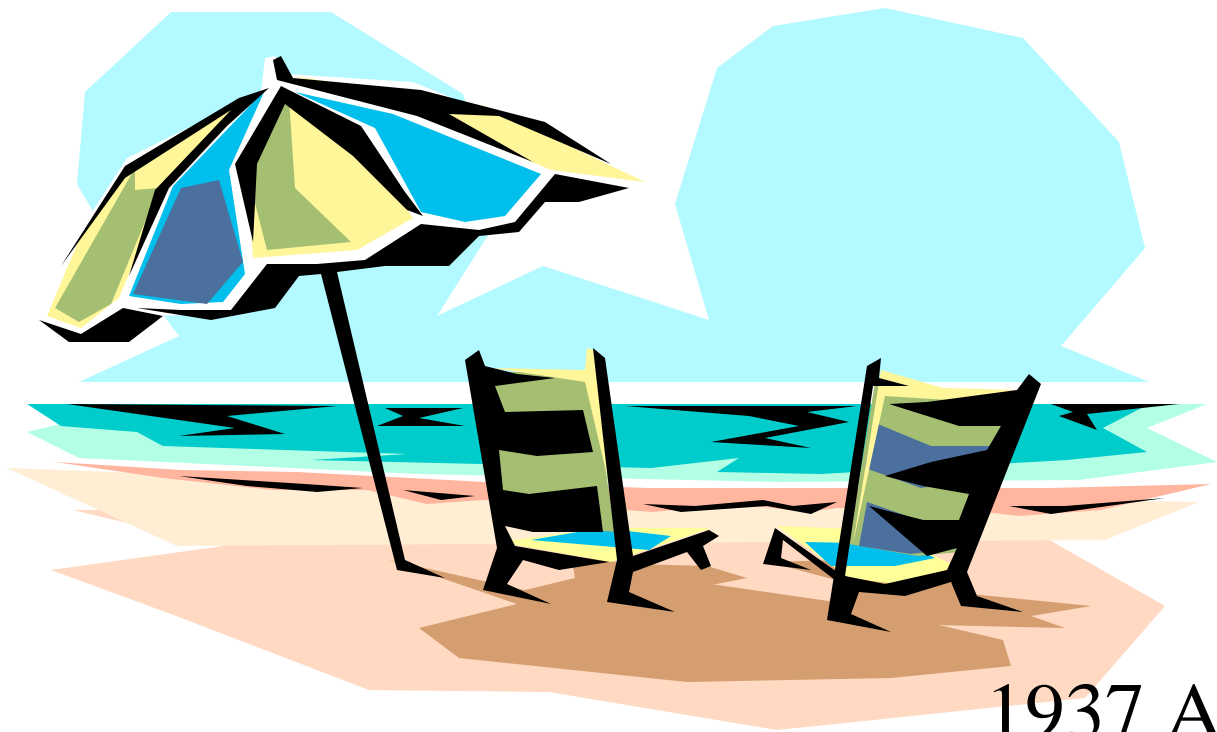


STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

TIER III INFORMATION



1937 ACT
RETIREMENT SYSTEM

CONTENTS

General Information

Letter from the Administrator	1
Brief History	2- 4
Benefit Origination	4
Management and Administration	4- 5
Membership	5
Tier 3 Employees Are	5
Integration with Social Security	5
Enrollment	6
Reciprocity	6- 7
Retirement Benefits and Eligibility	7- 9
Allowance Upon Retirement	9
Completing Your Paperwork	10
Your Monthly Retirement Check	10-11
Full Text Related to STANCERA Tier 3 Plan Government Code Sections 31499.10-31499.19	12-17

OCTOBER 2000

TO THE MISCELLANEOUS TIER 3 MEMBERS OF THE STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION:

This booklet has been prepared by the Stanislaus County Employees' Retirement Division (StanCERA) to provide you with a basic review of the more important provisions of your retirement benefits as governed by the County Employees' Retirement Act of 1937 (Government Code Sections 31450 et seq.). Because of changes in both the law and its interpretation along with effects of Federal regulations this booklet does not seek to contain all of the answers. Please feel free to contact StanCERA with any questions, which are unanswered in this booklet.

