Contra Costa County
Employees' Retirement Association

Retirement Benefits Handbook

General Member

GENERAL Tier 1, 1 - Enhanced
GENERAL Tier 2
GENERAL Tier 3 - Enhanced
Active GENERAL members with membership dates before January 1, 2013

CONTRA COSTA COUNTY CCCERA
Employees' Retirement Association

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Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, California 94520-5728
cccera.org

General Information

Important Notice:

The Contra Costa County Employees' Retirement Association (CCCERA) administers retirement, disability, and survivor benefits for the employees of Contra Costa County (County) and other special districts, which include Bethel Island Municipal Improvement District, Byron-Brentwood-Knightsen Union Cemetery District, Central Contra Costa Sanitary District, Contra Costa County Employees' Retirement Association, Contra Costa Housing Authority, Contra Costa Mosquito and Vector Control District, First 5 – Children & Families Commission, In-Home Supportive Services Authority (IHSS), Local Agency Formation Commission (LAFCO), Rodeo Sanitary District, Superior Court of Contra Costa County, Contra Costa County Fire Protection District, East Contra Costa Fire Protection District, Moraga-Orinda Fire Protection District, Rodeo-Hercules Fire Protection District, and San Ramon Valley Fire Protection District. In addition, CCCERA administers retirement, disability, and survivor benefits to retirees or beneficiaries of former participating agencies, which include Alamo-Lafayette Cemetery District, City of Pittsburg, Delta Diablo Sanitation District, Diablo Water District, Ironhouse Sanitary District, Kensington Fire Protection District, Superintendent of Schools - Contra Costa County Office of Education, and Stege Sanitary District.

CCCERA was established under the authority of the County Employees Retirement Law of 1937 (CERL) and is governed by CERL and the California Public Employees' Pension Reform Act of 2013 (PEPRA). CCCERA has been providing retirement, disability, and death benefits to eligible County and special district employees, retirees, and their beneficiaries since 1945. CCCERA is an independent governmental entity, subject to the laws governing fiduciaries. CCCERA operates under the direction of a nine-member Board of Retirement (with three alternate members).

CCCERA's mission is to administer pension benefits earned by our members and to be prudent stewards of plan assets.

The Contra Costa County Employees' Retirement Association is governed by the County Employees Retirement Law of 1937 and the California Public Employees' Pension Reform Act of 2013; CCCERA retirement benefits are administered in accordance with these laws. If there is any conflict between statements made herein and provisions of the applicable retirement law, the law will prevail.

References:

This handbook contains numerical annotations, such as **31450**. These numbers refer to sections of the California Government Code that are the legal basis for CCCERA benefits. These statutes have been included should you require additional information from the source. The citations are not a complete list of all the interrelated statutes that govern a given subject. The CERL and PEPRA are very complex documents covering 20 different counties and other public agencies in California. If you have any questions, please contact CCCERA.

Office Hours:
Monday – Friday
8 a.m. – 5 p.m.
(CCCERA is closed for lunch between noon and 12:30 p.m.)

Address:
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

Website:
cccera.org

Telephone:
(925) 521-3960

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(925) 521-3969

Voicemail: CCCERA's voicemail system is available 24 hours a day. Messages left in the general mailbox will be forwarded to the correct person for response. Please speak clearly, and remember to leave your name and telephone number. Verbal instructions cannot be accepted or acted upon for transactions, applications for benefits and disbursement requests.

Information: General information questions can often be answered at the time of your call. Specific questions about your personal account or assistance with more complex subjects may require research. CCCERA staff will answer your queries as soon as possible.

Retirement Counselors: Retirement counselors are available for individual appointments and telephone consultations between 8 a.m. and 5 p.m., Monday through Friday. Retirement counselors are assigned alphabetically to accounts and are trained in all aspects of the benefit structure and the retirement process.

Appointments: Appointments can be made to discuss your specific situation by calling CCCERA.

Pre-Retirement Workshops: Workshops are available to all members but are particularly helpful for members planning to retire within five years. Sessions are held frequently throughout the year. Call CCCERA for more information and reservations.

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CCCERA Membership

Welcome to the Contra Costa County Employees' Retirement Association. Whether you are beginning your career or have extensive public service, CCCERA membership can be an important component of your own individual retirement plan.

CCCERA is a defined benefit retirement plan which provides a fixed, pre-established benefit for employees at retirement. The amount of your benefit is calculated by factors such as salary and a member's retirement service credit.

Defined benefit pensions are based on a formula set by law, in this case the *County Employees Retirement Law of 1937 (CERL or 1937 Act)*, and the *California Public Employees' Pension Reform Act of 2013 (PEPRA)*. PEPRA became effective on January 1, 2013. This law made substantial changes in public employee benefits, both for new and for existing retirement system members. These changes include new benefit tiers for members entering public retirement systems on or after January 1, 2013. These tiers are designated as PEPRA General Tiers 4 and 5, and PEPRA Safety Tiers D and E.

MEMBERSHIP DATE

You become a CCCERA member on the first day of the month following your employment in an eligible position. Retirement benefit contributions begin with the first paycheck after membership. All active, eligible employees contribute to the retirement system. Membership is mandatory for most employees in permanent positions, working half-time or more; the exceptions are elected officials, who may choose membership by declaration, and employees who begin working after the age of 60 who may waive membership in the system.[1]

THE RETIREMENT TIER STRUCTURE

Currently, the CCCERA retirement system has fourteen benefit tiers, mandated by amendments to CERL, and adopted by the Contra Costa County Board of Supervisors. This handbook discusses the General tiers only. New (not reciprocal*) general members entering the system on or after January 1, 2013, will earn retirement benefits in the PEPRA Tier 4 or Tier 5 structure. General members who entered the system before January 1, 2013, will earn retirement benefits in Tiers 1, 1 Enhanced, 2 or 3 Enhanced.

There are two broad categories of active membership – general and safety:

- General members are employed by Contra Costa County or special districts. General members accrue service in Tiers 1, 1 Enhanced, 2 or 3 Enhanced. Benefits are calculated under the 1.67% at 55, 2% at 55, and 1.13% at 55 benefit formula depending on tier.

- Safety members are employed in active law enforcement, fire suppression, and other high risk classifications designated by Government Code. Safety members accrue service in Tiers A, A Enhanced, or C Enhanced. Benefits are calculated under the 2% at 50 or 3% at 50 benefit formula.

Member benefits are calculated using the basic formula. The COLA (Cost-of-Living Adjustment) component applied to your benefit also varies by tier. Your tier designation depends primarily on the benefit structure adopted by your employer.

Tier	Final Average Salary (FAS) Used to Compute Benefits	Service Retirement Benefits	Maximum Cost of Living Adjustment (COLA)
General Tier 1	12 months	1.67% at 55	3%
General Tier 1 Enhanced	12 months	2% at 55	3%
General Tier 2	36 months	1.13% at 55	4%
General Tier 3 Enhanced	12 months	2% at 55	3% (4% for disability)

**Reciprocal members (general members entering CCCERA within six months of prior public service in a system with a reciprocal agreement with CCCERA) are eligible to enter pre-PEPRA tiers, depending on individual circumstances at time of membership.) See page 22 for more information on reciprocity.*

COMPENSATION EARNABLE

Under the law, compensation earnable is defined as "the average compensation for the period under consideration with respect to the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay, as determined by the retirement board." It includes many forms of compensation such as uniform allowances and limited payments for unused leave. Several types of compensation may be excluded from "compensation earnable" such as:

- Payments for unused leave to the extent they exceed what was both earned and could have been sold back for cash during service during the final compensation period.

- Payments made at the termination of employment, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.

