



**Stanislaus County
Employees' Retirement
Association
Tier 6 Information
1937 Act Retirement System**



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TO THE TIER 6 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.) and the Public Employees' Pension Reform Act (PEPRA). 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

Date	Event
July 1, 1948	Stanislaus County Board of Supervisors established the retirement system
May 1, 1958	General members' integration with Social Security retroactive to January 1, 1956
Year 1960	Safety members' integration with Social Security retroactive to January 1, 1956
January 1, 1970	Effective date of maximum 3% cost-of-living adjustment for retirees' allowances
January 1, 1971	Fixed Formula and "Safety Member" provisions adopted
September 1, 1971	Final average salary based on member's highest 12 months salary (instead of highest 36 months)
March 1973	Minimum retirement age lowered to 50 (from 55)
May 8, 1973	\$750 Death Benefit for Retirees was established
June 19, 1973	Members allowed to purchase other public service credit
July 1, 1974	The City of Ceres joins the retirement association 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 Court 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 Stanislaus County 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

Stanislaus County offers retirement benefits to its employees under the County Employees' Retirement Law of 1937 and these benefits have been, and are, administered through the Stanislaus County Employees' Retirement Association (StanCERA).

On September 12, 2012 the Governor signed into law Assembly Bill 340 which takes effect on January 1, 2013. The law applies to all public retirement systems in California except for those established by a charter city or charter county. Stanislaus County as a general law County is subject to provisions of the Public Employees' Pension Reform Act (PEPRA). This law created different retirement formulas for new members hired on or after January 1, 2013. The PEPRA applies to both the County and Districts as the employer, and StanCERA as the retirement system.

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

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

All of the retirement plans administered by StanCERA are DEFINED BENEFIT plans. Defined benefit plans are based on criteria other than your contributions and accrued interest. 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 12th 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, Stanislaus County Superior Court, the City of Ceres, East Side Mosquito Abatement District, Keyes Community Services District, Salida Sanitary District, Hills Ferry Cemetery District or StanCOG (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 6 EMPLOYEES ARE

All employees for Stanislaus County, Stanislaus County Superior Court, the City of Ceres, East Side Mosquito Abatement District, Keyes Community Services District, Salida Sanitary District, Hills Ferry Cemetery District or StanCOG hired on or after January 1, 2013 or had a six month or more break in service from prior public system and did not establish reciprocity or were a prior StanCERA deferred member with a break in service more than six months and returned to a different StanCERA employer.

SOCIAL SECURITY

Most members of StanCERA (except for Keyes CSD) are covered under both the County Employees Retirement Act of 1937 ("the 1937 Act") and the Federal Social Security program.

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/dpreistry.

YOUR BENEFICIARY DESIGNATION IS IMPORTANT. YOUR BENEFICIARY IS ELIGIBLE FOR BENEFITS TO BE PAID IF YOU SHOULD DIE WHILE YOU ARE STILL EMPLOYED WITHIN THE RETIREMENT ASSOCIATION.

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 may 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 (5 years for Tier 6). 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 – Member Services.

TIER 6 BENEFITS INFORMATION

If you were hired on or after January 1, 2013 into a permanent position with benefits and the position did not require you to perform active, criminal law enforcement or fire suppression, you are a General (non-safety) member.

If you were hired on or after January 1, 2013 into a permanent position with benefits and the position requires you to perform active, criminal law enforcement or fire suppression, you are a Safety member.

The entire retirement system is financed by member contributions, employer contributions and investment earnings. Since the cost sharing rate and 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. On December 12, 2012 the StanCERA Board approved flat member contribution rates for employees hired on or after January 1, 2013.

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.

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 STANCERA.

1. Refund of your contributions

All Tier 6 members are eligible to have their contributions refunded to them upon termination. If you choose to be refunded, you waive all other retirement benefits and will NOT receive a benefit of any employer paid monies.

2. Deferred retirement on a transfer basis (Reciprocity)

All Tier 6 members are eligible to elect to leave their contributions on deposit with the Association and defer their retirement if they are employed and covered by a reciprocal retirement system within 6 months after the employee leaves employment within StanCERA.

Certain advantages accompany your decision. 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).

