60 days prior to your planned retirement date. By following these guidelines, the retirement specialist has time to request and receive any necessary paperwork prior to your planned retirement date so that a complete overview of your retirement benefits can be prepared.

What information should I bring when submitting my retirement application?

- ❖ Copy of your primary beneficiary's birth certificate;
- ❖ Your beneficiary's Social Security Number;
- ❖ Copy of your marriage certificate (if beneficiary is your spouse);
- ❖ Copy of your State of California Declaration of Domestic Partnership (if beneficiary is your domestic partner);
- ❖ Copy of your Social Security Estimate (if choosing the Section 31810 modification);
- ❖ Photo of you and your primary beneficiary (individual or together).
- ❖ Complete copy of Divorce settlement, if applicable.

All information shared with retirement staff is confidential and only used for calculating your retirement benefit.

Service Retirement

When you consider the decision to retire, there are several questions you will need to address. Should you retire at age 50, age 55 or later? Are you eligible to retire? Should you consider filing for disability retirement? How will you provide a continuing benefit for a survivor?

When can I retire?

If you are at least 50 years old, (55 for Tier 3) have completed 5 years of service (10 for Tier 3) and have been an Association member for at least 10 years, you are eligible to retire. If you are age 70, there are no requirements for years of service credit. If you are a Safety member with 20 years or a General member with 30 years of service credit, there is no age requirement. (See Page 27)

What happens to my excess sick leave?



Depending on your employer and your MOU, you may be eligible to cash out a percentage of your unused sick leave up to your capped limit. Most Stanislaus County employees have a cap of 600 hours. You cannot cash out any accrued sick leave over your capped limit. If you are a County employee and have gone beyond your cap of sick leave accrual, StanCERA will convert that time into retirement service credit at 100%.

Excess sick leave service credit cannot be used to meet eligibility requirements for service retirement, but it can add to your total years in service, which will increase your monthly retirement benefit.

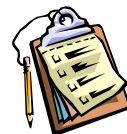
Guidelines For The Service Retirement Application Process

- ✓ Obtain an application for retirement about three months prior to your expected retirement date.
- ✓ Complete and submit the application forms to StanCERA as early as possible, but *do not* submit earlier than sixty days prior to your retirement date. Although we do not recommend it, StanCERA may accept an application no later than one day prior to your date of retirement.

What is the next step?

Once you have submitted an application and the necessary documentation, StanCERA staff can begin working on the final calculations of your monthly retirement benefit and prepare the necessary paperwork for your signature during a counseling session with staff. The paperwork may include most (if not all) of the following items:

- ✓ Application (required to begin processing retirement)
 - Copy of primary beneficiary's birth certificate
 - Picture of primary beneficiary and yourself
 - Copy of marriage certificate, if spouse is beneficiary
 - Copy of Declaration of Domestic Partnership if domestic partner is beneficiary
- ✓ Alternate beneficiary (only if spouse is beneficiary)
- ✓ Employees whose last service is with StanCERA are eligible for a \$5,000 death benefit.
- ✓ Federal and State tax withholding form (W-4P)
- ✓ Direct Deposit Authorization



When StanCERA has completed all the calculations necessary to compute your monthly benefit payment options, StanCERA staff will set up a final appointment with you. At this final appointment you will choose your optional payout method. The various payout methods may include the Unmodified, Option 1, Option 2 or Option 3 with or without the Section 31810 modification.

As you can see, starting into retirement is almost like beginning with a new employer. StanCERA must have all new paperwork because the Association is now responsible for processing your monthly retirement check. If you want deductions for the Valley First Credit Union, you will need to go to the Credit Union and "restart" your deductions to come out of your monthly retirement check.

StanCERA does not process your lump out of unused vacation or sick time. For County employees' your Payroll Clerk and the Auditor-Controller's Office process the lump out in accordance with your particular bargaining unit's memorandum of understanding.

Final Average Salary (FAS)

Aka: Final Average Compensation Earnable (Face)

For Tier 1, 4 and 5 members, your final average compensation earnable (FACE), sometimes referred to as final average salary (FAS) is computed by adding up a consecutive period of compensation for your service rendered as an employee equal to one year (2080 hours) and then dividing by twelve (12).

If you are in Tier 2 or 3, your FAS is determined by adding up a consecutive period of compensation for your service rendered as an employee equal to three years (6240 hours) and then dividing by thirty-six (36).

Compensation for service includes regular, sick, vacation, certificate, shift differential, "Thirty-years' service pay", and other pay types for which retirement contributions are made. Pay items not included in the final average salary are overtime, travel and other specific reimbursements; employer paid benefits such as health insurance and retirement benefits; and termination cash outs of vacation and sick leave. The employer's agent who is responsible for preparing your payroll check can tell you exactly what types of pay are included and which are excluded. (For Stanislaus County the agent is the Auditor's Office).