Contact information is included below:

Stanislaus County Employees' Retirement Association
1010 10th Street, Ste 5800 / P. O. Box 3150
Modesto, CA 95353-3150
Phone: (209) 525-6393
Fax: (209) 525-4334
Internet: www.stancera.org
E-Mail: Groupwise - retirement
E-Mail: Internet - retirement@mail.co.stanislaus.ca.us

The intent of this booklet is to inform you about the basic retirement benefits available to you through your employment. State law, Board of Supervisor's actions, and the Board of Retirement Bylaws and actions govern your retirement benefits and the administrative procedures to derive those benefits.

Sincerely,

Robert Harmon, Administrator

Stanislaus County Employees'
Retirement Association

RETIREMENT ASSOCIATION SYSTEM WIDE INFORMATION

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

GENERAL INFORMATION

Your 1937 Act retirement benefits are a significant part of your benefits package as an employee and as such we strongly recommend that you and your beneficiaries become thoroughly aware of the provisions of the retirement system and keep this booklet with other important personal records.

Statements in this booklet are general in nature and grossly simplified. The final determination of any retirement issue is governed by administrative decisions made pursuant to pertinent Federal and State laws and both Board of Supervisors and the Board of Retirement actions and Bylaws.

BRIEF HISTORY

Date	Event
July 1, 1948	Board of Supervisors established the retirement system
May 1, 1958 (Effective 01/01/56)	Miscellaneous members' integration with Social Security retroactive to January 1, 1956
Year 1960 (Effective 01/01/56)	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	\$750.00 death benefit for retired employees
June 19, 1973	Members allowed to add other public service credit

BRIEF HISTORY CONTINUED

July 1, 1974

Board of Supervisors' adopts higher Miscellaneous member benefits of Government Code Section 31676.12

December 1, 1975

County begins paying one-half of members' contributions as an employer contribution

September 8, 1976	Survivor benefits extended to children as well as surviving spouses
June 8, 1977	Employees with 30 years of service cease to contributions providing the member was a member on March 7, 1973 and remained in membership continuously until credited with 30 years= service. Due to County's payment of 2 of member's contributions - 30 year members receive additional pay
July 1, 1980	Tier 2 retirement plan commencement
July 1, 1981	Payment of hospitalization insurance for retirees began
December 1, 1984	Raised retiree death benefit from \$750.00 to \$1,000.00
April, 1986	Elective Tier 3 retirement plan implemented (Miscellaneous members only)
January 1, 1990	New hires are subject to IRS Code Section 415 limits Probation Officers became Safety Members
July 1, 1990	Managers with reciprocity allowed into Tier 1 if they had higher benefits in the preceding reciprocal system
September 1, 1990	Probation Officers are Misc. members for 3 years before becoming Safety members (Repealed 05/13/98)
January 4, 1997	Group Supervisors are Misc. 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 employees individual maximum to service credit on an hour for hour basis upon retirement.
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 of Association Celebration

BRIEF HISTORY CONTINUED

January 1, 1999

Retiree health insurance of 5% of maximum per year of employer service (up to a maximum \$320) paid per month.

Raised retiree death benefit from \$1,000 to \$5,000

Retiree adhoc Special COLA paid to retirees with 25%+ in COLA credits (retired on or before April 1, 1981)

BENEFIT ORIGINATION

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 (StanCERA).

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: your final average salary, your length of service and your age. 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 retirement allowance will be.