CAUTION: PLEASE BE AWARE THAT YOU ARE NOT ELIGIBLE TO WITHDRAW YOUR RETIREMENT CONTRIBUTIONS, WHICH ARE ON DEPOSIT WITH STANCERA, UNTIL YOU LEAVE AND WITHDRAW FROM THE RETIREMENT SYSTEM TO WHICH YOU TRANSFERED.

Pursuant to Government Code §31700.1(c) any member whose retirement system coverage ceases but who does not terminate employment shall leave their accumulated contributions in the retirement fund and interest shall continue to be credited until the member retires or terminates employment.

3. Deferred retirement (Non-transfer basis)

All Tier 6 members are eligible to elect to leave their contributions on deposit with the Association and defer their retirement if they have completed five or more years of service.

4. Death while still employed within the Association – Ordinary

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

a. If you have less than 5 years of service, your beneficiary will receive your contributions and interest plus one month's salary for each full year of service completed.

b. If you have completed five or more years of service, your surviving spouse/registered domestic partner or eligible minor children will have a choice of:

1. A lump sum benefit comprised of your contributions plus interest and one month's salary for each year of service completed up to a maximum six months' salary.

OR

2. A monthly retirement allowance equal to 60% of the monthly retirement allowance, which you would have received if you had been granted a non-service connected disability retirement allowance. Under this option your beneficiary will not receive any lump sum benefit payment.

OR

3. A combination of a lump sum benefit equal to one month's salary for each full year of service completed up to a maximum six months' salary and a monthly retirement allowance, which is the actuarial equivalent of a 60% continuance of your non-service connected disability retirement allowance less the lump sum benefit paid.

c. If you have completed five or more years of service and do not have a surviving spouse/registered domestic partner or eligible minor children, your nominated beneficiary will receive your contributions plus one month's salary for each full year of service completed up to a maximum of six months' salary.

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

5. Non-service connected disability retirement

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

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

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

6. Service-connected disability retirement

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

If your employer can modify your job duties so that you can work within any medical restrictions, you may continue to work and you will not be eligible for service connected disability retirement benefits.

If the Retirement Board determines that you are eligible for service connected disability retirement benefits, you will begin receiving benefits effective upon the date of your application or the day after your last day on payroll, WHICHEVER IS LATER. Payroll payments include work time, vacation time, and sick time. Payments made from outside agencies such as Worker's Compensation payments are not considered employer payroll payments.

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

NOTE: SUPPLEMENTAL (REHABILITATION) DISABILITY ALLOWANCES CAN BE PAID IF YOU ACCEPT ANOTHER POSITION OFFERED BY YOUR EMPLOYER IN LIEU OF A RETIREMENT ALLOWANCE.

7. 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:

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.

Your regular service retirement allowance is calculated by multiplying your pensionable compensation by your years of service and then multiplying by an age factor.

The Tier 6 retirement benefit formula for general members is generally known as 2.5% at age 67. The Tier 6 retirement benefit formula for Safety members is generally known as 2.7% at age 57.

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 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)

The normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours.

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, 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. 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. If the leave of absence was due to illness, you may reinstate up to 1 year (2,080 hours) per leave to count towards your retirement service credit. You may reinstate the service credit by making the normal retirement contributions, which you would have made if you had been paid on payroll (plus any accrued interest).

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. You may reinstate up to 1 year (2,080 hours) per leave to count towards your retirement service credit. You may reinstate the service credit by making the normal contributions, which you would have made if you had been paid on payroll plus any accrued interest.

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. You may reinstate up to 1 year (2,080 hours) per leave to count towards your retirement service credit. You may reinstate the service credit by making the normal contributions, which you would have made if you had been paid on payroll plus any accrued interest.

d) **Percentage time** - If you have agreed to work less than a normal 80 hours biweekly, you will accumulate less retirement service 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.