DOMESTIC RELATIONS ORDERS Divorce of Members and Separation of Registered Domestic Partners

StanCERA operates pursuant to the County Employees Retirement Law of 1937, Government Code §31450 et seq. StanCERA is a "governmental plan", and is therefore exempt from the provisions of ERISA that relate to a Qualified Domestic Relations Order. [See 29U.S.C. §1002(32) and 1003(b)(1)]

StanCERA and California law requires that the Retirement Association be joined in any pending dissolution action before benefits are paid. Upon receipt of a Joinder, StanCERA will place a legal hold on the member's account. This will ensure that no funds will be paid absent receipt of a confirmed court order setting forth the division of benefits. Please note that StanCERA cannot comply with some features commonly contained in Domestic Relations Order (DROs). For example, (1) StanCERA is prohibited from making any payments under the plan until the member actually retires, and (2) the retirement account cannot be divided into separate accounts for member and non-member.

When fashioning an order relating to the division of StanCERA retirement benefits, you should seek guidance from the County Employees' Retirement Law of 1937. To assist you in the preparation of such an order, visit our website at www.stancera.org or contact retirement staff for the booklet "Dividing Community Property", which will explain how a divorce affects your StanCERA benefit. Our packet includes sample language that is acceptable for active or retired members and can be provided to all parties to the action. The use of these language samples are not intended to suggest the necessary, proper or desirable arrangement for the order. Other language may be used as long as it is consistent with the terms of the 1937 Act. We encourage attorneys to work together to prepare a proposed order for submission to StanCERA for review and approval as to form by StanCERA Counsel. This will help to eliminate the waiting period associated with the filing of a motion on behalf of StanCERA to modify or rescind the order.

It is important to review your StanCERA beneficiary designation following dissolution of marriage. The designation of a spouse as beneficiary is not automatically cancelled by a dissolution of marriage. A Change of Beneficiary form is included with the booklet.

Individual records of members are confidential and may be released only upon the written authorization of the member, or by court order. Records will be provided to nonmember or his/her attorney with a properly executed authorization and a \$15.00 check payable to StanCERA.



Disability Retirement

As a member of StanCERA, you have disability protection under one of StanCERA's disability benefit programs. Disability benefits are available if you meet eligibility requirements, and you have a medically determinable physical or mental impairment that prevents you from performing your usual job or comparable duties. The impairment must be permanent.

Who is eligible to apply for a disability retirement?

*Tier 3 members are **NOT** eligible for a disability retirement.*

For Tiers other than Tier 3, you are eligible to apply for a *service connected disability retirement* at any age regardless of the number of years of service.

You are eligible to apply for a *non-service connected disability retirement* at any age with five years of service.

You are **NOT** eligible for a disability retirement if you have withdrawn your retirement contributions.

An application should be filed as soon as you are reasonably certain your medical condition prevents you from *permanently* performing your regular job duties.



Generally, the application process can take six to nine months. Please be diligent in response to our "need for information" to help you with this process.

StanCERA has knowledgeable staff to help answer any questions that you may have. If you feel that you may be eligible for a disability retirement and would like more information please contact our office at (209) 525-6393 to speak with a Disability Retirement Specialist.

Non-service connected disability retirement

If you are permanently incapacitated from performing your job duties and the cause is not work-related (e.g. off-hours car accident, diabetes, etc.) and you have completed five or more years of service, you are eligible for non-service connected disability retirement benefits. You must apply and complete the necessary paperwork in order to begin the processing of your claim for benefits. You must supply supporting medical evidence for your claim at your expense. StanCERA may require that a physician examine you at StanCERA's expense.

If the Retirement Board determines that you are eligible for non-service connected disability retirement benefits, you will begin receiving benefits effective upon the date of your application or the day after your last day on payroll, **WHICHEVER IS LATER.**

Payroll payments include work time, vacation time and sick time. Payments made from outside agencies such as State Disability Insurance (SDI) payments are not considered employer payroll payments. The amount of your retirement benefit is determined pursuant to Government Code Section 31727, 31727.1 or 31721.2

Service-connected disability retirement

If you are permanently incapacitated from performing your job duties and the cause is work-related (e.g. on the job injury or illness, etc.), you are eligible for service connected disability retirement benefits. You must apply and complete the necessary paperwork in order to begin the processing of your claim for benefits. You must supply supporting medical evidence for your claim at your expense. StanCERA may require that a physician examine you at Retirement Association expense.

If the Retirement Board determines that you are eligible for service connected disability retirement benefits, you will begin receiving benefits effective upon the date of your application or the day after your last day on payroll, **WHICHEVER IS LATER.**

Payroll payments include work time, vacation time and sick time. Payments made from outside agencies such as Worker's Compensation payments are not considered employer payroll payments.