MANAGEMENT AND ADMINISTRATION

The California State legislature realized that managing retirement benefits would require a specialized board. Therefore, the State mandated that the management of the retirement system be directed by a board consisting of elected and appointed individuals. The Retirement Board is comprised of nine members. The seat designations, manner of joining and terms are listed below:

Seat No.	Manner of Joining Board	Term
1	Stanislaus County Treasurer	Ex-officio
2	Employee elected by Misc. Members	3 years
3	Employee elected by Misc. Members	3 years
4	Appointed by the Board of Superv.	3 years
5	Appointed by the Board of Superv.	3 years
6	Appointed by the Board of Superv.	3 years
7	Employee elected by Safety Members	3 years
	Alternate elected by Safety Members	3 years
8	Retiree elected by retirees	3 years
9	Appointed by the Board of Superv.	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 of each month at 2:00 p.m. in the Stanislaus County Administration Building 1100 H Street Modesto in the Treasurer/Tax-Collector's Office. Board meetings focusing on investment issues are held on the fourth Tuesday of each month at the same time and location. Special meetings or changes to the above schedule can be made by the Board or its Chairperson. The meetings are open to the public.

Day to day administration of membership counseling, information gathering, and accounting for Retirement Association assets is led by the Stanislaus County Treasurer who is appointed by the Board to be the Retirement Association's Administrator. The Administrator has staff to process your applications for retirement, refunds, deferred retirement, reciprocity, benefit payments and answer retirement questions.

Please refer to page one for the appropriate contact information. An annual report will keep you apprised of the financial and statistical figures generated by the Retirement Association's activities.

MEMBERSHIP

All employees hired into full-time classifications of Stanislaus County, the City of Ceres or five Districts (all employer members of the Retirement Association) are automatically members of the Retirement Association. 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 become members on the date of hire.

Membership may be waived if you are age 60 or older upon hire or if you have been elected to your position in the County.

MISCELLANEOUS TIER 3 EMPLOYEES ARE:

1. Non-Safety employees who elect Retirement Plan Tier 3.

INTEGRATION WITH SOCIAL SECURITY

All members of the Retirement Association are now covered under both the County employees Retirement Act of 1937 ("the 1937 Act") and the Federal Social Security program. Tier 3 members= StanCERA benefits are offset by Social Security benefits prorated by years of service.

ENROLLMENT

When you are hired into a permanent position with benefits, you complete an enrollment questionnaire, which contains a lot of pertinent information needed for retirement benefit administration. You will need to also supply some proof of birth (ex: photocopy of your birth certificate) and if you are hired on or after January 1, 1990, you will need to read and sign a notice concerning Internal Revenue Service Code Section 415 relating to limitations on retirement benefits as imposed by the Federal government.

RECIPROCITY

If you left employment from an employer covered by a retirement system in another 1937 Act County or the California Public Employees Retirement System (PERS) and became employed by an employer covered in our Retirement Association within 180 days (6 months), you are eligible for reciprocal benefits between the two systems if you did not terminate membership in the first system by withdrawing your contributions.

Reciprocal benefits include the use of the higher salary from either system to calculate your retirement allowance. You may also use the years in both systems towards vesting requirements (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. You cannot "double-up" your years of service in one system for the purpose of receiving retirement benefits from that system.

Reciprocal benefits also apply if you should terminate with an employer in the Retirement Association and then become employed with an employer having a retirement system under the 1937 Act, California PERS, or other reciprocal public employer within 180 days (6 months). If you elect reciprocity, your contributions to StanCERA remain on deposit with the Association and you cannot withdraw them unless you terminate your employment and withdraw from the retirement system into which you have transferred. The 1937 Act County Retirement Systems are listed below:

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

We are also reciprocal with the California Public Employees' Retirement System (PERS), the County of San Luis Obispo, and the City and County of San Francisco.

APPROPRIATE FORMS MUST BE FILED WITH STANCERA BEFORE ANY ACTION IS TAKEN. 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 THE TREASURER'S OFFICE/RETIREMENT DIVISION.

RECIPROCIITY CONTINUED

1. **Deferred retirement on a transfer basis (Reciprocity)**

All Tier 3 Miscellaneous members are eligible to defer their retirement if they are employed and covered by a reciprocal retirement system (see page 6) within 180 days after the employee leaves employment with the Association.

Certain advantages accompany your decision. You will make lower contributions if the new system requires member contributions, which are based on age at entrance because the new system will use the same age at entrance that our Association uses. Upon retirement, both systems will use the highest final average salary and you can use the years of service from both systems to meet one or both retirement systems' minimum qualifications for retirement benefits (vesting requirements).