- Payments for additional services rendered outside of normal working hours, such as on-call, standby and overtime pay.

- Compensation determined by the board to have been paid to enhance a member's retirement benefits.

EXCLUDABLE ENHANCEMENTS TO COMPENSATION

CCCERA monitors compensation elements that go into your retirement benefit calculations to assess whether pension spiking has taken place. CCCERA must exclude any compensation it determines was paid to increase your retirement benefit. Regular, recurring pay made to all qualified people in the same job classification is unlikely to be excluded under this criteria. Examples of potentially excludable pay: (a) Compensation previously paid in-kind (like use of an automobile) or to a third party (like an insurer) on behalf of employee but converted to cash payment directly to employee in the final average salary period; (b) One-time or ad hoc payment (like a "retirement bonus") not given to similarly situated employees in same grade or class; (c) Severance or separation pay received while employed; (d) any compensation improperly increased by the member. There could be other types of pay deemed to be excludable compensation enhancements, either before or after you retire. If CCCERA determines that compensation will be excluded, you and your employer will have an opportunity to contest that determination. Please see the CCCERA Policy Regarding Assessment and Determination of Compensation Enhancements for more information.

It is possible that after you retire and begin to receive your benefits, CCCERA may later determine that a pay element should have been excluded from your benefit calculation. Any benefit estimates provided to you before retirement are just that – estimates – and may not be relied upon to prevent CCCERA from later reevaluating the correctness of your benefit amount.[2]

YOUR BENEFIT VALUE

Service retirement benefits are calculated using three important variables:

Highest Final Average Salary	Years of Retirement Service Credit	Retirement Age Factor
The highest average compensation earnable during a 12 consecutive month period. For Tier 2 members this is a 36 consecutive month period. Final Compensation is calculated by taking your highest consecutive (unbroken by any leaves of absence) months of salary and averaging that amount. The months can be from any designated period of time chosen by the member.	*The length of time you contributed to the retirement system.* You accrue retirement service credit for each pay period in which you make a contribution. By this definition, you do not earn service credit for any time you are: 1. Absent from your job without pay, 2. Working in a position not covered by the retirement system, 3. Working part-time, less than 20 hours a week.	*The percentage (expressed in decimal form) under the applicable Government Code section, that is multiplied by your age and years of service to calculate your benefit.* For example, 1.67% at 55 means if you retire at age 55, your benefit will be calculated using 1.67%, or .0167.*

Your retirement benefit is calculated with this equation:

Highest Final Average Salary	X	Years of Retirement Service Credit	X	Retirement Age Factor	=	Monthly Pension Benefit

General members are eligible to retire at age 50 with at least 10 years of retirement service credit, or at age 70 regardless of service or after 30 years of service regardless of age.[3]

***General Tiers 1, 1 Enhanced, 2, and 3 Enhanced age factors range from 0.830% at age 50 (the earliest age General members are eligible to retire), and 2.6113% at age 65, the highest age factor allowed.** *See page 42 for details on age factors.*

EMPLOYEE CONTRIBUTIONS

During your employment you contribute a percentage of your pay each pay period through automatic payroll deductions which are submitted to CCCERA and posted into your retirement account. This percentage amount is your contribution rate, which is determined annually by CCCERA's actuary.

CCCERA employee contribution rates for general members are based on two factors: your employer and your benefit plan.

Safety members traditionally retire at earlier ages than general members. The majority of active law enforcement, firefighters and other personnel with high risk jobs are covered by the 3% at 50 benefit structure. Contribution rates are set to provide an average retirement annuity at age 50, rather than age 55 used for general members (2% at 55). The 3% at 50 benefit structure is more generous, but it is also more costly to employees and employers alike.

In addition to CCCERA member contribution rates, if you work for certain employers or are covered under certain bargaining units you will pay a portion of the employer contribution rate in addition to your regular CCCERA contributions. These rates are set by the employer and used to offset the employer's ongoing pension obligation. These contributions will be posted to your retirement account.[4]

Contributions are made through monthly, pretax or post-tax payroll deductions, depending on your employer. Pretax deduction amounts are taken out of your pay before taxes are withheld. This method of contributing is advantageous because pretax contributions lower your current taxable income. The tax normally paid on this amount is deferred; you will not pay income tax on your contributions until you begin to draw a retirement benefit, or receive a lump sum payout, closing your account.

INTEREST ON YOUR ACCOUNT BALANCE

Interest is credited on your contributions every June 30th and December 31st. Each member has a separate retirement account. Interest is credited to those accounts and reported on your annual benefit statement, which is sent to active members each year. The CCCERA Board of Retirement adopts the Member Crediting Rate.

This interest rate is at the discretion of the Board. The current annual interest rate is published each year in your annual benefit statement.[5]

RETIREMENT SERVICE CREDIT

Retirement service credit is the length of time you have worked and contributed by payroll deduction to the retirement system (this means you are a member of CCCERA). This amount of work time determines your eligibility to retire. Unless you are age 70, you must have a minimum of five years of retirement service credit to be eligible to retire in addition to other requirements such as age. One month in an eligible full-time position will accrue (earn) one month of retirement service credit.[6]

You earn one year of retirement service credit for each year of full-time employment. Part-time employees in permanent positions must work at least 20 hours a week in order to accrue retirement service credit.[7]

If you work part time, your accrued retirement service credit is pro-rated, depending on the number of hours you work. For example, if you worked 20 hours per week in a position designated permanent, part-time, you earn 20 hours of retirement service credit (50 percent of full-time). Part-time hours are converted to years or percentages of years for retirement calculations.

If no retirement contribution is taken from your paycheck, you do not earn CCCERA retirement service credit. For example, you do not earn CCCERA retirement service credit when you:

- Work in a position less than 20 hours per week.
- Have an unpaid leave of absence.
- Are in a temporary position.
- Are taking a military service leave of absence.

SERVICE CREDIT

Service credit is different than retirement service credit. Service credits are purchases of time that can be added to the years of service used for your retirement benefit calculation (at time of retirement, unused sick leave is also considered service credit, which is added to your benefit calculation). These amounts, along with years of retirement service credit, are part of the formula used to determine the final amount of your retirement benefit.

The more years of retirement service credit , the higher your benefit will be. All service credit purchases may not count toward the number of years you need to be eligible to retire, only toward the amount of your retirement benefit amount.

For example:

- If you were employed by a different public agency (and you will not receive a pension from that agency) before you came to work for Contra Costa County or a special district, you may be able to purchase this time to add to your service credit at CCCERA. For more details on this option, see the section *Service Credit Purchases* on page 14 of this handbook.

- If you were married or in a California registered domestic partnership for part of your career, and that relationship dissolved, your community property settlement may include a Domestic Relations Order (DRO). The DRO may split your retirement account between you and your former spouse/partner. In this circumstance, some or all of your service credit and retirement contributions may be divided between you and your former spouse/partner. You do not lose your benefit eligibility but you may lose some years of service credit, which are awarded to your former spouse/partner, as part of a community property settlement. If your former spouse/partner takes a refund of contributions that were awarded in the settlement before you retire, you may be able to regain the lost service credit by re-depositing contributions.

Under certain circumstances, you may be able to add to one, or both, types of service credit, thus increasing your final retirement benefit. Remember, you cannot purchase sick leave, even though unused sick leave is converted into service credit at time of retirement.

The table below shows categories of service credit and how they function in benefit calculations.

Converts to Service Credit*	**Converts to Retirement Service Credit****
Prior public service with a non-participating employer.	Re-deposits.
Military time.	Time prior to membership.
Unused sick leave.	Medical Leave of Absence.