MORE SERVICE THAN ELAPSED TIME ("BUYBACKS")

The Government Code allows members to purchase or "buyback" a variety of employer-related service. The following types of service and their individual "buyback" calculations are listed below:

a) **Prior Full Time Service** - If you were employed within the Association (Stanislaus County, Stanislaus Superior Court, City of Ceres, five Districts) on a full time basis and were a member but received a refund of your contributions and are again currently employed within StanCERA, you may "buyback" this service and add it to your current retirement service credit by re-depositing your withdrawn contributions plus the interest the contributions would have earned had you left the money on deposit within the Association from the date of refund to the date of full redeposit/payoff ("regular interest").

b) **Prior Part Time Service** - If you were employed within the Association on a part-time or "extra help" basis before your membership in the Retirement Association, you may "buyback" this service and add it to your retirement service credit. To calculate the cost of the "buyback", the dollars which were paid to you as a part-time employee are added up on a month-by-month basis. The total made each month is multiplied by your contribution percentage to derive your basic contribution.

To calculate the cost of living (COL) contribution for non Tier 6 service, the above basic contribution amount is multiplied by your first COL percentage contribution rate. Your "first" percentages are the first percentages which applied to your full time pay when you first became a member of the Retirement Association. After the initial cost figure is calculated, interest is added from your date of entrance into membership until the amount is paid off in full at the same rate as any contribution would have earned interest within the Association (this is referred to as "regular interest").

Most Personal Service Contracts do not allow for retirement benefits or the purchase of time for retirement service credit.

FOR ALL "BUYBACK" CALCULATIONS, PLEASE COMPLETE AND SUBMIT A BUYBACK CALCULATION REQUEST FORM, TO STANCERA SPECIFYING DATES AND TYPE(S) OF SERVICE YOU WISH TO "BUYBACK." Forms are available at www.stancera.org, select Forms.

c. AGE FACTOR – SAFETY

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 57. THERE IS NO AGE FACTOR BENEFIT INCREASE BEYOND AGE 57 AND IF YOU ARE ON DEFERRED RETIREMENT-NON-TRANSFER STATUS YOU SHOULD NOT WAIT PAST YOUR 57th BIRTHDAY TO APPLY FOR REGULAR SERVICE RETIREMENT BENEFITS.

Below you will find the age factors for Tier 6 Safety employees for each quarter age. To use a factor you must have completed that particular age level. For example, if you were born January 25, you would retire on January 25 at full year age, April 25 at quarter year age, July 25 at half year age and October 25 at three-quarter year age.

<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>
50.00	0.02000	56.00	0.02600	62.00	0.02700
50.25	0.02025	56.25	0.02625	62.25	0.02700
50.50	0.02050	56.50	0.02650	62.50	0.02700
50.75	0.02075	56.75	0.02675	62.75	0.02700
51.00	0.02100	57.00	0.02700	63.00	0.02700

<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>
51.25	0.02125	57.25	0.02700	63.25	0.02700
51.50	0.02150	57.50	0.02700	63.50	0.02700
51.75	0.02175	57.75	0.02700	63.75	0.02700
52.00	0.02200	58.00	0.02700	64.00	0.02700
52.25	0.02225	58.25	0.02700	64.25	0.02700
52.50	0.02250	58.50	0.02700	64.50	0.02700
52.75	0.02275	58.75	0.02700	64.75	0.02700
53.00	0.02300	59.00	0.02700	65.00	0.02700
53.25	0.02325	59.25	0.02700	65.25	0.02700
53.50	0.02350	59.50	0.02700	65.50	0.02700
53.75	0.02375	59.75	0.02700	65.75	0.02700
54.00	0.02400	60.00	0.02700	66.00	0.02700
54.25	0.02425	60.25	0.02700	66.25	0.02700
54.50	0.02450	60.50	0.02700	66.50	0.02700
54.75	0.02475	60.75	0.02700	66.75	0.02700
55.00	0.02500	61.00	0.02700	67.00	0.02700
55.25	0.02525	61.25	0.02700		
55.50	0.02550	61.50	0.02700		
55.75	0.02575	61.75	0.02700		

An example of an estimate of a simple service retirement benefit is as follows:
 Factors: Age 55.50; years of service 20; Monthly Pensionable Compensation \$4,800
 Monthly Retirement Benefit = .0255 x 20 x 4800 = \$2,448

c. AGE FACTOR – GENERAL

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 67. THERE IS NO AGE FACTOR BENEFIT BEYOND AGE 67 AND IF YOU ARE ON DEFERRED RETIREMENT-NON-TRANSFER STATUS YOU SHOULD NOT WAIT PAST YOUR 67th BIRTHDAY TO APPLY FOR REGULAR SERVICE RETIREMENT BENEFITS.