2. **Deferred retirement (Non-transfer basis)**

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

3. **Regular service retirement**

If you fulfill the MINIMUM REQUIREMENTS, you will be eligible to receive a regular service retirement allowance. The minimum requirements are outlined below:

If you are at least 55 years old, have completed 10 years of service.

RETIREMENT BENEFITS AND ELIGIBILITY

Upon termination of service with an Association employer you will need to determine which of the following benefit payments you are eligible for and of those, which you choose to take.

Your regular service retirement allowance is calculated by multiplying a portion of your final average salary by your years of service and then multiplying by an age factor and subtracting a prorated portion of your Social Security benefits. Although the initial DEFINED BENEFIT appears relatively simplistic, the actual calculation has become more and more complex over the years due to various changes in employee payroll and fringe benefits. Each factor is handled below so that you can be aware of the variety of components in calculating your regular service retirement benefits:

a. **FINAL AVERAGE COMPENSATION EARNABLE (FACE)**

Final Compensation[®] means the average annual compensation earnable by a general member during any three years, whether or not consecutive, elected by the member at or before the time an application for retirement is filed, or, if no election is made, during the three years in which the member or former member last earned

RETIREMENT BENEFITS AND ELIGIBILITY CONTINUED

compensation preceding retirement. If a member or former member has less than three years of service, final compensation shall be determined by dividing total compensation by the number of months of service credited to the member or former member and multiplying by 12. In no event shall final compensation include any disability benefits received by the member or former member under a disability plan provided by the employer.

Your final average compensation earnable (FACE) is computed by adding up a period of compensation for your services rendered as an employee equal to three years and then dividing by thirty-six (36). "Compensation for services" includes regular, sick, vacation, certificate, shift differential, "Thirty-years' service pay," and other pay types for which employer retirement contributions are made. 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 the County the agent is the Auditor's Office).

"Three year equivalents" are 36 months, 78 biweekly periods, 156 weeks, 780 days or 6,240 hours. Types of pay, which are specifically excluded, *are* overtime and lump out of unused vacation or sick time upon termination. The "final" test of includable compensation is the compensation for which employer retirement contributions were made.

b. YEARS OF SERVICE

The one factor, which you have the most control over, is the length of service. You began receiving retirement service credit on the first day you became a member of the Retirement Association. Because you choose your retirement date, you resolve to end your service credit and lock in the exact calculation of your regular service retirement benefits. Although we normally talk about "years" of service, the actual final computation of your retirement allowance will contain your length of service credit extended to the nearest day and the "years" factor is rounded to the nearest ten thousandth of a year. Every day you work you are gaining more retirement service credit. Your retirement service credit is based on actual time paid by your employer. Your service may be higher or lower than the actual elapsed time due to the following factors:

RETIREMENT BENEFITS AND ELIGIBILITY CONTINUED

1. LESS SERVICE THAN ELAPSED TIME

If you are not paid by the County for full-time employment for a period of time between your entrance date into the Retirement Association and your retirement date, you will have less service credit than the normal elapsed time. 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 while you suffer through an extended illness, you will only receive retirement service credit for the sick time paid 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 (\$10/hour) your payroll preparer will pay you 60 hours of time (or \$600) and 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** - If you receive worker's compensation payments to supplement your sick leave pay while you suffer through an extended illness, you will only receive retirement service credit for the sick time paid and you will lose the equivalent time for which you receive worker's compensation payments. For example, if worker's compensation will pay you \$200 biweekly and you normally make \$800 (\$10/hour) your payroll preparer will pay you 60 hours of time (or \$600) and you will lose 20 hours of service credit, which you would normally have accrued if you had been paid fully by your employer.
- d) **Percentage time** - If you have agreed to work less than a normal 80 hours biweekly, you will accumulate less retirement service 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. AGE FACTOR

You have little control of how old you are, but planning your retirement date around your birthday can be beneficial because the age factor increases for every year of age from age 55 through age 65. THERE IS NO AGE FACTOR BENEFIT BEYOND AGE 65 AND IF YOU ARE ON DEFERRED RETIREMENT-NON-TRANSFER STATUS YOU SHOULD NOT WAIT PAST YOUR 65th BIRTHDAY TO APPLY FOR REGULAR SERVICE RETIREMENT BENEFITS.

