

Understanding Reciprocity



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Stanislaus County Employees' Retirement Association (StanCERA) members who accept full-time employment with another public entity, within California, may be eligible to retain certain retirement rights and benefits. This booklet provides information about these potential rights and benefits.

Reciprocity is an agreement among most California public retirement systems to allow members to move from one public employer to another public employer, within a specific time frame, with the ability to retain certain retirement benefit rights.

Reciprocity

StanCERA has an agreement with most California public retirement systems allowing members to move from one public employer to another while retaining certain benefit rights. Establishing reciprocity may reduce the cost and increase the value of the retirement benefit.

Retirement funds and service credit are not transferred from employer/retirement system to another, rather the retirement systems coordinate together.

Reciprocity establishes membership in more than one retirement system, gaining benefits from all memberships. At time of retirement, application must be made to all retirement systems separately participating in the agreement. The date of retirement must be the same for all participating systems in order to receive all the benefits of reciprocity. Retired members will receive a separate retirement benefit check from each system.

Reciprocity is an agreement between retirement systems and retirement provisions vary. It is important to know the potential advantages and disadvantages of requesting reciprocity prior to changing employers. Reciprocity benefits are governed by the plan documents of the various retirement systems and are subject to change. If there are any discrepancies between the plan documents and the information contained in this booklet, the plan documents have precedence.

StanCERA's authority extends only to those applying and implementing the County Employees' Retirement Law of 1937. It does not extend to laws and regulations under which other public retirement systems are administered. Questions relating to rights, benefits, and obligations under any other public retirement system should be addressed to the appropriate system.

Age of Entry

When moving to subsequent reciprocal systems in many instances members may be eligible for a lower contribution rate based on Age of Entry into the member's first retirement system. Subsequent agencies may have a higher Age of Entry contribution rate due to date of employment.

Highest Average Salary

Upon retirement, all reciprocal agencies will calculate your final average compensation based on your highest average salary from any one of the participating reciprocal systems. This maximizes the value of your total benefit from all reciprocal agencies.

While reciprocity is advantageous for service retirement, reciprocity may be disadvantageous for disability retirement benefits.

Reciprocal Systems with StanCERA

State Systems

- California Public Employees' Retirement System (CalPERS)
- California State Teachers Retirement System (CalSTRS)
- Judges' Retirement System I & II (JRS)

County Systems

Counties that maintain retirement systems under the County Employees' Retirement Law of 1937:

- Alameda
- Contra Costa
- Fresno
- Imperial

- Kern
- Los Angeles
- Marin
- Mendocino
- Merced
- Orange
- Sacramento
- San Bernardino
- San Diego
- San Joaquin
- San Mateo
- Santa Barbara
- Sonoma
- Stanislaus
- Tulare
- Ventura

*StanCERA does not have a reciprocity agreement with the
University of California System*

It is recommended to verify all requirements with the current and new retirement system.

Reciprocity Requirements

In order to receive the full benefits of reciprocity, the following requirements must be met:

- Membership must continue in the first retirement system by leaving service credit and any contributions on deposit.
- Employment with subsequent reciprocal retirement system employer within six (6) months of ending employment of prior system.
- Retirement must occur from all retirement systems on the same day by filing a retirement application with each system respectively.

Terminated and Withdrawn Members

Some systems allow members who have terminated their membership and withdrawn their contributions, but are now employed under a reciprocal system, to redeposit their contributions in order to purchase time. If you believe this may apply to you, contact your new retirement system for eligibility requirements.

Only a limited number of StanCERA members are eligible to purchase service (Tier 1, Tier 4 and AB2766/Safety)

Movement Between Systems

Laws specifying the maximum separation time between retirement systems have changed. In addition, certain restrictions may exist if employed under an independent retirement system before the effective date of a systems' reciprocal agreement with CalPERS. Further certain restrictions may also exist with CalSTRS. If this may be applicable, contact both current and past retirement systems for information.

Reciprocity Restrictions

Concurrent Employment

Reciprocity does not apply when there is an overlap in service between two retirement systems. For the benefits of reciprocity to apply, there must be a separation under the first retirement system prior to joining the new retirement system. This may include when overlap time is due to running out vacation or sick time. It is suggested to check the rules and requirements of both retirement systems prior to severing employment.

Refund Restriction

StanCERA does not allow the withdrawal of member contributions while employed under a reciprocal system. Upon termination of employment in your current retirement system, the current retirement system must approve and complete its refund prior to StanCERA processing a withdrawal request.

Cancellation/Broken Reciprocity

Once reciprocity is established it cannot be broken/canceled.

Establishing Reciprocity

Becoming a member of a reciprocal retirement system within the six (6) month timeframe is required to establish reciprocity. The request to establish reciprocity must be submitted to both retirement systems.

Member Enrollment Form

Indicate request to establish reciprocity, in the appropriate section, on the Member Enrollment Form.

Termination of Employment Form

Indicate request to establish reciprocity, in the appropriate section, on the Termination of Employment Form.

Confirmation will be sent once reciprocity has been established.

Retiring with Reciprocity

Applying for Retirement

When reciprocity is established an application for retirement must be submitted to all reciprocal agencies with the same date of retirement. Every retirement system has its own application procedures. It is suggested to contact each system separately regarding the individual application process.

Membership and vesting requirements must be met in order to be eligible to retire.

Deferring Retirement

If leaving a StanCERA-covered employer, but are not ready to retire under reciprocity, deferment may be an option. A StanCERA Termination Form must be completed and indicating the choice to defer retirement and if reciprocity will need to be established. When electing to defer retirement, StanCERA will maintain any contributions on deposit, with interest, until application for retirement is made.



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