**Service Credit time counts toward final benefit amount.*
***Retirement Service Credit time counts toward eligibility to retire and final benefit amount.*

SICK LEAVE ACCRUALS

Sick leave accrual rates are determined by your employer. Some employers have accrual limits, and may vary on these specific issues. If you leave employment before retirement, all sick leave credit is canceled. If you retire, all accumulated sick leave counts as service credit.[8]

One hour of unused sick leave equals one hour of service credit. For instance, 500 hours of unused sick leave divided by 2,000 hours* equals .25 (or one-quarter) of one year's service credit. This amount of service credit is added into your final retirement benefit calculation. Remember, service credit increases your monetary benefit, but does not count toward retirement eligibility.

**Scheduled hours for a 40 hour per week position.*

(1) 31552, 31557; (2) 31539, 31542, 31461; (3) 31672.3; (4) 31631; (5) 31591, 31453(a); (6) 31641; (7) 31640.5; (8) 31641.01

Service Credit Purchases

Eligible service credit purchases increase your retirement benefit. Your pension is based on your age at retirement, your final average salary (FAS), and your total retirement service credit. The more years of retirement service credit that you have, the greater your benefit will be. If at some point you were employed in a public service position that was not eligible for retirement system membership, you may be able to buy service time to increase your retirement benefit.

Members interested in purchasing service credit should request an estimate of the cost from CCCERA. You can make this request by phone, or mail the *Request for Retirement Estimate Form (Form 108)* found on *cccera.org*. Most necessary information is available from CCCERA, but you may be asked for documentation if you decide to enter into a contract to purchase service.

After a retirement counselor calculates your cost estimate, CCCERA will send you a letter explaining your options. At that time, you can make an appointment with your retirement counselor to clarify any issues you may have and make payment arrangements.

CATEGORIES OF PURCHASABLE TIME

Time Prior to Membership with CCCERA: If you worked for a participating employer (special district) or Contra Costa County, and were not eligible for CCCERA membership, you may purchase service credit for the time you worked. Examples of ineligible positions are part-time (less than 20 hours per week) permanent intermittent, temporary, or per diem.[1]

Medical Leave of Absence: CCCERA members returning to active membership following an unpaid medical leave of absence can purchase up to 12 consecutive months of time.[2]

Military Leave: Time spent in military service may be purchased if you were a member of CCCERA when you left (resigned or obtained a leave of absence) to serve in the military, and returned to CCCERA membership within 90 days of your honorable discharge.[3]

Military Service: If you served in the military prior to CCCERA membership, you may be able to purchase this time as public service time.

Public Service: If you were employed by a public service agency prior to your membership with CCCERA, you may be eligible to purchase this time with CCCERA, if your former public employer does not offer reciprocity with CCCERA, or accept re-deposits of contributions that were refunded to you at the time of termination from their plan.

To purchase public service time you cannot be eligible to receive a retirement benefit from the public agency you were previously employed by. Examples of public service agencies are the federal government, other county or city governments in California, and special districts, such as water or sanitary districts.[4]

HOW TO PURCHASE SERVICE CREDIT

Service credit purchases follow a complex set of laws and regulations established by CERL. Generally, the cost to purchase service credit fall into two categories depending on the type of eligible service credit.

1. You must pay your contributions and interest that would have accrued during the time periods you are purchasing, or

2. You must pay your contributions plus your employer's contributions and interest that would have accrued on both amounts.[5]

Purchases can be made with post-tax dollars or under Option 3, pre-tax dollars. Your payment options include:

1. One lump sum payment for the full amount.

2. Monthly payroll deductions.

3. Trustee-to-trustee transfer from another eligible retirement plan, such as a 457 plan.

4. A combination of the above.

The purchase contract term cannot exceed the length of time you are buying (maximum contract time for buying any amount of service is five years). All payroll deduction service contracts must be paid in full by your retirement date, or date of termination. However, you may be able to purchase service credit with an after-tax lump sum payment, up to 120 days after your retirement date.

Service credit is posted to your account immediately if your payment is a lump sum. When purchasing by monthly payroll deduction, service credit is posted to your account as you make payments. For more information on purchases and payment rules, call CCCERA.[6]

POST-TAX PAYMENTS

- Post-tax payments do not lower your current income for tax purposes.
- Contract timing and amounts can be changed, if you choose.
- Contracts can be stopped completely.
- Taxes are paid on purchased service credit before you retire, meaning a portion of your retirement benefit will be tax free.

Interest is calculated on your service credit purchase. The cost of your service credit includes the interest your contributions would have earned had they been on deposit with CCCERA from the date you became a member to the date of your purchase contract. If your purchase is a re-deposit (see page 19), interest is calculated from the date you withdrew your funds.

If you choose monthly payments, your monthly payroll deduction will be calculated using the interest rate assumption in effect at the time your contract is signed.

457 Trustee-to-Trustee Transfers (Direct Rollover): Another way to pay is by a 457 trustee-to-trustee transfer (direct rollover). Tax deferred 457 retirement plan contributions can be used to purchase eligible service credit. Rules must be followed accurately to ensure compliance and protect your tax deferred status. Members who have funds in an employer sponsored Deferred Compensation 457 account may want to consider this option. Individual retirement plans may have different regulations, and may or may not accept, or provide, for all qualified plan transfers.

For more information on service credit purchases, please call CCCERA and speak with a retirement counselor.

(1) 31641.4, 31641.5, 31648., 31479, 31641.1; (2) 31646; (3) 31649, 31649.5; (4) 31479, 31641.1, 31641.4, 31648, 31641.4, 31641.5; (5) 31641.2, 31641.21; (6) 31641.5, 31485.7

Terminating Employment

Termination of your membership in CCCERA can occur for a variety of reasons, but usually this means you no longer work for an employer participating in CCCERA. Membership termination can also occur if your job status changes to an ineligible position, for example, to less than half-time, or to a contract position. If you have changed jobs to an ineligible position such as a contract position or less than 20 hours per week employment, but are still working for a CCCERA employer, you may not withdraw your contributions. If you formally terminate you can either take a refund or defer your membership.[1]

REFUNDS AND ROLLOVERS

Taking a refund means you close your retirement account by withdrawing or rolling over all of the contributions and interest you made while a member of CCCERA. You will no longer be entitled to a benefit from CCCERA, even if you are disabled in the future.

You will receive your contributions and interest within three months, after your refund request is received. However, if your contributions were made with pretax dollars, you will now owe income tax on the distribution, unless you make a direct rollover of the funds into another tax deferred retirement account, such as an IRA.* There may be a 10 percent additional tax if you are under age 59½ unless you separated from service after age 55 (age 50 for IRS qualified public safety employees). See page 21 for more information about rollovers, also called trustee-to-trustee transfers.

- If you start working for an employer who offers reciprocity with CCCERA within six months, you cannot take a refund of your contributions.

- If you return to membership with CCCERA, and have previously taken a refund, you will not have previous retirement service credits to build upon, unless you re-deposit the withdrawn amount, plus interest.

If you decide to request a refund, you must fill out and return a *Distribution Election Form (Form 207)* to CCCERA. Your refund will not include the contributions made by your employer on your behalf. Your refund will be your contributions and interest, only. You must have terminated employment with a CCCERA employer at least 45 days before you are eligible for a refund. Refunds are not allowed if you became ineligible due to a job status change (such as part-time, less than 20 hours per week or temporary) but are still working for a participating employer.