The formula for a regular service retirement at **age 65** is $\text{FACE} \times 2\% \times \text{Years of Service (up to 35)} + \text{FACE} \times 1\% \times \text{Years of Service (over 35 but not more the 20)} \text{ less } 1/35 \times \text{Years of Service (up to 35)} \times \text{monthly Social Security benefits at age 65.}$

ALLOWANCE UPON RETIREMENT

Upon retirement, you have the following option for your monthly retirement allowance:

The calculation for regular service retirement is found under Government Code Section 31499.14 on page 15. This will provide to you the amount you would receive as an "unmodified" monthly retirement allowance. If you have chosen your spouse as beneficiary and you have been married to this spouse for at least one year prior to retirement, this spouse will receive a 50% lifetime continuance of your unmodified monthly retirement allowance if the spouse is still married to you at the time of your death and there have been no intervening marriages between the date of your retirement and the date of your death.

If upon retirement your spouse subsequently dies or you get divorced, **NO ONE** will receive the monthly continuance.

If you choose to take an actuarially determined reduced allowance you may provide a 100% continuance to your designated beneficiary. This designation MUST be done at the time of your initial retirement. This person becomes the only individual who could receive a continuance. If this individual dies before you, your allowance will continue unchanged at its reduced level.

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

COMPLETING PAPERWORK FOR RETIREMENT

Once you have decided to retire, you will need to complete some paperwork so that StanCERA will have the necessary information to process your monthly retirement checks and any benefits payable upon your death according to your wishes. The first step is to complete an application for retirement and send it to StanCERA at the address on page one.

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

1. Application (required to begin processing retirement)
 - a. Copy of beneficiary's birth certificate.
 - b. Picture of beneficiary and you
 - c. Copy of marriage certificate if spouse is beneficiary
2. Federal and State tax withholding form (W-4P)
3. RESCO (Retired Employees of Stanislaus County) dues (optional)
4. Direct Deposit Authorization (optional)
5. County's \$5,000 life insurance until age 65 (optional)

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 Stanislaus County Federal 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. The lump out is processed by your Payroll Clerk (for the County the Auditor-Controller's Office in accordance with your particular bargaining unit's memorandum of understanding will disburse your lump out).

YOUR MONTHLY RETIREMENT CHECK

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

PENSION = This is the Employer monthly amount being paid to you which is the difference between your total retirement allowance (as calculated by the formula for unmodified.)

NOTE: The only instance in which a member receives employer payments is upon receipt of a monthly retirement allowance.

You may authorize various deductions such as tax withholding; retirement sponsored health insurance, RESCO dues and Credit Union. The dollars you authorize to be deducted will be subtracted from your total retirement allowance to arrive at your net retirement pay. You may authorize that your net retirement pay be directly deposited or electronically transferred into a checking or savings account at the financial institution of your choice. You will be mailed an advice notice from StanCERA concerning the deposit.

In July, 1981 the Retirement Board began providing a retiree health insurance allowance out of excess undistributed earnings. Tier III members with ten years or more of service, will receive from the Retirement Board, a specified dollar amount per month for each year of service to an employer in the Retirement Association by a member as a health insurance benefit up to a maximum for 20 full years of service. This benefit may be used to pay for a Retirement Association approved health insurance plan (non-taxable benefit) including any and all dependents or may be received as additional gross pay (taxable income) or some combination of the two. Full years of service include time worked for an employer within the Retirement Association but does not include early retirement/golden handshake additional credit or excess sick leave converted into retirement service credit. This benefit is adjusted for inflation each January. A chart showing the current amount paid for each full year of service can be obtained from StanCERA. **THIS BENEFIT IS NOT VESTED AND MAY BE TERMINATED WITH 90 DAYS' NOTICE TO RETIREES** (pursuant to Government Code Sections 31691.1 and 31692).