Below you will find the age factors for Tier 6 General employees for each quarter age. To use a factor you must have completed that particular age level. For example, if you were born January 25, you would retire on January 25 at full year age, April 25 at quarter year age, July 25 at half year age and October 25 at three-quarter year age.

<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>
52.00	0.01000	57.00	0.01500	62.00	0.02000
52.25	0.01025	57.25	0.01525	62.25	0.02025
52.50	0.01050	57.50	0.01550	62.50	0.02050
52.75	0.01075	57.75	0.01575	62.75	0.02075
53.00	0.01100	58.00	0.01600	63.00	0.02100

<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>
53.25	0.01125	58.25	0.01625	63.25	0.02125
53.50	0.01150	58.50	0.01650	63.50	0.02150
53.75	0.01175	58.75	0.01675	63.75	0.02175
54.00	0.01200	59.00	0.01700	64.00	0.02200
54.25	0.01225	59.25	0.01725	64.25	0.02225
54.50	0.01250	59.50	0.01750	64.50	0.02250
54.75	0.01275	59.75	0.01775	64.75	0.02275
55.00	0.01300	60.00	0.01800	65.00	0.02300
55.25	0.01325	60.25	0.01825	65.25	0.02325
55.50	0.01350	60.50	0.01850	65.50	0.02350
55.75	0.01375	60.75	0.01875	65.75	0.02375
56.00	0.01400	61.00	0.01900	66.00	0.02400
56.25	0.01425	61.25	0.01925	66.25	0.02425
56.50	0.01450	61.50	0.01950	66.50	0.02450
56.75	0.01475	61.75	0.01975	66.75	0.02475
				67.00	0.02500

An example of an estimate of a simple service retirement benefit is as follows:
 Factors: Age 55.50; years of service 20; Monthly Pensionable Compensation \$4,800
 Monthly Retirement Benefit = .0135 x 20 x 4800 = \$1,296

OPTIONAL ALLOWANCES UPON RETIREMENT

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

UNMODIFIED: The calculation for regular service retirement, found on the previous pages, 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 your 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 60% 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/registrations between the date of your retirement and the date of your death.

If upon retirement your spouse/registered domestic partner subsequently dies or you get divorced and you do not have any minor children upon your death, **NO ONE** will receive the monthly continuance. If your spouse/domestic partner predeceases you and you have not yet received back in monthly retirement allowances all of your member retirement contributions, any remaining balance will be paid to an alternate beneficiary whom you nominate at the time of signing your retirement paperwork.

If you do not have a spouse/domestic partner at the time of retirement, you may nominate one or more beneficiaries who will receive the declining lump sum

remainder amount (if any) of your contributions less all retirement allowances paid to you.

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

OPTION 2: You may choose to take an actuarial reduction in your monthly retirement allowance so that your one beneficiary can receive a 100% continuance for the beneficiary's lifetime. Your allowance will be the lowest of all of the options available and will not increase if your beneficiary dies before you do and is thereby ineligible for the monthly continuance. There are no alternate beneficiaries. If your beneficiary does survive after you, then the beneficiary will receive your monthly allowance as it was at your death plus any future cost of living increases, which you would have received.

NOTE: Whenever a non-spousal beneficiary is more than ten years younger than the member, the continuance percentage is actuarially adjusted. Choosing Option 2 at the time of retirement is an irrevocable election and cannot be changed after retirement.

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

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

THIS OPTION DOES NOT ALTER ANY MONTHLY PAYMENTS TO YOUR BENEFICIARY. YOUR BENEFICIARY WILL RECEIVE THE SAME MONTHLY RETIREMENT ALLOWANCE WHETHER OR NOT YOU CHOOSE THIS MODIFICATION.

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

course, prove more advantageous or disadvantageous depending on whether you live a shorter-than-normal or longer-than-normal lifetime.

In order to calculate your modified allowances precisely, StanCERA will need a current written estimate of your Social Security benefits payable. You may obtain a request from any Social Security Office or a link to the Social Security Benefits Calculator is available at www.stancera.org, select Calculators. The factors used in computing your increased allowance before age 62 are subject to changes in the actuarial assumptions of the interest crediting rate and retiree mortality. Please consult with StanCERA for accurate estimates of how this option modifies your normal monthly retirement allowance.