The way you receive your refund is very important as tax liability may be an issue. Be sure to check with your tax professional before taking a refund. You can request a refund of your contributions and interest, even if your original choice was deferred membership, (unless you are working for a reciprocal employer), or until you begin taking a retirement benefit. If the refund is sent directly to you, under IRS regulations, you may immediately incur a tax liability, unless you make a rollover deposit into another qualified tax deferred plan.[2]

DEFER YOUR RETIREMENT MEMBERSHIP

Deferring your retirement membership means you leave your funds in your account at CCCERA earning interest. This means:[3]

- Your contributions will continue to earn interest until you withdraw them or retire, which you must do no later than April 1 following the year you turn 70½.
- If you have five or more years of retirement service credit, you will be entitled to a retirement benefit from CCCERA, if you leave your contributions in your account until you would have been eligible to retire had you remained working full time.
- Regardless of the number of years of service credit, if you leave your funds on deposit until you are age 70, you will qualify to begin receiving a monthly retirement benefit when you apply for retirement.
- If you return to membership with CCCERA before retirement, you will already have some service credit toward retirement established.
- As opposed to taking a refund at the time of termination, if you defer your retirement and you return to membership, you will not have to redeposit any money to regain service credit.
- If you go to work for a reciprocal system within six months or one year if termination is due to layoff, you can choose to link your benefits with CCCERA.[4]

If you leave membership in CCCERA, and do not declare whether to defer or to take a refund, CCCERA will default your choice to deferred membership.[5]

**The tax withholding on refunds, by federal law, is a mandatory 20%, since refunds are considered distributions. The 20% helps cover you or your beneficiary's federal income tax. State tax withholding of 2%, to cover state income tax, is optional.*

THE TERMINATION PROCESS

CCCERA will receive notification of your termination from your employer's human resources department and will send you a packet explaining the options concerning your retirement account and possible tax liability. A *Distribution Election Form (Form 207)* and instructions for filling out the form are included. Return the completed form to CCCERA.

Deciding whether to take a refund or defer your retirement is a very important decision. We encourage you to consult a tax professional before deferring your retirement or requesting a refund. Retirement counselors are not able to advise you on tax issues but can answer questions about the termination process and your options.

You will find additional information about tax considerations in IRS Publication 575, *Pension and Annuity Income* and IRS Publication 590, *Individual Retirement Arrangements*.

RETURNING TO WORK (BEFORE RETIREMENT)

If you are rehired by a participating employer after you terminated employment, you will rejoin CCCERA unless you are rehired in an ineligible position. Service credit starts accruing just as it did during your previous membership on the first day of the month following your rehire date.

If you took a refund when you left, you can either re-deposit the contributions and interest you withdrew, thus re-establishing your retirement account and your original service credit, or do nothing and start your service credit from your current membership date.

RE-DEPOSITS AFTER REEMPLOYMENT

A re-deposit re-establishes your retirement account to pre-termination levels. You return the contribution amounts you withdrew, plus the interest the funds would have earned during your absence from membership. Once these funds are re-deposited into your account, your original service credit is reinstated.[6]

Re-depositing restores your retirement service credit to original amounts. As your career continues, you have these credits to build on, giving you a higher benefit when you retire. (More service credit at retirement equals a higher benefit.)

For the service you are restoring, you must re-deposit your contributions, plus all the interest that would have accrued if your funds had been left at CCCERA. (You do not have to replace the funds your employer contributed for you. Those funds are still on deposit with CCCERA.) Your re-deposit will reinstate your previous service credit in whichever tier you left, regardless of your current membership tier.

Members leaving CCCERA and establishing reciprocity with other CERL systems, PERS agencies, or other reciprocal employers are not able to take a refund. Regardless of the option you choose, if your funds are left on deposit, you will be paid interest on your account until you withdraw the money in a lump sum, or begin taking a monthly benefit.

RE-DEPOSITS AFTER A DOMESTIC RELATIONS ORDER

If you are required to divide accumulated service credit due to a divorce or domestic partnership dissolution court-ordered settlement, you may be able to reinstate (purchase) the service credit awarded to your former spouse/domestic partner with a re-deposit, under specific circumstances.[7]

Since separate accounts are created for both individuals, re-depositing contributions and interest may be possible for both the active member and/or the non-member (former spouse/domestic partner), in order to restore each account to pre-DRO levels. For example, non-members may only re-deposit contributions and interest previously refunded to the active member, and considered community property.

Active members may re-deposit contributions and interest forfeited to the non-member, only if the non-member takes a refund. The active member must re-deposit the funds within five years of notification that a refund was taken and no later than 120 days after retirement.

If a non-member takes a refund of court awarded contributions and interest, the non-member permanently relinquishes all rights to any retirement benefits, potential re-deposits, or service credit purchases.

Each dissolution is different, so be sure to speak with a retirement counselor to verify your options. More information on this subject is available in the section *Divorce or Partnership Dissolution* on page 26.

RE-DEPOSIT PAYMENT OPTIONS

Re-deposits must be for the entire amount of previous service. However, you can pay the amount owed in installments. You can re-deposit your funds by:

- Lump sum payment
- Post (after) tax payroll deduction
- Trustee to trustee transfer, called a "rollover"
- Combination of the above methods

You can decide to and complete a re-deposit any time up to 120 days past your date of retirement. If you are unable to complete your re-deposit for any reason (including disability or death), the contributions plus interest paid so far will be refunded and service credit will not be reinstated.

The maximum time frame for re-deposit contracts is five years, regardless of the amount of service to be reinstated. However, your contract cannot extend longer than the time of the original service you are re-depositing.

Members who leave membership and take a refund of contributions and interest are eligible to re-deposit those withdrawn funds, if the member returns to membership with CCCERA at a later time. Members leaving to work in other CERL systems, PERS agencies, or other reciprocal employers are not allowed to take a refund, if they continue working in a reciprocal agency. If the member returns to membership with CCCERA, he/she can choose to re-deposit the refunded contributions, thus regaining service credit that was earned during the prior membership.[8]

ROLLOVERS

A rollover is a transfer of your contributions and interest from one qualified plan into another qualified retirement plan or IRA (Individual Retirement Account). A direct rollover means the money transfers directly from plan to plan, thus deferring possible tax liability until you withdraw the funds. A qualified retirement plan is enacted under Internal Revenue Service Codes 401(a), 403(a), 408 (a) or 457(b).

Employer plans are not required to accept rollovers. Be sure to find out what types of distributions your designated plan accepts, and what restrictions on subsequent distributions may apply, before you make arrangements. For example, CCCERA only accepts 457 plan (deferred compensation) trustee-to-trustee transfers. Contact CCCERA to find out what your re-deposit will cost and to discuss your payment options.

(1) 31628; (2) 31629.5, 31701, (3) 31700, 31706; (4) 31840.7; (5) 31700; (6) 31652, 31831.3; (7) 31685, 31685.1, 31685.2, 31685.3, 31685.4; (8) 31629.5

Reciprocity

As a member of CCCERA, you may be eligible for the benefits of reciprocity. Reciprocity is an agreement among public defined benefit retirement systems to allow members to move from one public employer to another public employer within a specific time limit without losing some valuable privileges related to your retirement benefits. There is no transfer of funds or service credit between retirement systems when you establish reciprocity. You become a member of both systems and are subject to the membership obligations and rights of each system (for example, minimum retirement age may vary between systems), except as modified by the reciprocity agreement. You must apply to retire from each system separately, and you will receive separate retirement allowances from each system. You must retire on the same date from each public retirement system participating in a reciprocal agreement for all benefits of reciprocity to apply.

RECIPROCITY BENEFITS

The following benefits and requirements apply to CCCERA members who make a qualified move between reciprocal retirement systems.

- **Legacy Benefit Tier:** The California Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefit tiers for new members on or after January 1, 2013. Reciprocal members who were in a legacy (pre-PEPRA) tier with a prior reciprocal employer will be eligible for a legacy tier with CCCERA.