FULL TEXT RELATED TO STANCERA TIER 3 PLAN

GOVERNMENT CODE SECTIONS 31499.10 - 31499.19

- 31499.10.** (a) The retirement plan created by this article shall be known as Retirement Plan 3.
- (b) This article shall be applicable in the retirement system of any county of the 20th class as described by Section 28041, if the board of supervisors adopts, by majority vote, a resolution providing that the article shall be applicable.
- (c) The purpose of this article is to provide an optional, noncontributory retirement plan for general members as an alternative to the provisions and benefits otherwise contained in this chapter.
- (d) The retirement benefits of (1) all general members employed after the date this article is made operative and who elect the plan created by this article and (2) existing general members who transfer to the plan created by this article, shall be governed by this article.
- (e) In the event of a conflict, this article shall superseded and prevail over other provisions of application of provisions otherwise contained in this chapter.
- (f) Except as otherwise provided below, the provisions contained in this chapter shall apply:
- (1) Article 9 (commencing with Section 31700) of this chapter shall not be applicable.
- (2) Article 10 (commencing with Section 31720) of this chapter shall not be applicable.
- (3) Article 11 (commencing with Section 31760 of this chapter shall not be applicable.
- (4) Article 12 (commencing with Section 31780) of this chapter shall not be applicable.
- (5) Article 16.5 (commencing with Section 31780) of this chapter shall not be applicable.
- (g) Article 15 (commencing with Section 31830) shall only be applicable for service retirement. Those provisions of Article 15 dealing with disability retirement, death benefits, and the requirement relating to the deposit of accumulated member contributions shall not be applicable.
- (h) Except as otherwise provided, any member who upon retirement receives a retirement pension calculated in accordance with sections or provisions added to this article subsequent to the effective date of this article shall have his or her pension calculated under each such section or provision only for the period of time that those sections or provisions were in effect, unless otherwise mutually agreed between the employer and its employee representatives.
- (I) Unless specifically otherwise provided, no amendment to this article subsequent to the effective date of this article shall apply to any county or to the employees of any county unless mutually agreed to by the employer

and employee representatives and adopted by majority resolution of the board of supervisors.

31499.11. Unless the context otherwise requires, the definitions contained in this section govern the construction of this article.

(a) **ABoard@** means the board of retirement

(b) **AEmployer@** means the county of district or agency whose employees are members of the retirement system of the county.

(c) **AFederal system@** means the Old Age and Survivors Insurance provisions of the Social Security Act.

(d) **AFinal compensation@** means the average annual compensation earnable by a general member during any three years, whether or not consecutive, elected by the member at or before the time and application for retirement is filed, or, if no election is made, during the three years in which the member or former member has earned compensation preceding retirement. If a member or former member has less than three years of service, final compensation shall be determined by dividing total compensation by the number of months of service credited to the member or former member and multiplying by 12. In no event shall final compensation include any disability benefits received by the member or former member under a disability plan provided by the employer.

(e) **AMember@** or **Ageneral member@** means an employee hired on a permanent basis, as defined by the employer, except an employee eligible for safety member.

(f) **APrimary insurance amount@** means the monthly retirement benefit payable under the federal system at the age of 65.

(g) **AService@** means the period of uninterrupted employment of a member and the time in which a member or former member (1) is totally disabled, and (2) is receiving disability benefits or is eligible to receive disability benefits either during or after any elimination or qualifying period, under a disability plan provided by the employer.

Except as otherwise provided, service shall not include military service or public service other than service with the employer.

31499.12. (a) There shall be no general members= contributions under the plan created by this article.

(b) A member who transfers to the retirement plan created by this article shall have refunded, within a reasonable period of time, not to exceed nine months from the date of receipt of election to transfer by the board, the member's accumulated contributions, together with interest thereon, which are credited to the member=s account. Interest shall be credited to the June 30 or December 31 date, whichever is later, immediately preceding the date of the refund warrant. Any refund under this section shall be payable to the member.

- 31499.13.** (a) Except as provided in Section 31499.17 and under reciprocal provisions of this article, a member who was in public service prior to becoming a member may not elect to receive credit in this retirement plan for the public service time, and shall not receive credit for that prior public service.
- (b) Absence from work or termination of employment while eligible employee or disability beneficiary, as defined by a disability plan provided by the employer, shall not be considered as breaking the continuity or service.

