



**Stanislaus County  
Employees' Retirement  
Association  
Tier 3 Information  
1937 Act Retirement System**



# **CONTENTS**

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## **General Information**

<b>Letter from Executive Director</b>	<b>2</b>
<b>Brief History</b>	<b>3</b>
<b>Benefit Origination</b>	<b>6</b>
<b>Management and Administration</b>	<b>6</b>
<b>Membership</b>	<b>7</b>
<b>Tier 3 Employees</b>	<b>7</b>
<b>Integration with Social Security</b>	<b>7</b>
<b>Enrollment</b>	<b>7</b>
<b>Beneficiary Designation while employed</b>	<b>8</b>
<b>Reciprocity</b>	<b>8</b>
<b>Retirement Benefits and Eligibility</b>	<b>9</b>
<b>Allowances Upon Retirement</b>	<b>11</b>
<b>Completing Your Paperwork</b>	<b>12</b>
<b>Your Monthly Retirement Check</b>	<b>13</b>
<b>Addendum</b>	<b>14</b>



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

This booklet has been prepared by the Stanislaus County Employees' Retirement Association (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:

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

Sincerely,

Rick Santos, Executive Director  
Stanislaus County Employees' Retirement Association

## RETIREMENT ASSOCIATION SYSTEM WIDE INFORMATION

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

### BRIEF HISTORY

<b>Date</b>	<b>Event</b>
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 <b>City of Ceres</b> joins the retirement association  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 Officers, 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 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)

	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, Supervisors/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
	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 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 Stanislaus Superior Courts new hire members (FAS based on 36 months, members pay full rate)
January 1, 2013	Tier 6 retirement plan Public Employees' Pension Reform Act – (PEPRA) - AB340 & AB197 implemented for all participating StanCERA employers new hire General and Safety members (Reduces the benefit formula and increases the retirement age; limits on the type of compensation that can be considered for calculating FAS – 36 consecutive months; maximum compensation used to calculate pension benefits is capped; employees will be required to contribute at least 50% of the normal cost to fund the pension benefit)

## 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.

All of the retirement plans administered by StanCERA are DEFINED BENEFIT plans. Defined benefit plans are based on criteria other than contributions and accrued interest. Your retirement benefits are all based on three factors: your final average salary, your length of service and 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 retirement benefit will be.

## MANAGEMENT AND ADMINISTRATION

State law mandates 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 General Members	3 years
3	Employee elected by General Members	3 years
4	Appointed by the Board of Supervisors	3 years
5	Appointed by the Board of Supervisors	3 years
6	Appointed by the 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 retiree elected by retirees	3 years
9	Appointed by the 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 StanCERA funds.

The Board of Retirement generally meets in the Wesley H. Hall Board Room located at 832 12<sup>th</sup> Street, Suite 600, Modesto for administrative, benefit and investment matters. All meetings are open to the public. Please visit the StanCERA website or call for a meeting schedule.

Day to day administration of membership counseling, information gathering, and accounting for StanCERA assets are led by the StanCERA Executive Director. The Executive Director has staff to process your applications for retirement, refunds, deferred retirement, reciprocity, benefit payments and answer any questions about your 1937 Act defined benefit retirement benefits.

An annual report will keep you apprised of the financial and statistical figures generated by StanCERA's activities.

### **MEMBERSHIP**

All employees hired into full-time classifications of Stanislaus County, the City of Ceres, Superior Court 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.

### **TIER 3 EMPLOYEES ARE**

Tier 3 members are General Non-Safety employees who elected Retirement Plan Tier 3. Tier 3 has lower benefits and no member contributions.

### **INTEGRATION WITH SOCIAL SECURITY**

Most members of StanCERA (except for Keyes CSD) are now covered under both the County Employees Retirement Act of 1937 ("the 1937 Act") and the Federal Social Security program. StanCERA Tier 3 member 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 a Member enrollment form, which contains a lot of pertinent information needed for retirement benefit administration. You will need to also supply proof of birth (e.g. photocopy of your certified 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.