- **Member Contribution Rate Based on Age at Entry (Legacy Tiers Only):** Retirement formulas for CCCERA legacy tier members are based on age at entry; with a lower age at entry generally meaning a lower contribution rate. CCCERA uses the age at entry of the first reciprocal system to determine the contribution rate.

- **Highest Final Compensation:** CCCERA will compute your average final compensation based on the highest rate of pay under any system, as long as you retire on the same date from all systems. Systems will use either a 12- or 36-month consecutive highest final compensation depending on benefit tier.

- **Qualification for Benefits:** Service earned under all reciprocal systems may be used to meet each system's vesting and retirement eligibility requirements.

RECIPROCITY REQUIREMENTS

When changing retirement systems, you must satisfy several statutory conditions, as follows, in order to receive the full benefits of reciprocity:

- **Maintain Membership:** You must continue membership in the first retirement system by leaving your service credit and contributions (if any) on deposit.

- **Movement to a New Reciprocal System:** You must have a date of membership in the new system within six months of leaving the old system. When entering CCCERA the six months is extended to one year if termination was due to lay off because of a lack of work, a lack of funds, or a reduction in workforce.

- **No Overlapping Service:** You must discontinue your employment relationship from the first system before entering employment with the subsequent system.

- **Concurrent Retirement between Reciprocal Systems:** In order to receive full reciprocal benefits, you must retire on the same date from both or all systems by submitting a retirement application in accordance to the rules and regulations associated with each system.

- **Exceptions and Restrictions:** Certain exceptions and restrictions may apply. Eligibility for reciprocity is determined by the retirement laws in effect at the time of movement between retirement systems

IMPORTANT RESTRICTIONS

- **Concurrent Employment:** Reciprocity does not apply when your employment under the first retirement system overlaps your employment under the new system. For the benefits of reciprocity to apply, you must terminate employment under the first system prior to entering employment with the subsequent system. Reciprocity may not be established even if the overlapping time is due only to using vacation or leave time with the first employer while becoming member of the new system.

- **Refund Restriction:** Some retirement systems may not allow you to withdraw your member contributions while you are employed in a position covered by a reciprocal retirement system.

REINSTATEMENT FROM RETIREMENT

If in the future you reinstate to active employment in a CCCERA-covered position and have retired under reciprocity, there is no provision in the law to allow you to apply reciprocal rights to your subsequent retirement since you will no longer be retired from both systems on the same date. If you have any questions regarding reciprocity, including the requirements, restrictions or benefits of reciprocity, contact our office.

RECIPROCAL RETIREMENT SYSTEMS

CCCERA is reciprocal with the other county retirement systems under the 1937 Act, as well as CalPERS and any system that has a reciprocal agreement with CalPERS. To verify whether a system has reciprocity with CCCERA, contact our office.

Reciprocity *(Continued)*

CCCERA is reciprocal with other CERL counties:

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

CCCERA is reciprocal with the California Public Employees Retirement System (CalPERS) and has limited reciprocity with the following agencies through state law and agreement with CalPERS:

- California State Teachers Retirement System (CalSTRS)
- Judges' Retirement System (JRS)
- Judges' Retirement System II (JRS II)
- University of California Retirement Plan (UCRP)
- Legislators' Retirement System (LRS)

CCCERA is also reciprocal with the following independent public agencies, through reciprocal agreements with CalPERS:

- City of Concord
- Costa Mesa (safety only)
- City of Fresno
- Oakland (non-safety only)
- Pasadena (fire and police)
- City of Sacramento
- San Clemente (non-safety only)
- City of San Diego
- City of San Francisco
- City of San Jose
- City of Los Angeles
- California Administrative Services Authority
- CCCWD (Contra Costa County Water District)
- County of San Francisco
- County of San Luis Obispo
- EBMUD (East Bay Municipal Utility District)
- EBRPD (East Bay Regional Park District - safety only)
- Long Beach Schools Business Management Authority
- Los Angeles County Metropolitan Transportation Authority (non-contract employees' Retirement Income Plan)

There is no minimum amount of service credit required with any public employer to establish reciprocity. Reciprocal retirement agreements between public agencies can change or terminate. Plan policies may also change through adoption of benefit changes or legislation.

Membership rules vary from plan to plan; as a reciprocal member your benefits are subject to the laws and policies of each individual system. You must contact each reciprocal employer to verify plan rules and obligations.

HOW TO ESTABLISH RECIPROCITY WITH CCCERA

When you accept a position for permanent employment with Contra Costa County or special district employers, you will fill out an *Enrollment Affidavit (Form 101)*. If you are entering service as a reciprocal member, you may indicate your reciprocity in Section 2 of *Form 101*. Upon receiving *Form 101* with Section 2 completed, CCCERA will mail you a *Reciprocity Affidavit Form (Form 109)* to complete. If Section 2 of *Form 101* is not completed upon enrollment, members must complete a *Reciprocity Election Form (Form 103)*. All service and funds remain with each employer.

CCCERA will verify your information with previous employers and receive certifications of service credit accrued and age at entry into the system, thus establishing the link between your previous and your current employment. This information will be accessible in your file to streamline the research and calculations required when you choose to retire, defer, or change employment.

If you were a member of any public retirement system before January 1, 2013, (when PEPRA tiers went into effect), and subsequently entered CCCERA as a reciprocal member for the first time after this date, you will join the retirement tier that was available to CCCERA employees on December 31, 2012. New public employees joining retirement systems for the first time, or legacy members who are not subject to reciprocity, will join PEPRA tiers.

If reciprocity is a consideration for you, please check with CCCERA about eligibility, specific rules, regulations, and agency agreements.

Beneficiaries

CHOOSING YOUR BENEFICIARY

When you are first employed in an eligible position, you complete a *Beneficiary Designation Form (Form 102)*. This form includes your choice of beneficiary. Unless you are married or in a registered domestic partnership, you can name anyone, or any appropriate financial planning vehicle (such as a trust) as your beneficiary.

CHANGING YOUR BENEFICIARY

You can change your beneficiary at any time while you are an active member (unless you are married or in a registered domestic partnership). However, trusts cannot be beneficiaries of a monthly retirement benefit. These financial planning tools can only receive a lump sum payout of the contributions and interest you accrued before your death. Be sure to tell CCCERA the name and address of the trust and the trustee.

MARRIAGE AND DOMESTIC PARTNERSHIPS

If you are married, or in a domestic partnership registered with the California Secretary of State, the beneficiary of your retirement account is your spouse or domestic partner. If you divorce, or dissolve your domestic partnership, remember to update your beneficiary. The beneficiary on your account at the time of your death will receive your benefits.

If you are not naming your spouse/registered domestic partner as 100% assigned primary beneficiary, your spouse/partner's signature is required on the reverse side of the *Beneficiary Designation Form (Form 102)* in Section 5 and must be witnessed by a notary public. If you are retired, you must file a *Spousal Waiver (Form 303)* with a *Retiree Change of Beneficiary Designation (Form 206)*.

To take effect, these forms must be signed by both you and your spouse/registered domestic partner, notarized, and on file at CCCERA. With these forms filed, you may change your beneficiary to anyone you choose. You can also choose to name a trust as your beneficiary, but remember, as noted above, a trust cannot receive a monthly retirement benefit, only a lump sum payout of your contributions and interest.[1]

DIVORCE OR DOMESTIC PARTNERSHIP DISSOLUTION

Accrued retirement benefits are considered community property in California. Therefore, if you divorce or dissolve a registered domestic partnership, your benefit may be divided between you and your former spouse/partner, depending on the specific community property settlement agreed upon in your dissolution.