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 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 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. Current pictures of retiree and primary beneficiary(ies) (individual or pictures together – within 5 years)

6. Court endorsed settlement agreement, if the member had a dissolution of marriage (divorce) prior to retirement (if not already on file with StanCERA).
7. Estimate from Social Security, if the Section 31810 modification is chosen
8. Designation of Beneficiary Other than Spouse/Domestic Partner, if applicable
9. W – 4P Federal and California State tax withholding form
10. \$5,000.00 Retiree Death Benefit designation form, if StanCERA is the last system in which the member worked
11. Authorization Agreement for Automatic Deposit (optional)
12. 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 begins by being comprised of the following three components:

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

ANNUITY - NON TAXABLE = This is the actuarially determined monthly amount of any post-tax contributions being returned to you (if applicable).

PENSION = This is the Employer's monthly amount being paid to you which is the difference between your total retirement allowance (as calculated by the

formula for unmodified or in accordance with your optional selection) less your annuity.

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

The three components combined equal your total retirement allowance, which was determined by the formula in the preceding pages and your particular optional payout.

Members on disability retirement likewise receive a disability annuity (return of the member's pre-tax contributions), disability annuity non-taxable (return of the member's post-tax contributions, if applicable) and a disability pension (the difference between the total amount owed for the disability retirement allowance and the member's annuity/annuity non-taxable).

Surviving spouses/eligible minor children, of a deceased active member, receive a survivor's death benefit - which is a combination of member and employer monies.

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.

COST OF LIVING ADJUSTMENTS

Since 1971, retirees have been receiving cost of living adjustments to their retirement allowances with a maximum cap of 3% per year. Active members have also been contributing towards this benefit since that time. Each year the Retirement Board determines whether there has been an increase or a decrease in the Consumer Price Index in the San Francisco Bay area. The increase or decrease is then reflected on the retirees' monthly retirement check as a "Cost of Living" adjustment up to a maximum 3% increase or decrease. Any excess percentages are "banked" for future years when the increase is less than 3% or there is a decrease.

Since the inception of this benefit, retirees have only experienced inflation (an increase in the Consumer Price Index) and in most years inflation above the 3% maximum cap. However, if the Bay Area experienced long term deflation, some retirees could begin to see a decrease in prior year's accumulated cost of living benefits.

The cost of living adjustment is made annually on the May retirement check. If inflation is 3% or more for the year (or if the retiree has more than 3% inflation credits banked), the retiree will receive 3% more than the April check (herein lies the "magic" to the selection of a March 31st retirement date). The 3% increase is calculated on the total retirement allowance (which includes all accumulated cost of living increases).

Thus, if inflation continues at 3% or more each year, retirees will receive a 3% compounded rate on their retirement allowance. The increase is a permanent benefit, which is then reviewed each year for adjustment in line with the Consumer Price Index change and the 3% limitation. Only dramatic deflation would eventually erode the current cost of living payments being made to retirees. (Due to the nature of this type of adjustment, however, the retiree's "buying power" will remain about the same: a loaf of bread will again be \$0.25 and a house will cost \$25,000.)

THE COST OF LIVING ADJUSTMENT CAN NEVER CAUSE YOUR RETIREMENT ALLOWANCE TO BE LESS THAN YOUR ORIGINAL MONTHLY RETIREMENT ALLOWANCE.

DEATH BENEFIT(S) AFTER RETIREMENT

Upon your death, StanCERA will pay out to your designated beneficiary the appropriate lump sum or monthly continuance depending on your selection at the point of retirement and the continuing eligibility of your beneficiary for such a benefit (e.g. you are still married/registered to the same spouse/domestic partner you nominated as beneficiary at the point of retirement and the spouse/partner survives you; your beneficiary is still alive).

The Retirement Board has fully funded a **\$5,000 death benefit** (commonly referred to as a "burial allowance") for all retirees whose last work in a 1937 Act Retirement System or California Public Employees Retirement System (PERS) was in the Stanislaus County Employees' Retirement Association.

If you transfer to another 1937 Act system or California PERS, you are not eligible for this benefit from StanCERA. Upon your death your surviving beneficiary (whether collecting a continuance or survivor death benefits) is not eligible for this benefit.