## **BENEFICIARY DESIGNATION WHILE EMPLOYED**

One of the important items included with your enrollment form is the designation of your beneficiary. If you are married/registered, your beneficiary is your spouse/registered domestic partner. If you are not married but have eligible minor children, these children are your beneficiaries. If you are not married and have no eligible minor children, you may designate any other person or persons by name as your beneficiary.

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](http://www.sos.ca.gov/dpregistry).

## **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 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 lower contribution rates and the use of the higher salary from either system to calculate your retirement allowance. You may also use the years of service 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 California public employers within 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	

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

A special handbook has been developed to assist members with reciprocity questions which can be accessed at [www.stancera.org](http://www.stancera.org) – Member Services.

## **RETIREMENT BENEFITS AND ELIGIBILITY**

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 described below so that you can be aware of the variety of components in calculating your regular service retirement benefits. 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.

### **Service retirement**

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

You are at least 55 years old, have completed 10 years of service, you are eligible to retire.

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

Your final average compensation earnable (FACE) is computed by adding up a consecutive 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, and other pay types for which 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 Stanislaus County the agent is the Auditor/Controller's Office.)

"Three year equivalents" are 36 months, 78 biweekly periods, 156 weeks, 780 work days or 6,240 work 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 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 as well as additional service allowed in the 1937 Act. Your service may be higher or lower than the actual elapsed time due to the following factors.

#### **LESS SERVICE THAN ELAPSED TIME**

If you are not paid 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 (LOA)** - 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 reinstate this lost time due to percentage or add it to your retirement service credit.

#### c. AGE FACTOR

You have little control of how old you are, but planning your retirement date around your "quarter-year" birthday can be beneficial because the age factor increases for every quarter year of age 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.

### **ALLOWANCE UPON RETIREMENT**

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

The calculation for regular service retirement is found under Government Code Section 31499.14 (see Addendum). This will provide to you the amount you would receive as an "unmodified" monthly retirement allowance. If you have chosen your spouse/registered domestic partner as beneficiary and you have been married/registered to this spouse/domestic partner for at least one year prior to retirement, this spouse/domestic partner will receive a 50% lifetime continuance of your unmodified monthly retirement allowance if the spouse/domestic partner is still married/registered 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/domestic partner subsequently dies or your 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 predeceased you, your allowance will continue unchanged at its reduced level.

**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 SOCIAL SECURITY BENEFITS ARE IN ADDITION TO YOUR STANCERA RETIREMENT BENEFITS.**

**COMPLETING PAPERWORK FOR RETIREMENT**

Once you have decided to retire, you will need to complete a Tier 3 Service Retirement application 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 steps are to contact StanCERA to request a Tier 3 retirement application packet. Complete the application packet for retirement and submit it to StanCERA.

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

1. Retirement Application Packet (required to begin processing retirement)

Pursuant to Government Code §31672, a member's retirement date cannot be effective earlier than the official date the retirement application is filed with the Retirement Board, and not more than 60 days after filing the application.

2. Copy of primary beneficiary(ies) birth certificate
3. Copy of Marriage or Registration Certificate, if spouse/domestic partner is beneficiary
4. Primary Beneficiary(ies) Social Security Number
5. Estimate from Social Security of your benefits at age 65
6. Current pictures of retiree and primary beneficiary(ies) (individual or pictures together – within 5 years)
7. Court endorsed settlement agreement, if the member had a dissolution of marriage (divorce) prior to retirement (if not already on file with StanCERA)
8. W – 4P Federal and California State tax withholding form
9. Authorization Agreement for Automatic Deposit (optional)
10. RESCO & RESCO Insurance authorization forms

As you can see, starting 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 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. The lump out is processed through your employer's normal payroll process in accordance with your particular bargaining unit memorandum of understanding (MOU).

### **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 is comprised of an Employer paid Pension.

You may authorize various deductions, as approved by the Retirement Board, including tax withholding, certain health insurance, RESCO dues and Valley First 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/ electronically transferred into a checking or savings account at the financial institution of your choice. You will be mailed a monthly advice notice from StanCERA showing the deposit.