The amount of your retirement benefit is determined pursuant to Government Code Section 31727.4, which provides that you will be paid one-half of your final average compensation earnable (FACE) for your lifetime. If your regular service retirement benefits would be higher, then you shall receive those benefits.

NOTE: VOCATIONAL REHABILITATION IS POSSIBLE WITHOUT A LOSS OF WAGES. THE RETIREMENT BOARD CAN PAY A DIFFERENTIAL TO MAINTAIN YOUR CURRENT SALARY AT THE LEVEL OF YOUR FORMER SALARY IF YOU ARE GIVEN A NEW POSITION WITH YOUR EMPLOYER WITH LESS PAY.

For example, a Deputy Sheriff who is shot in the hand on the job and after medical treatment can no longer grip a gun, may qualify for a service connected disability retirement. If the County offers this person/member a desk job and the member accepts, this member will continue to be a Safety member, receive the salary of the desk job from the County and a supplemental disability benefit from the Retirement Association to augment the desk job income up to the former Deputy Sheriff pay, (but no more than the service connected disability retirement benefit would have been.)





Retirement Options

Optional Benefit Upon Retirement



Upon retirement, you will have the choice of the following options for your monthly retirement benefit:

UNMODIFIED: Visit the StanCERA web calculator at www.StanCERA.org for estimates of service retirement calculations. The calculation will provide the estimated amount you would receive as an “unmodified” monthly retirement benefit. If you have chosen your spouse/domestic partner as beneficiary and you have been married/registered to this spouse/partner for at least one year prior to retirement, this spouse/partner will receive a 60% lifetime continuance of your unmodified monthly retirement benefit if the spouse/partner is still married to you at the time of your death and there have been no intervening marriages/partnerships between the date of your retirement and the date of your death.

If upon retirement your spouse/partner subsequently dies or you get divorced and you do not have any minor children upon your death, **NO ONE** will receive the monthly continuance. If your spouse predeceases you and you have not yet received back in monthly retirement benefits all of your member retirement contributions, any remaining balance will be paid to an alternate beneficiary whom you nominate at the time of signing your retirement paperwork. If you do not have a spouse at the time of retirement, you may nominate one or more beneficiaries who will receive the declining lump sum remainder amount (if any) of your contributions less all retirement benefits paid to you.

OPTION 1: You may choose to take a slightly lower monthly retirement benefit under Option 1 so that your beneficiary or beneficiaries may receive the declining lump sum remainder amount of your contributions, less all annuity payments (generally 25% of your total retirement benefit) and cost of living payments made to you.

OPTION 2: You may choose to take an actuarially determined reduction in your monthly retirement benefit so that your one beneficiary can receive a 100% continuance for the beneficiary’s lifetime. Your benefit will be the lowest of all

of the options available and will not increase if your beneficiary dies before you do and is thereby ineligible for the monthly continuance. There are no alternate beneficiaries.

If your beneficiary does survive after you, then the beneficiary will receive your monthly benefit as it was at your death plus any future cost of living increases, which you would have received. If your beneficiary is not your spouse/partner and is more than 10 years your junior, the monthly continuance may be reduced per Internal Revenue Code 401(a)(9).

OPTION 3: You may choose to take an actuarially determined reduction in your monthly retirement benefit so that your one beneficiary can receive a 50% continuance for the beneficiary’s lifetime. Your benefit will be the second lowest of all of the options available and will not increase if your beneficiary dies before you do and is thereby ineligible for the monthly continuance. There are no alternate beneficiaries. If your beneficiary does survive after you, then the beneficiary will receive 50% of your monthly benefit, as it was at your death plus any future cost of living increases.

SECTION 31810 MODIFICATION: Government Code Section 31810 allows a member to receive the County monthly retirement benefit in a different way than in the fixed-for-life fashion of the original plan design. A member may receive an increased monthly benefit before age 62 (earliest possible receipt of Social Security benefits) and then take a reduced monthly benefit at age 62 and after for the rest of the member’s life.

This Option Does Not Alter Any Monthly Payments To Your Beneficiary. Your Beneficiary Will Receive The Same Monthly Retirement benefit Whether Or Not You Choose This Modification.

This option is not available to members who receive any disability retirement benefit.

The amounts you receive will be actuarially the same as your “normal” monthly benefit. In other words, the retirement system will be setting aside the same dollars to fund your monthly retirement benefit whether or not you choose this option. If you live a “normal” life, you will use up the same dollars (with any accrued interest) with or without this modification.