By law, CCCERA must be joined in (become a part of) your legal action to process your account appropriately. This joinder allows CCCERA to comply with the details of your settlement agreement as they apply to your retirement account. This court ordered agreement is called a Domestic Relations Order (DRO).[2]

By law, active members' accounts are divided into two separate and distinct accounts at time of dissolution if so ordered by the court. The court is prohibited from imposing a DRO that pays benefits with a total value that exceeds the amount the active member would have received if the order had not been issued. After this account split, the active member and non-member (former spouse/domestic partner) each have the right to manage his or her individual account going forward. They also have certain rules of law to follow.

After an account split, each person (active member and non-member) has sole control over his or her own account. Unless specifically provided by the DRO, or other CERL mandated notifications, individual account activity is confidential. A required notification, for example, would be if the non-member takes a lump sum payment, which creates an opportunity for the active member to purchase forfeited service credit, or if the active member retires before the non-member. It is important to discuss split account details with a retirement counselor in order to understand the process and the results. CCCERA also strongly suggests consulting with an attorney.

If a member is married or in a domestic partnership CERL requires the beneficiary to be the member's spouse/domestic partner, unless a *Spousal Waiver (Form 303)*, or Section 5 of a *Beneficiary Designation Form (Form 102)* is signed and on file with CCCERA. After your account is split, each person may name a new beneficiary. If your dissolution results in your choice of a new beneficiary, be sure to change this information with CCCERA. For clarification, divorced/former registered domestic partner non-members are also called alternate payees.

This information only applies to active members. If you become divorced, or your partnership is dissolved after retirement, the options are different.

Member eligibility for retirement and disability benefits is not affected by account splits. The following tables show some examples of how account splitting during divorce or domestic partnership dissolution may affect active members and former spouse/domestic partners.

(1) 31760.3; (2) 31685

MEMBER WITH FIVE OR MORE YEARS OF RETIREMENT SERVICE CREDIT	
Active Member	**Non-Member**
Account is split according to DRO.	May name new beneficiary.
Service credit and contributions are divided according to DRO.	May maintain new separate account.
Member may choose new beneficiary.	Interest will be credited to new account.
If spouse/partner takes a refund, member has five years to purchase service credits forfeited to former spouse/partner.	May later receive service retirement benefit.
Retirement eligibility is not affected.	May request a refund, closing account permanently.

MEMBER WITH LESS THAN FIVE YEARS OF RETIREMENT SERVICE CREDIT	
Active Member	**Non-Member**
Account is split according to DRO.	Must take a refund of contributions and interest.
Service credit and contributions are divided according to DRO.	After refund, no rights to future benefits.
Member may choose new beneficiary.	Interest will be credited to new account.
Member has five years after refund date to purchase service credits forfeited to former spouse/partner.	Refund may not be canceled.

DRO ACCOUNT SPLITTING AND RETIREMENT	
Active Member	**Non-Member**
Service credit requirement is met using combined service before account split plus any service earned after split.	Eligible at earlier of 1) member's eligibility due to age, or 2) non-member's eligibility due to age.
Benefit is based on service credit after split, plus any service purchased after account split, FAS and member's age factor.	If member retires prior to non-member, non-member may elect to leave account intact. FAS calculation is frozen at value used for member.
May choose any optional payout available.	Non-member may elect to begin receiving retirement benefit using service credits from account split, plus any purchased service credits. FAS based on member's salary at time of non-member's retirement. Age factor is non-member's, at time of retirement. May select any optional payout available.

Beneficiaries *(Concluded)*

MEMBER RE-DEPOSITS OF ACCOUNTS WHICH WERE WITHDRAWN AFTER DRO	
Active Member	**Non-Member**
Member has same re-deposit rights as before.	May not re-deposit his/her account once withdrawn.
May re-deposit non-member's share within five years of spouse/partner's notice of withdrawal.	May not re-deposit account withdrawn by member.

MEMBER RE-DEPOSITS OF ACCOUNTS WHICH WERE WITHDRAWN BEFORE DRO	
Active Member	**Non-Member**
If specified by DRO, member is eligible to purchase community property share.	If specified by DRO, non-member is eligible to purchase his/her community property share.
If DRO is silent, member is eligible to purchase entire service amount.	If DRO is silent, non-member may not purchase any service.
Installment payments allowed.	Must pay by lump sum only.
May purchase former spouse/partner's share if non-member receives a refund, or dies.	All eligible service must be purchased.

SERVICE PURCHASES: MEMBERS WITH FIVE OR MORE YEARS OF SERVICE CREDIT	
Active Member	**Non-Member**
If specified by DRO, member may purchase community property share.	If specified by DRO, non-member is eligible to purchase his/her community property share.
If DRO is silent, member is eligible to purchase entire service amount.	If DRO is silent, non-member may not purchase any service.
Installment payments allowed.	Must pay by lump sum only.
May purchase former spouse/partner's share if non-member receives a refund, or dies.	No purchase allowed if former spouse is paid a refund.

MEMBER WITH LESS THAN FIVE YEARS OF SERVICE CREDIT TERMINATES MEMBERSHIP	
Active Member	**Non-Member**
May elect refund or defer account. Final Average Salary is frozen at termination unless member establishes reciprocity with another public agency.	Must take a refund.

MEMBER WITH 5 OR MORE YEARS OF SERVICE CREDIT TERMINATES MEMBERSHIP	
Active Member	**Non-Member**
May elect refund or defer account. Final Average Salary is frozen at termination, unless member establishes reciprocity with another public agency.	Same choice as member, including Final Average Salary frozen at termination.

Disability Benefits

In the course of your life, an illness or injury may cause you to become unable to perform your job duties. If the illness or injury is severe enough to force you to permanently discontinue your job, you may need to apply for a disability retirement.

Applying for a disability retirement can be a rigorous process and usually takes between six and nine months. Members should contact CCCERA to get complete information.

NON-SERVICE CONNECTED DISABILITY

A non-service connected disability means a member's permanent illness or injury did not arise from his or her employment. Members in Tier 1 who have five or more years of retirement service credit, and members in Tier 3 who have 10 or more years of retirement service credit, are eligible to apply for a non-service connected disability retirement. If qualified, they will receive the service retirement allowance to which the member is entitled, or one-third of your annual Final Average Salary, whichever is greater.[1]

In the event of a non-service connected disability event, members who have less service than the requirements stated may take a refund of their contributions and accrued interest, or keep the funds in their account until they are eligible for a deferred retirement allowance (age 70), but they cannot receive a monthly disability allowance.

SERVICE CONNECTED DISABILITY

A service connected disability means a member's permanent illness or injury resulted from, or in the course of, his or her employment. Members who are permanently incapacitated from performance of duty can be retired for disability regardless of age if the incapacity is a result of injury or disease arising out of and in the course of the member's employment, with the employment contributing substantially to the disability. (The member must have completed five years of service and not previously waived retirement benefits based on the existing condition.)[2]

The amount of money you receive for a service connected disability retirement is one-half (50 percent) of your final average salary, or if qualified for a service retirement, the amount of your retirement service allowance, whichever is greater.[3]

(1) 31720, 31727.2; (2) 31720; (3) 31727.4

Survivor Benefits: Active Member Death (Pre-Retirement)

Death and continuing benefits depend on several factors. If a member dies prior to retirement, death benefits are determined based on:

- Member status (active or deferred)
- Category of death (service-connected or non-service connected)
- Retirement Service Credit
- Relationship of recipient to member (eligible survivor or named beneficiary)

To qualify as an eligible survivor in cases involving the death of an active member, a spouse or domestic partner must have been married to or in a duly registered California domestic partnership with the member prior to the member's death. No minimum length of marriage or domestic partnership requirement applies.