(c) For the purposes of subdivision (b) of Section 31499.14, an unpaid leave of absence of not to exceed one year, or a leave of absence for which an employee received any benefit which has been approved by the employer, shall not be considered an interruption of service. However, the period of time of unpaid leave shall not be considered as service in calculating the benefits otherwise provided under this article.

31499.14. (a) Retirement of a member or former member who has met the requirements for age and service shall be made by the board, at which time the member or former member becomes a retired member.

(b) Any member who has completed 10 years of service shall be vested under the plan created by this article.

(c) Any member who is not vested, whose employment terminated, and who is then reemployed shall not receive credit for his or her previous service credited under Plan 3, provided, that the service was rendered in Plan 3.

(d) Any vested member or vested former member who has attained the age of 65 years may be retired upon filing with the board a written application on a form provided by the board for normal retirement setting forth the desired effective retirement date.

(e) Any vested member or vested former member who has attained the age of 55 years may be retired upon filing with the board a written application on a form provided by the board for early retirement setting forth the desired effective retirement date.

(f) The normal retirement pension shall consist of an annual allowance payable in monthly installments for the life of the retired member equal to 2 percent of his or her final compensation multiplied by the number of years of service to the preceding completed month to which the member is entitled to be credited as retirement, not to exceed 35 years, added to 1 percent of the member's final compensation multiplied by the number of years of service in excess of 35, not to exceed 20 years, reduced by the estimated primary insurance amount, if any, multiplied by the fraction of the number of years of service with the employer subject to coverage under the federal system, not exceed 35 years, divided by 35.

In no event shall the normal retirement pension, when added to the estimated primary insurance amount, exceed 70 percent of the member's final compensation unless the years of service to which the member is entitled to be credited at retirement exceeds 35, in which case the normal retirement pension, when added to the estimated primary insurance amount, shall not exceed 80 percent of the member's final compensation.

(g) The early retirement pension shall consist of an annual allowance payable in monthly installments for the life of the retired member in an amount which is the actuarial equivalent of the normal retirement pension to which the retired member would be entitled if otherwise eligible for normal retirement, which shall be computed by multiplying the normal retirement pension by the early retirement adjustment factor set forth opposite the member's age as of the birthday immediately preceding the date of retirement in the following table:

Age	ERA factor
55 .....	.39
56 .....	.43
57 .....	.47
58 .....	.51
59 .....	.56
60 .....	.61
61 .....	.67
62 .....	.74
63 .....	.82
64 .....	.90

The early retirement adjustment factor set forth in this subdivision shall be used until adjusted by the board in accordance with the interest and mortality tables adopted by the board.

(h) The board, upon the advise of the actuary, shall establish and adjust, as required, the table of estimated primary insurance amounts, which shall be utilized in computing the retirement benefit.

For purposes of this article, the primary insurance amount shall be estimated based on the employee's age and salary as of the date of retirement or the date of termination of a vested member, whichever is applicable, provided that:

(1) An employee's prior career earnings shall be assumed to have been subject to the federal system and to have increased on a year-to-year basis at a rate equivalent to the rate of increase in the average per worker total wages reported by the Social Security Administration, and

(2) For those members who have not attained the normal retirement age under the federal system as of the date of retirement (A) future earnings in employment covered by the federal system shall be assumed to continue at the rate of pay received by the employee for the employer as of the date of retirement of the date of termination of a vested member, whichever is applicable, and (b) future wage bases, as defined by the federal system, shall be assumed to continue at the wage base in effect in the year of retirement or the year of termination of a vested member, whichever is applicable, and **8** cost-of-living increased in the year of retirement and delayed retirement credit provided under the federal system shall not be included in the calculation of the estimated primary insurance amount.

(I) The employer shall certify the years of service to be credited at retirement and the final compensation to be utilized in computing the normal and early retirement pension.