Your actual experience will of course prove more advantageous or disadvantageous depending on whether you live a shorter-than-normal or longer-than-normal lifetime. In order to calculate your modified benefits precisely, StanCERA will need a written estimate of your Social Security benefits payable. You may obtain a written estimate by printing the estimate from the Social Security Administration Website at: www.ssa.gov.

The factors used in computing your increased benefit before age 62 are subject to changes in the actuarial assumptions of the interest crediting rate and retiree mortality. Please consult with StanCERA for accurate estimates of how this option modifies your normal monthly retirement benefit.

REMEMBER THAT YOUR SOCIAL SECURITY BENEFITS ARE TOTALLY SEPARATE FROM YOUR StanCERA RETIREMENT BENEFITS. YOU NEED TO APPLY FOR WHATEVER SOCIAL SECURITY BENEFITS YOU WILL RECEIVE.

Your Monthly Retirement Check

Your monthly retirement check will show the various components of your total retirement benefit ("gross pay") and your deductions (if any) to arrive at your net pay. If you are receiving a regular service retirement, your total retirement benefit begins by being comprised of the following two/three components:

ANNUITY = this is the actuarially determined monthly amount of your pre-tax contributions being returned to you

ANNUITY = NONTAXABLE this is the actuarially determined monthly amount of your post-tax contributions being returned to you

PENSION = this is the Employer monthly amount being paid to you which is the difference between your total retirement benefit (as calculated by the formula for unmodified or in accordance with your optional selection) less your annuity



The two/three components are combined to equal your total retirement benefit, which is determined by the appropriate formula for your Tier and your particular option chosen.

NOTE: The only instance in which a member receives employer payments (pension) is upon receipt of a monthly retirement benefit.


Members on a disability retirement likewise receive a disability annuity (return of the member's pre-tax contributions), disability annuity nontaxable (return of the members post-tax contributions), and a disability pension (the difference between the total amount owed for the disability retirement benefit and the member's annuity).

Surviving spouse/domestic partner/eligible minor children of deceased active Tier 1, 2, 4, 5 members receive a survivor's death benefit, which is a combination of member and employer monies.

You may authorize various deductions such as tax withholding, certain health insurances, RESCO dues and Credit Union. The dollars you authorize to be deducted will be subtracted from your total retirement benefit to arrive at your net retirement pay. You may authorize that your net retirement pay be directly deposited (electronically transferred) into a checking or savings account at the financial institution of your choice.

Direct Deposit

Direct Deposit is the fastest, safest and most convenient method of receiving your monthly payment.

- Direct Deposit is fastest because your money is deposited immediately and automatically into your account on the first business day of the month. 
- Direct Deposit is the safest because your money goes from one source directly to the other electronically. You don't have to worry about a check being stolen, lost or delayed in the mail.
- Direct Deposit is the most convenient because your money is automatically deposited with your financial institution. This is particularly important if you do not have easy access to your financial institution.

Funds may be deposited into a checking or savings account in any U.S. financial institution you choose on the day your check is issued. A Direct Deposit Advice will be sent to your mailing address on the first of each month.

It is the responsibility of the retiree and/or beneficiary to contact StanCERA to update address information to ensure that his or her retirement benefit is processed without delay.

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 your direct deposit.

Additional Retirement Benefits

Cost Of Living Adjustments

Since 1971, retirees have been receiving cost of living adjustments ("COLA") to their retirement benefits with a maximum cap of 3% per year. Active members have been contributing towards this benefit since that time. Each year the Retirement Board determines whether there has been an increase or a decrease in the Consumer Price Index (CPI) in the San Francisco Bay area. The increase or decrease is then reflected on the retirees' monthly retirement check as a "Cost of Living" adjustment up to a maximum 3% increase or decrease.



Any excess percentages over 3% are "banked" for future years when the CPI increase or decrease is less than 3%. Since the inception of this benefit, the adjustment has always been positive and in many years the inflation was above the 3% maximum cap. As of January 2010, due to high inflation in the 1970s -1980s, all retirees who retired on or before April 1, 1970 have accumulated over 70% "inflation credits" with subsequent years gradually declining to 0% in 1990. For those who retired prior to 1970, if inflation were 0% for the next 20 years, they would still receive a 3% cost of living increase each year because they would use their "banked" inflation credits. The cost of living adjustment is

made annually on the May 1 retirement check. If inflation is 3% or more for the year (or if the retiree has more than 3% inflation credits banked), the retiree's May 1 check will be 3% more than the April 1 check (herein lies the "magic" to the selection of a March 31st retirement date).

The COLA is calculated on the total retirement benefit (which includes all accumulated cost of living increases).

Dramatic deflation could eventually erode the current cost of living payments being made to retirees. Due to the nature of this type of adjustment, however, the retiree's "buying power" will remain about the same: a loaf of bread will again be \$0.25 and a house will cost \$25,000.

