



Tier 6 New Member Plan Summary



**Stanislaus County Employees'
Retirement Association**

StanCERA is an independent association established by the County Employees Retirement Law of 1937. StanCERA provides retirement and associated benefits for eligible employees of the County of Stanislaus, and other participating public agency employers. StanCERA responsibilities include collecting contributions, depositing and investing earnings and managing the retirement fund with direction from a nine-member Board of Retirement.

You become a member of StanCERA after you are appointed to a permanent position with benefits. Membership is mandatory for eligible employees beginning with the first day of employment.

Once vested, you are eligible for a lifetime retirement benefit as soon as you meet retirement eligibility requirements and choose to retire.

Contributions

The entire retirement system is financed by member contributions, employer contributions and investment earnings. Since the retirement benefits that Tier 6 offers are different than any of the existing plans currently administered by StanCERA, an actuarial valuation was required to determine both employer and employee contribution rates for this new plan. These contributions are mandatory and may be adjusted annually.

Semi annual member statements are mailed in January and July with information regarding your contributions, refundable interest and other general account information.

Membership Classifications

Safety members are those in active law enforcement positions or fire suppression, or those who otherwise qualify for Safety membership. General members are those not in active law enforcement positions or fire suppression. StanCERA has members in six separate Tiers. **Effective January 1, 2013**, all participating StanCERA employers new hires are automatically entered in Tier 6.



Understanding Reciprocity

Reciprocity is an agreement among most California public retirement systems to allow members to move from public employer to public employer within a specific time limit and to retain certain retirement benefit rights. Additional information can be obtained at www.StanCERA.org or by requesting the Reciprocity Handbook.

Termination from Work

If you are vested when you terminate but do not retire immediately, you may leave your contributions and interest on deposit in StanCERA and apply for retirement benefits in the future when you are eligible and choose to retire. If you are not vested when you terminate, you have the option of leaving your member contributions and interest on deposit, which continue to accrue interest and may be refunded at a later date.

Alternatively, you may request a refund of your member contributions and refundable interest upon termination. Employer contributions are not refundable and an employee has to be out of the payroll system for a minimum of two full pay periods before any refund will be processed.

Vesting

You are vested when you have five years (10,400 hours) of StanCERA retirement service credit or a combination of StanCERA and reciprocal retirement system service credit. Once vested, you are eligible for a lifetime retirement benefit as soon as you meet retirement eligibility requirements and choose to retire.

Service Credit

Service credit refers to the amount of time you have participated in the retirement plan. One year of service credit is equal to 2,080-service hours. A member's service credit is one of the factors used to determine eligibility for benefits payable under StanCERA.



Please note: You cannot receive more than one year (2,080 hours) of service credit for any one year. Overtime cannot be used for accumulation of service credit. If you work less than 2080 hours in a year, you may be eligible to purchase service credit. For additional information on purchasing service credit, visit our website at www.StanCERA.org or request a Buyback brochure by calling (209) 525-6393.

Unused Sick

Depending on your employer and your MOU you may be able to use excess sick leave credit to add to your total years in service.



Eligibility to Retire

General Tier 6 members are first eligible to retire at age 52 with 5 years of service credit or age 70 regardless of service credit. Safety Tier 6 members are first eligible to retire at age 50 with 5 years of service credit or age 70 regardless of service credit.

Service Retirement Benefit

Your benefit will be based on a formula that uses your age at retirement, your total service credit and your highest average monthly compensation in a consecutive 36 month period (3yrs).

Benefits increase up to age 67 (General) or up to age 57 (Safety).

The Tier 6 benefit formula per year of service credit is approximately 2% at age 62 for General members and 2.7% at age 57 for Safety members. For example, a General member that retires at age 67 can expect the maximum age factor percentage of 2.5% of your final compensation per year of service credit.



Use the retirement benefit calculator at www.StanCERA.org to determine benefit estimates at various ages and with varying lengths of service.



Cost of Living Adjustments

Eligible retired members and survivors receiving monthly benefits are eligible for annual cost of living adjustments based on changes in the Consumer Price Index for the San Francisco Bay area. Increases are not guaranteed, but can be up to 3% annually. If there is deflation, there is potential for reduction of any built up cost of living increases.

Disability Retirement Benefit

If you become permanently incapacitated due to an illness, injury or disease, and as a result, are unable to perform the duties of your job, you may be eligible to apply for a disability retirement benefit. There are two types of disability retirement: service-connected and non-service connected. There is no minimum age requirement for either type of disability retirement.

Service-connected disability relates to a permanent incapacity caused by your job. There is no minimum service credit requirement. The formula for service-connected disability retirement is 50% of your final average monthly compensation. Non-service connected disability relates to a permanent incapacity not caused by your job. You must have at least five years of StanCERA/reciprocal service credit to be eligible to apply for this benefit.

The benefit formula for a non-service connected disability retirement is up to 1/3 of your final average monthly compensation per year of service credit, but can be less. If you are eligible for a service retirement benefit and a disability retirement benefit, you will be paid the higher of the two benefits.



Survivor Benefits

If an active member dies, eligible survivor benefits may include a lump sum payment. An eligible spouse, registered domestic partner or eligible minor children of a vested active member may choose the lump sum or a monthly survivor benefit. A combination benefit is another option available to a surviving spouse or partner. Members or beneficiaries may contact StanCERA for more details.



When a retired member dies, any benefit paid to an eligible survivor is a percentage based on the benefit option chosen at the time of your retirement. Usually, the basic survivor benefit for a spouse or registered domestic partner is 60% upon death, but can be 50% or 100%. Other beneficiaries may also be eligible for benefits.

Dividing Community Property

If you are married or registered in a domestic partnership, your retirement benefits are considered community property. StanCERA and California law requires that the Retirement Association be notified and joined in any pending dissolution action before benefits are paid. Upon receipt of a Joinder or Notice of Adverse Interest, StanCERA will place a legal hold on the member's account.

To review the various methods of dividing community property, as well as other important details involving legal separation or divorce, click on the Dividing Community Property booklet at www.StanCERA.org or call 525-6393.

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StanCERA

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This fact sheet provides disclosure of certain terms and conditions of StanCERA membership and benefits available to members. It is designed to give you this information as simply and accurately as possible as of the date of issuance of this fact sheet. StanCERA is governed by the County Employees Retirement Law of 1937 (Government Code Section 31450 et. seq., AB340 & AB197) as it has been adopted and implemented by the Stanislaus County Board of Supervisors and the StanCERA Board of Retirement. If there is any inconsistency between this fact sheet and the governing law, the law will govern. Decisions relating to the plan will be made after reference to the statutes and any resolutions, regulations and policies governing administration of StanCERA as they exist at the same time of the decisions.