Type of Death	Basic Death Benefit	Optional Death Allowance
Service-Connected	• Lump-sum payment of member's accumulated contributions • Salary Death Benefit: one month of member's compensation earnable for each full year of Service Credit (not to exceed six months of compensation)	• Full amount (100%) of disability retirement allowance deceased member would have received had he or she been retired on an Service-connected Disability at the time of death
Non-Service Connected	• Lump-sum payment of member's accumulated contributions • Salary Death Benefit: one month of member's compensation earnable for each full year of Service Credit (not to exceed six months of compensation)	• 60% of disability retirement allowance deceased member would have received had he or she been retired on an Non-service Connected Disability* at the time of death
Deferred Member	• Lump-sum payment of member's accumulated contributions	

**In order for the survivor to be eligible for the Optional Death Allowance following a non-service connected death, the member must have been eligible for a retirement in the event of a non-service connected disability.*

EXPLANATION OF BENEFITS

The following explains the benefits (listed in the Pre-Retirement Death Benefit chart) associated with the death of member prior to retirement. Depending on the circumstances of the case, the benefit(s) may be payable as a lump-sum cash payment or a continuing benefit.

A **Basic Death Benefit** is a lump-sum payment consisting of the deceased member's accumulated contributions and the Salary Death Benefit. The **Salary Death Benefit** is an amount equal to one month of the member's compensation earnable (averaged over the past 12 months) for each full year of Service Credit, not to exceed six months. For example, if the member had three years of service credit, the Salary Death Benefit would equal three months of compensation earnable. If the member had nine years of service credit, the Salary Death Benefit would equal six months of compensation earnable.

An **Optional Death Allowance** pays an amount equal to a specified percentage (based on whether the death is service-connected or non-service connected) of the retirement benefit the deceased member would have received had he or she been retired at the time of death. This benefit is available to a surviving spouse or domestic partner or minor child only.

Pre-Retirement continuing benefits terminate upon the death of the eligible surviving spouse or domestic partner. In the case of an eligible surviving child(ren), the monthly benefit continues until the child is no longer eligible.

RIGHTS OF ELIGIBLE SURVIVORS

The rights and claims of a surviving spouse, domestic partner, or eligible surviving children to receive a continuing benefit may supersede the rights and claims of any other named beneficiary. A continuing benefit can be paid only to a surviving spouse or domestic partner or minor child(ren); a named beneficiary is someone other than an eligible survivor who qualifies for the Basic Death Benefit only.

Service-Connected Death

- *Basic Death Benefit* is payable to a named beneficiary or member's estate.
- *Optional Death Allowance in Lieu of Basic Death Benefit* includes full amount (100%) of the disability retirement allowance the deceased member would have received had he or she been retired on an service connected disability at the time of death and is payable to eligible survivor.

Non-Service Connected Death or Death While in Active Service with at Least Five/10 (Tier 3 Only) Years of Retirement Service Credit

- *Basic Death Benefit* is payable to a named beneficiary or member's estate.

- *Optional Death Allowance in Lieu of Basic Death Benefit* includes 60%** of the disability retirement allowance the deceased member would have received had he or she been retired on a non-service connected disability at the time of death and is payable to eligible survivor.

Death While Active with less than Five/10 (Tier 3 Only) Years of Retirement Service Credit

- *Basic Death Benefit* is payable to a named beneficiary or member's estate.

Deferred Members

- Member's accumulated contributions are payable to a named beneficiary or member's estate.

**NON-SERVICE CONNECTED DEATH

If a member who is eligible for a non-service connected disability dies while in active service without making any retirement option election, the eligible survivor will have the option to elect an allowance of at most 60% of the member's disability allowance, and only a spouse or minor child(ren) will be eligible to receive it. If that same member were to actually be granted a non-service connected disability and elect Optional Settlement 2 or 4 prior to death, the survivor(s) could be eligible for an allowance greater than 60% (as much as 100%) of the member's disability allowance, and the member can name any beneficiary with an insurable interest in the member's life. In order to facilitate this election, the *Death During Active Membership Form (Form 104)* can be used. This form authorizes CCCERA to file a non-service connected disability on your behalf and allows you to pre-select Optional Settlement 2 or 4 in the event of your death during active service. Keep in mind that there is no guarantee that a non-service connected disability will ultimately be granted.

This option results in the largest continuance to your survivor (up to a 100% continuance of the non-service connected disability retirement benefit). In order to receive this allowance, members must fill out the *Death During Active Membership Form (Form 104)*. The form must be on file with CCCERA on or before the date of death to be valid.

The *Death During Active Membership Form (Form 104)* is only in effect while you are an active member. When you retire, new retirement option forms are completed. At that time, you may change your retirement option to provide the best benefit possible to you during your retirement years.

Even if you have not yet reached the years of service eligibility requirement for this benefit, you can have the form on file, to be available at the appropriate time. The form is available at *cccera.org*, or can be mailed to you from CCCERA. Complete the form, making sure you have an adult witness sign to verify your wishes. Then return the form to CCCERA.

REPORTING AN ACTIVE MEMBER DEATH

To report the death of an active member, call CCCERA to speak with a retirement counselor who handles active employee deaths. The retirement counselor will need some information, such as date of death, member’s social security number, and your relationship to the member. CCCERA will send a letter following this initial contact, with instructions and a request for any additional forms or documentation required to process the death benefit. CCCERA also receives a separation notice, from the member’s employer.

The process includes verifying the beneficiary (ies) listed on the member’s enrollment affidavit, determining the appropriate benefit option, and calculating the benefit. The timeline for completion is dependent on the complexities of the estate.

Survivor Benefits: Retired Member Death

Upon the death of any member who is receiving a retirement allowance, a lump sum benefit of $5,000 is paid to the member's beneficiary or estate, provided there are sufficient assets in the Post Retirement Death Benefit reserve.[1]

In addition, there may be a death benefit from the member's unused accumulated contribution or a lifetime annuity payable depending upon the option chosen at retirement. See page 38 for information about options available at retirement.

REPORTING A RETIRED MEMBER DEATH

To report the death of a retired member, call CCCERA to speak with a retirement counselor. The retirement counselor will need some information, such as date of death, member's social security number, and your relationship to the member. CCCERA will send a letter following this initial contact, with instructions and a request for any additional forms or documentation required.

(1) 31789.5

Retirement Eligibility and Planning

RETIREMENT ELIGIBILITY

Members working full-time, are eligible for service retirement at age 50 or older, with 10 or more years of retirement service credit, or at age 70 regardless of service. You must be an active member, retiring directly from your full-time job with a CCCERA participating employer. If you are retiring from a non-pay status, such as a leave of absence, you may be subject to the criteria for deferred membership.[1]

Full time service may include a break in service. If contributions were not taken during a break in service, the member may purchase the time. However, this purchase cannot exceed the 12-month limit. Payments can be made either as a lump sum, or as monthly payroll deductions, but the total amount of time credited and the length of payment contract may not be more than the length of the period for which credit is claimed. If a member has service credit in more than one tier, the retirement benefit will be the sum of both categories of service, regardless of the tier under which the member retires.

Part-time members are eligible for service retirement at age 50, with five or more years of retirement service credit, and have held an eligible position with the county or a participating employer for 10 years. Part-time retirement service credit must equal five full-time years of service credit. For example, if you worked in a permanent, part-time position of 20 hours per week for a year, you would accrue six months of retirement service credit, since your schedule was half (50 percent) of full-time. (You must be in part-time status at time of retirement for this eligibility.)[2]

Terminating members (full-time or part-time) who are not eligible to retire at time of termination have two options.