THE COST OF LIVING ADJUSTMENT CAN NEVER CAUSE YOUR RETIREMENT BENEFIT TO BE LESS THAN YOUR ORIGINALLY CALCULATED MONTHLY RETIREMENT BENEFIT.

Ad Hoc Retiree Benefits

In addition to your retirement benefit, the 1937 Act allows the Retirement Board to authorize "ad hoc" (temporary or one-time/non-vested) benefits from Retirement Association asset earnings above the interest rate and a 1% reserve for losses. The benefits may include payments toward health insurance or special cost of living adjustments above the normal annual maximum 3%.

- In the late 1970s and early 1980s the Retirement Board paid retirees a special cost of living adjustment to reflect the unusually high inflation during those years. This benefit is not currently being paid.
- In July 1981 the Retirement Board began providing a revocable retiree health subsidy out of excess earnings. This ended with the December 2009 payment.
- The Retirement Board has periodically paid supplemental cost of living adjustments for retirees who have over 25% or 20% in inflation credits since January 1, 1999. There was no payment in 2004 and the last payment made was January 1, 2008.

AD HOC BENEFITS ARE NOT VESTED AND MAY BE TERMINATED.

Revocable Health Benefit Subsidy payments have been suspended effective 1/1/2010.

Per the current Excess Earnings Policy, no ad hoc benefits will be paid if the system is less than 90% actuarially funded. As of June 30, 2010 the system was 76.3% actuarially funded.

Post-Retirement Death Benefit

Upon the member's death, StanCERA will pay out to the named beneficiary, or survivor, the appropriate lump sum or monthly continuance depending on the selection at the point of retirement and the continuing eligibility of the beneficiary. (e.g. still married to the same spouse nominated as beneficiary at the point of retirement; and the spouse survives you; your beneficiary is still alive). Payments to a survivor continue in the payment types that were used for the retiree, e.g., pension, annuity, etc.

1. If the retiree chose a social security modification, the survivor benefit would be based on the original amount, which is unmodified for social security. There is no adjustment when the retiree would have turned age sixty-two years.
2. If the spouse who is receiving a pre-retirement death benefit dies and there are dependent children of the member, the benefit will continue to be paid to them or to a guardian, if they are under eighteen years of age.
3. COLA continues for the survivor based on the retiree's date of retirement.
4. If the member selects a modified option that offers a continuance and the survivor predeceases the member, all payments cease upon the retiree's death. If an unmodified option was chosen, the benefit may continue to dependent children or a cash refund may be paid to a beneficiary.

If no beneficiary (ies) designation is in effect on the date of death, any lump sum payment will be paid to your Estate.

Burial Allowance

The Retirement Board has also fully funded a \$5,000 lump sum death benefit (commonly referred to as a "burial allowance") for all retirees whose last work in a California public employees retirement system was in Tier 1, 2, 4 or 5 in the Stanislaus County Employees' Retirement Association. A StanCERA retiree names a beneficiary for the burial allowance, which may or may not be the beneficiary of the retirement benefit.

This is not a life insurance policy; this benefit is taxable to the beneficiary.

A valid beneficiary designation, with the beneficiary(ies) current address, phone number, social security number and date of birth, will eliminate the need for a lengthy search for potential beneficiaries and reduce the amount of time necessary to process and distribute funds payable.

It is the responsibility of the retiree and/or beneficiary to contact StanCERA to update address information to ensure that any funds are processed without delay. Mail returned to StanCERA may result in an interruption of your retirement benefits.

Visit our Website at

www.stancera.org



Eligibility Requirements

Retirement Eligibility by Length of Service					
Retirement Type	General Tier 1, 4 & 5	General Tier 2	General Tier 3	Safety Tier 1, 4 & 5	Safety Tier 2
Service	30 yrs of total service OR 50 yrs old with 5 yrs of total service, plus 10 years of association membership	30 yrs of total service OR 50 yrs old with 5 yrs of total service, plus 10 years of association membership	55 yrs old with 10 yrs of total service	20 yrs of total service OR 50 yrs old with 5 yrs of total service, plus 10 years of association membership	20 yrs of total service OR 50 yrs old with 5 yrs of total service, plus 10 years of association membership
Service Connected Disability	1 day	1 day	N/A	1 day	1 day
Non-Service Connected Disability	5 years of total service	5 years of total service	N/A	5 years of total service	5 years of total service
Final Average Salary Period					
Service	Last 2080 hours worked OR Highest salary for period of 2080 consecutive hours worked	Last 6240 hours worked OR Highest salary for period of 6240 consecutive hours worked	Last 6240 hours worked OR Highest salary for period of 6240 consecutive hours worked	Last 2080 hours worked OR Highest salary for period of 2080 consecutive hours worked	Last 6240 hours worked OR Highest salary for period of 6240 consecutive hours worked
Service Connected Disability	Same as above OR If member has worked less than 2080 hours, average all salary records	Same as above OR If member has worked less than 6240 hours, average all salary records	N/A	Same as above OR If member has worked less than 2080 hours, average all salary records	Same as above OR If member has worked less than 6240 hours, average all salary records
Non-Service Connected Disability	Last 2080 hours worked OR Highest salary for period of 2080 consecutive hours worked	Last 6240 hours worked OR Highest salary for period of 6240 consecutive hours worked	N/A	Last 2080 hours worked OR Highest salary for period of 2080 consecutive hours worked	Last 6240 hours worked OR Highest salary for period of 6240 consecutive hours worked