**NOTE: There are no death benefits, disability benefits, or cost of living adjustments for Tier 3 retirees.**

## ADDENDUM

### 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 supersede and prevail over other provisions or 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) "Board" means the board of retirement.

(b) "Employer" means the county or district or agency whose employees are members of the retirement system of the county.

(c) "Federal system" means the Old Age and Survivors Insurance provisions of the Social Security Act.

(d) "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 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) "Member" or "general member" means an employee hired on a permanent basis, as defined by the employer, except an employee eligible for safety member.

(f) "Primary insurance amount" means the monthly retirement benefit payable under the federal system at the age of 65.

(g) "Service" 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 in this article, a member shall not be credited with service for any period of time in which the member is absent from work without pay.

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

31499.12. (a) (1) Except as otherwise provided in Section 31499.13, there shall be no general members' contributions under the plan created by this article.

(2) 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.

(b) (1) Except as provided in Sections 31499.13 and 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 may not receive credit for that prior public service.

(2) Absence from work or termination of employment while an eligible employee or disability beneficiary, as defined by a disability plan provided by the employer, may not be considered as breaking the continuity of service.



(3) 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 that has been approved by the employer, may not be considered an interruption of service. However, the period of time of unpaid leave may not be considered as service in calculating the benefits otherwise provided under this article.

31499.13. (a) An active member governed by the provisions of this article may elect, by written notice filed with the board, to make contributions and receive credit in this retirement system for service with the county that was rendered prior to his or her current membership in the system and for which he or she would not otherwise be entitled to receive credit pursuant to this article.

(b) Notwithstanding any other provision of this chapter, service credit received by a member pursuant to this section may not be counted to meet the minimum qualifications for service or disability retirement, additional cost-of-living benefits, health care benefits, or any other benefits based on service credit.

(c) Any member who elects to make contributions and receive service credit pursuant to this section shall contribute to the retirement fund, prior to the effective date of his or her retirement or, if applicable, prior to the date provided in Section 31485.7, by lump-sum payment or by installment payments over a period not to exceed 10 years, an amount that is equal to the present value of the additional liability incurred by the system in crediting the prior service, based upon actuarial assumptions in effect for the retirement system at the time the election is made.

(d) No member may receive any service credit under this section for which he or she has not completed payment pursuant to subdivision (c) before the effective date of his or her retirement or, if applicable, before the date provided in Section 31485.7. Subject to the limitations of federal law, a member who has elected to make payments in installments may complete payment by lump sum at any time prior to the effective date of his or her retirement.

(e) Any sums paid by a member pursuant to this section shall be considered to be and administered as contributions by the member.

(f) This section is not operative until the board of supervisors elects, by resolution adopted by a majority vote, to make this section operative in the county.

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 at 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 to 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 advice 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 from the employer as of the date of retirement or 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 (C) cost-of-living increases 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 advice 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.

(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 that 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 redepositing 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, unless a resolution, enacted by the board of supervisors subsequent to the member's election to transfer to the new plan, so provides.

(f) A plan transfer by a member is voluntary and shall be irrevocable, unless the board of supervisors, by resolution, authorizes Retirement Plan 3 members to transfer to a retirement plan authorized under Article 8 (commencing with Section 31670), under the terms and conditions specified in the resolution. The terms may include, but are not limited to, (1) an eligibility provision based on the number of years in county service, or (2) a provision for crediting service in the plan which (A) the member transfers to only for that service rendered after adoption of the resolution or (B) an eligibility provision that, for the purposes of Article 10 (commencing with Section 31720), considers years in county service

from the date the member transfers to a new plan unless the prior county service credit is restored, or both. The resolution may establish different service credit conditions for various job classifications or groups, or for various represented bargaining units, different conditions agreed upon by the employer and the employee representative, or both. The board of supervisors may also establish other conditions it deems necessary or desirable.

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 circumstances, 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.

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