(j) At the time of application for retirement, the member or former member shall provide adequate proof (1) of age and (2) of the eligibility of persons, if any, who at that time would otherwise qualify for the survivor allowance provided for in Section 31499.15.

(k) Notwithstanding subdivision (f), any retired member receiving a normal retirement pension shall, as soon as possible but not later than six months following retirement, present evidence required by the board of the retired member's actual primary insurance amount. For purposes of this subdivision, the actual primary insurance amount shall be the amount payable under the federal system on the retired member's date of retirement without regard to delayed retirement credit or any deductions on account of work. Following receipt of that evidence, the board shall adjust the retired member's pension from the date of retirement to equal the amount of the pension to which he or she would have been entitled on that date had the estimated primary insurance amount equaled the actual primary insurance amount.

31499.15. (a) Upon the death of a retired member, 50 percent of the retirement pension, if not modified in accordance with the optional survivor allowance in subdivision (b). Shall be continued during and throughout the life of his or her surviving spouse, if he or she was married to the member at least one year prior to the date of retirement. If there is no surviving spouse entitled to this allowance, or if he or she dies before every child of the deceased retired member, including stepchild or adopted child, attains the age of 18 years, then the allowance which the surviving spouse would have received had he or she lived, shall be paid to the deceased retired member's child or children under the age of 18 years. If the survivor allowance is to be paid to surviving children, the allowance shall be divided among the children in equal amounts. However, the right of any child to share in the allowance shall cease upon his or her death, marriage, or upon attaining the age of 18 years.

Notwithstanding any other provisions of this subdivision, the allowance otherwise payable to the children of the retired member shall be paid to the children through the age of 21, if the children remain unmarried and are regularly enrolled as full-time students in any accredited school as determined by the board.

(b) A vested member, or vested former member, in lieu of the normal or early retirement pension for the retired member's life alone, may elect to have the actuarial equivalent of the retired member's pension as of the date of retirement applied to a lesser amount payable throughout the retired member's life, and thereafter to have a survivor allowance as approved by the board, upon the advise of the actuary, continued throughout the life of and paid to the person or persons having an insurable interest in the life of the retired member, as the member or former member nominates by written designation duly executed and filed with the board at the time of retirement.

(c) No designation pursuant to subdivision (b) shall, in the opinion of the board and the actuary, place any additional actuarial cost burden upon the retirement system.

- 31499.16.** Any person employed subsequent to the effective date of this article who would otherwise qualify as a member shall not become a member until he or she certifies to the board his or her election to be covered by the retirement plan established by this article or to be covered by the retirement provisions and benefits otherwise available to members on the date preceding the effective date of this article. As a condition of continued employment, the certification shall be made within 60 days of employment; the employer shall make available to the person a disclosure of the elements of each of the available retirement plans prior to accepting his or her election.
- 31499.17.** (a) General members may, within 180 days of the effective date of this article, elect to transfer to the retirement plan created by this article upon proper application executed by the member and filed with the board. The transfer is voluntary and shall be irrevocable.
- (b) The retirement benefits of the transferred members are governed and defined by this article.
- (c) Transferring members relinquish and waive any and all previously available vested or accrued retirement, survivor, disability and death benefits. All transferring members whose contributions for public service have been refunded to them shall not receive credit for such service.
- (d) Any member who selects Retirement Plan 3 upon reentering into county service and who has not received credit as a Plan 3 member for previous county service, may elect to repurchase his or her previous service by re depositing his or her withdrawn contributions, plus interest, from date of termination, and shall then receive credit for that service under the plan status at the time of original employment.
- (e) Any member who has elected or transferred to the plan created by this article and who terminates his or her employment and is later reemployed shall not be entitled to change his or her election upon that reemployment.
- 31499.18.** Until the completion of the next regularly scheduled actuarial survey of the retirement system, the employer contribution required to finance the plan created by this article shall be established by the board, upon the recommendation of the actuary.
- 31499.19.** If any provision of this article, or the application thereof, to any person or circumstance, is held invalid, the invalidity shall not affect other provisions or application of the article, which can be given effect without the invalid provisions, or application and, to this end the provisions of this article are severable.