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Active Member	An active member is a person who is working as a permanent employee for the plan sponsor or an outside district and earning service credit in a retirement plan. Active members also include members on authorized leave who are not earning service credit.
Administrator	The person or organization specifically designated, by the terms of the instrument under which a pension or welfare plan operates, to direct the plan.
Beneficiary	A beneficiary is the person, other than the plan member, designated to receive the benefit resulting from the death of an employee, such as the proceeds of a life or accident insurance policy or benefits from a pension plan.
Benefit	Rights of the participant or beneficiary to either cash or services after meeting the eligibility requirements of the pension or other benefit plans. Pension benefit usually refers to monthly payments payable on retirement or disability.
Benefit Estimate	A retirement benefit estimate is a projection of future retirement benefits based on a member's age, years of services and final compensation.
Benefit Statement	A benefit statement is a report prepared by a retirement system for each active member that summarizes information about his retirement account. It includes the member's plan, contributions and interest.
Board of Retirement	The Board of Retirement is the group that has responsibility for the management of a retirement system. It also oversees the administration of benefits and services provided to members and survivors.
COBRA	COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) is a federal law that requires employers to offer health insurance coverage to certain employees and their dependents for a limited period of time when group health insurance coverage has terminated.
COLA	A COLA (cost-of-living adjustment) is the positive or negative annual percentage adjustment in a member's monthly retirement benefit. It is based on the movement of the Consumer Price Index.
Continuing Allowance	A monthly benefit that is paid subsequent to the death of a member. If paid to a spouse or named beneficiary, the allowance is a lifetime benefit. If paid to a minor child, the allowance continues until the child is no longer eligible.
Continuation of Benefit	Under COBRA, employers have the obligation to make available to employees and their dependents some continued benefit coverage, even after the employment relationship ceases. Employees/dependents must pay for this coverage.
Contributions - Employer	Employer contributions are monies contributed to the retirement fund by the sponsors of the plan for all plan participants.
Contributions - Member	Member contributions are the retirement contributions made by plan members who participate in a contributory plan. The contribution amount is calculated by multiplying an age-based percentage rate by the member's compensation earnable.
Contributory Benefit Plan	A benefit plan, in which the employee contributes part (or all) of the cost, and any remainder, is covered by the employer.
Contributory Plan	A contributory plan is a plan that requires its members to make contributions in order to earn retirement service credit.
Date of Membership	The membership date for new members is the employee's hire date.
Death Benefit	The death benefit is a lump-sum payment that is made to a survivor, named



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	beneficiary, estate, or trust in the event of a retired member death.
Deferred Member	A deferred member is a member who is vested (with 5 or more years of sponsor or reciprocal retirement service credit, 10 for Tier 3) and who leaves his/her contributions on deposit with the retirement plan after either: terminating employment with the sponsor or transferring to a non-qualifying position and filing a written election with the Board of Retirement within 60 days from date of transfer. A deferred member is eligible to receive a retirement benefit when she/he meets the minimum age and service requirements.
Deferred Reciprocal Member	A deferred reciprocal member is a member who elected to defer his/her retirement and entered employment covered by a reciprocal retirement system within 6 months of termination from County or outside district service - regardless of the length of service prior to termination. This election is called a reciprocal deferral.
Defined Benefit Plan	A defined benefit plan is designed to provide eligible participants with a specified benefit at retirement based upon a special formula. General and Safety member plans are designed to pay each member a lifetime benefit based upon a formula which includes: 1) Member's age at retirement, 2) Member's length of credited service, and 3) Member's final compensation.
Defined Benefit Limit	The maximum annual benefit allowed by the Internal Revenue Code that a participant may receive from a qualified retirement plan.
Dependent	With health care benefits, a dependent is a (retired) member's spouse/registered domestic partner or unmarried child until age 18 (or until age 22 if enrolled as a full-time student in an accredited school or university and fully reliant on the member for financial support).
Direct Deposit	Direct deposit creates a process to allow members to have their monthly retirement benefits deposited directly into their checking or savings accounts at participating financial institutions.
Disability Retirement	A disability retirement may be granted by the Board of Retirement when a member is permanently disabled (either mentally or physically).
Disability Retirement benefit	A disability retirement benefit is the monthly retirement benefit received by a contributory plan member who has been granted a service connected or non-service connected disability retirement. The member may receive a disability retirement benefit for life - unless the Board of Retirement terminates the allowance because the member is found to be no longer permanently disabled.
Dual Status	Dual status is given to a member who has been both a general member and safety member and, therefore, has service credit in both a general and a safety plan. This occurs when a member changes job classifications and becomes eligible for the other type of membership - or when a safety member transfers to a non-qualifying position that allows him/her to retain membership only as a general member. Persons with dual membership status qualify at retirement to receive a combined retirement benefit based on the service credit earned during each type of membership.
Final Compensation	Final compensation is a member's average monthly compensation earnable during any consecutive 12-months (or 36-months if Tiers 2 or 3) selected by the members (or, if he/she fails to select, the 12-months (or 36-months if Tiers 2 or 3) immediately preceding his retirement). It is used to compute the retirement benefit.
Fund	(1) (noun) Money in investments held in trust, or share of insurance company



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	assets for payment of pension benefits. (2) (verb) To set aside monies necessary to pay off a benefit, in a trust account or in the possession of an insurance company or other third party, in advance of the date when benefits are payable.
General Member	A general member is a permanent employee of the plan sponsor or an outside district working in a recognized position other than firefighting or law enforcement.
IRA (Individual Retirement Account)	An IRA is an Individual Retirement Account as defined in Section 408(a) of the Internal Revenue Code
Noncontributory Plan	A noncontributory plan is a retirement plan that does not require its members to make contributions in order to earn service credit.
Non-Service Connected Death	A non-service connected death is determined to be unrelated to a member's employment. Only the surviving spouse/registered domestic partner or minor children of a member with at least five years of service credit may be eligible to receive a continuance allowance provided by a non-service connected death.
Non-Service Connected Disability	A non-service connected disability is an injury or disease, not related to a member's employment, which permanently prevents him/her from performing the duties of his/her job. Only contributory members with at least 5 years of service credit are eligible to receive non-service connected disability benefits.
Part-Time Employee	A part-time employee is a permanent employee who works less than full time. Part-time employees may not be eligible for membership depending on the system.
Plan Administrator	As defined by ERISA, the person or organization (frequently the sponsor) designated (by the terms of the instrument under which a pension or welfare plan operates) to administer the plan.
Permanent Employee	A permanent employee is an employee who works on a continuing basis for an indefinite duration.
Permanently Disabled	A member is determined to be permanently disabled when he/she is permanently incapacitated from performing a substantial portion of his/her job duties.
Pre-Tax Contributions	Pre-tax or taxable contributions are member contributions made through payroll deductions on or after July 1, 1986 and are excluded from a member's taxable income for the year in which they are made. They also include those contributions that are rolled over into a contributory plan either from an IRA or another qualified employer plan. Taxable contributions are not taxable until received either as retirement income or as a lump-sum payment when a member terminates or dies.
Provider	A provider is a term used to describe an individual or group of individuals who furnish health care services. It can include hospitals and clinics, as well as doctors and other practitioners.
Reciprocal Benefit	A reciprocal benefit is a deferred retirement benefit earned by a member while employed by the plan sponsor or a reciprocal agency. A reciprocal benefit is available only if he/she transitions employment from one reciprocal agency to another within six months after termination, and retires from both systems at the same time.
Reciprocal Retirement	Reciprocal retirement systems are California public retirement systems that, by



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Systems	law or agreement, have reciprocity with each other. They are: CalPERS, the 20 county retirement systems in California governed by CERL, CalSTRS and Public retirement systems that have full reciprocity agreements with CalPERS.
Reciprocity	Reciprocity refers to the special relationship between a public retirement plan and certain other California public retirement systems. It was established to encourage career public service and to protect retirement benefits earned by employees under two or more systems. Reciprocity provisions apply to any member entering a retirement plan from a reciprocal system-or leaving a retirement plan and entering a reciprocal system-as long as he/she is employed by the reciprocal agency within six months after termination and elects to defer his retirement benefit with the prior system. Establishing reciprocity affects a member's benefit eligibility • contribution rate • final compensation
Retired Member	A retired member is a former plan sponsor's employee who has taken either a service retirement or a disability retirement.
Roll Over	In order to provide greater investment flexibility, an individual is permitted to shift his/her investment in one individual retirement plan to another without incurring any tax liability if done within a specific time frame. These shifts are referred to as rollovers and involve transfers from individual retirement accounts.
Safety Member	A safety member is a permanent employee of the plan sponsor working full time in firefighting or law enforcement.
Service	Employment taken into consideration under a pension plan
Service-Connected Death	A service-connected death is a death that occurs as a result of the member performing his/her job.
Service-Connected Disability	A service-connected disability is an injury or disease that occurs or is aggravated as a result of the member's employment, and that permanently prevents him/her from performing the duties of his/her job.
Service Credit	A period of employment before or after the effective date of the plan that is recognized as service for one or more plan purposes, such as determination of benefit amounts, entitlement to benefits and/or vesting.
Service Credit-Purchasing	Purchasing service credit is the application and payment process by which service prior to membership (or LOA time during membership) may be purchased as additional retirement service credit.
Service Credit-Vesting	Vesting occurs when a member has accumulated 5 years of employment or combined plan sponsor and reciprocal system retirement service credit. It entitles a member to receive a retirement benefit when the minimum age and service requirements are met.
Service Retirement benefit	A service retirement benefit is the lifetime monthly benefit received by a member who has retired after meeting the minimum age and plan sponsor/reciprocal service requirements.
Social Security Supplement	A temporary monthly supplement paid until a retiree's 62 nd birthday. This restores the amount of Social Security, which is subtracted from covered compensation when retirement income is determined.
Survivor/Retiree Beneficiary	A survivor is an eligible spouse/domestic partner or minor child who has survived a deceased active member and is entitled to either a continuing allowance or a lump-sum death benefit. Retiree Beneficiary is the retired member's surviving spouse/domestic partner who receives a monthly allowance



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	for life, whereas a surviving minor child receives an allowance for as long as he/she remains eligible.
Survivor Benefit	Payment(s) to the beneficiary of a deceased active participant.
Taxable Contributions	Before tax or taxable contributions are member contributions made through payroll deductions on or after July 1, 1986 and are excluded from a member's taxable income for the year in which they are made. They also include those contributions that are rolled over into a contributory plan either from an IRA or another qualified employer plan. Taxable contributions are not taxable until received either as retirement income or as a lump-sum payment when a member terminates or dies.
Temporary Employee	A temporary employee is a plan sponsor's employee who works on an intermittent or as-needed basis.
Vested Member	A vested member is a member with at least 5 years of retirement service credit (10 years for Tier 3). A member may use reciprocal retirement system credit to meet vesting requirements.
Vesting	A benefit plan provision that a participant will, after meeting certain requirements, retain a right to the benefits he/she has accrued (or some portion of them) even if employment under that plan terminates before retirement. Employee contributions are always fully vested.
W-2 Form	The form given to individual at year's end, which reflects the individual's total earnings reported to the government, along with the total of all items withheld for various purposes, including federal, state, local and FICA taxes.
W-4 Form	The form typically completed at time of initial employment, which is used to authorize federal income tax withholding amounts. Any change in status (e.g., marriage, divorce) may justify revising the W-4 form.
Withdrawn Contributions	Withdrawn contributions are member contributions (plus earned interest) that the retirement plan refunds to employees after their termination from employment. Since March of 1993, members transferring to a temporary position or a permanent position that is less than full time have not been allowed to withdraw their contributions until they terminate employment and are out of the system for two pay cycles.

GENERAL CONTACT INFORMATION – See also www.StanCERA.org for links to websites

Alameda County Employees' Retirement Association	510-628-3000
California Public Employees' Retirement System (CalPERS)	916-795-3829
Contra Costa County Employees' Retirement Association.....	925-521-3960
Fresno County Employees' Retirement Association	559-457-0681
Imperial County Employees' Retirement Association	760-336-3132
Kern County Employees' Retirement Association	661-868-3790
Los Angeles County Employees' Retirement Association	626-564-6000
Marin County Employees' Retirement Association.....	415-473-6147
Mendocino County Employees' Retirement Association	707-463-4328
Merced County Employees' Retirement Association.....	209-725-3636
Orange County Employees' Retirement Association.....	714-558-6200
Sacramento County Employees' Retirement Association	916-874-9119
San Bernardino County Employees' Retirement Association	909-885-7980
San Diego County Employees' Retirement Association.....	619-515-6800
San Francisco City & County Employees' Retirement Association ..	415-487-7020
San Joaquin County Employees' Retirement Association	209-468-2163
San Luis Obispo County Employees' Retirement Association	805-781-5465
San Mateo County Employees' Retirement Association	650-599-1234
Santa Barbara County Employees' Retirement Association	805-568-2940
Sonoma County Employees' Retirement Association	707-565-8100
State Teachers Retirement System (S.T.R.S.)	800-228-5453
Tulare County Employees' Retirement Association.....	559-713-2900
Ventura County Employees' Retirement Association.....	805-339-4250
Social Security Office.....	www.ssa.gov
California Secretary of State	www.sos.ca.gov