1. If you have five or more years of retirement service credit, you will be entitled to a retirement benefit from CCCERA, if you leave your contributions in your account until you would have been eligible to retire had you remained working full time. If you have less than five years of service you will be entitled to a retirement benefit at age 70. When you retire, you will receive a pension benefit from CCCERA that is appropriate for the service credit you earned while working for the county or participating employer. In this option, you become a deferred member, since you are still a member of CCCERA, but are deferring your benefit until you are eligible to retire.[3]

2. You can request a refund of your contributions and interest in a lump sum. This closes your account with CCCERA, and you will no longer be eligible for a monthly benefit.

Regardless of the option you choose, if your funds are left on deposit with CCCERA, you will be paid interest on your account, until you withdraw the money in a lump sum, or begin taking a monthly benefit. For more information about termination, please see page 18 of this handbook or call CCCERA.

RETIREMENT PLANNING

As you get closer to your retirement date, CCCERA has additional information sources, including brochures, pre-retirement workshops, individual counseling appointments, benefit estimates, etc. Check *cccera.org* or call CCCERA to speak with a retirement counselor. Our staff is trained to offer assistance on the retirement process and beyond, but we are not tax professionals or financial planners. We encourage consultation with your financial advisor prior to making decisions that may affect your future security.

If possible, start planning your retirement five years ahead of your planned retirement date. This may seem like a long time, but preliminary planning gives you the opportunity to purchase or convert any eligible service time, consider your estimated benefit amounts at possible ages, and decide at which age retirement will be most advantageous.

During the year prior to retirement, call CCCERA and request any of the following:

- A retirement benefit estimate, if needed.
- Attendance at a pre-retirement workshop.
- An individual counseling appointment.

CCCERA requires a copy of the following documents to process your retirement:

- Your birth certificate or passport.
- Your beneficiaries birth certificate or passport.
- Social Security card for yourself and for each of your beneficiaries.
- Marriage certificate, if you are married or a Secretary of State Certificate of Domestic Partnership, if you are a registered domestic partner.
- If you have any Tier 2 service credit, an estimate from the Social Security Administration for age 62 or for your current age if over the age of 62 (this must be submitted before your final benefit calculation can be completed). If you are already receiving your own earned social security benefit, you must provide verification of what your benefit amount was when you first started receiving your benefit.
- If you were previously married within your membership, you must provide a conformed copy (with the court clerk's filing date stamp and the judge's signature) of your Notice of Entry of Judgment, Judgment of Dissolution and any attachments or martial settlement agreements if not previous provided to CCCERA.

You will also need to request an *Application for Service Retirement Packet* from CCCERA. The completed application must be submitted (with required documentation) no earlier than 60 days before your planned retirement date. To avoid a delay in processing your application, please provide the applicable documents above when you submit your application. You can cancel your application to retire anytime during the retirement process. However, you cannot cancel your retirement decision after you have cashed your first benefit check. Even though you cancel your application, there is no assurance that your employer will have a position.

(1) 31663.25, 31672, 31672.3; (2) 31672.1; (3) 31700

Retirement Options

Your decision to retire will be based on your individual plans and goals. There are two decisions all prospective retirees make that warrant thoughtful consideration.

1. **You must review your choice of beneficiary.** Your beneficiary is the person who will receive benefits from your retirement plan upon your death. If you are married, or in a registered domestic partnership, by law, your beneficiary must be your spouse or registered domestic partner unless you file a *Spousal Waiver (Form 303)*, or complete Section 5 of the *Beneficiary Designation Form (Form 102)*. If you choose the Unmodified Option, or Option 1, you may change your beneficiary any time you wish, throughout your retirement. If you choose Option 2, 3, or 4, you may NOT change your beneficiary, even if the named person(s) dies before you.[1]

2. **You must choose a retirement benefit option.** The CERL has five options (methods of disbursing your retirement benefit payments).

Your option choice cannot change after your first retirement payment is made. Make sure you understand the options completely before making this crucial choice. CCCERA will send you information on these choices when we receive your *Application for Service Retirement Packet*. The following gives a brief description of the five options.

THE UNMODIFIED OPTION

The unmodified option pays the highest monthly benefit to you. For retirements other than Tier 2 retirements the features of the unmodified allowance depend on whether or not the retirement was due to a service-connected disability.

Service Retirement or Non-service Connected Disability Allowance:

Upon the death of the retiree, an eligible surviving spouse/registered domestic partner of a member who is receiving a non-service connected disability allowance, or a service retirement, will receive 60 percent of the member’s allowance for life, if:

- You have been married/registered with the California Secretary of State for at least one year prior to the member’s retirement, or [2]

- At the time of the member’s death, the spouse/domestic partner is at least 55 years old and has been married/registered for at least two years prior to date of death.[3]

If there is no surviving spouse, the 60 percent continuance is paid to unmarried children until they attain age 18, or age 22 if enrolled full time in an accredited school.

Service Connected Disability Retirement Allowance:

Upon the death of the retiree, an eligible surviving spouse/registered domestic partner of a member who is receiving a service connected disability allowance, will receive 100 percent of the member's allowance for life, if:

- You were married/registered with the California Secretary of State prior to the member's retirement, or [4]

- At the time of the member's death, the spouse/domestic partner is at least 55 years old and has been married/registered for at least two years prior to date of death.[5]

If there is no surviving spouse, the continuance is paid to unmarried children until they attain age 18, or age 22 if enrolled full time in an accredited school. An additional lump sum benefit of $5,000 is paid to the member's beneficiary.[6]

Unmodified Allowance for Tier 2 Retirements:

The survivor continuance under the unmodified allowance is different from the above for Tier 2 retirements. The following is a summary of the differences:[7]

- The continuance percentage is 60% to an eligible spouse/domestic partner plus 20% to each eligible child (up to a maximum 100% for per family), regardless of the type of disability.

- To be an eligible spouse, the spouse/domestic partner must be designated as the beneficiary.

The following optional settlements are available. Your election must be made in writing and filed with CCCERA at the time of retirement.

OPTION 1

Option 1 reduces your monthly benefit, but potentially leaves a lump sum for your survivor. This option reduces your monthly retirement benefit, in comparison to the Unmodified Option, in order to save some funds in your account for your surviving beneficiary.

Option 1 pays a reduced monthly benefit until death of the member, and then pays any remaining accumulated contributions to the member's estate or survivor in a lump sum. Your retirement plan is a defined benefit plan, meaning your benefit is not based on your account balance. Your monthly benefit continues regardless of the balance in your account. However, benefit funds are partially drawn against your accrued contributions. Depending on the member's lifespan, there may not be any contributions left at the time of death for a survivor to collect.

The amount your monthly benefit is reduced depends on your age and life expectancy at retirement, and your accumulated contribution balance at retirement.[8]

OPTION 2

Option 2 reduces your monthly benefit, but provides the same* monthly benefit for the lifetime of your survivor. Option 2 reduces your monthly retirement benefit, but after your death, pays the same reduced benefit to your named beneficiary for the rest of their lifetime. Trusts cannot be named as beneficiaries of this option; by CERL statute, trusts may be named as beneficiaries to lump sum payments only.

The amount your monthly benefit is reduced depends on your age at retirement, the age of your beneficiary at your retirement date, and the life expectancy of both parties.[9]

**In cases where the beneficiary is someone significantly younger than the member, the continuance may be less than the member's benefit. However, you will be informed of the continuance percentage prior to electing the option.*

OPTION 3

Option 3 allows you to provide a monthly benefit to your beneficiary that is equal to 50 percent of the benefit you received during retirement. Your benefit reduction is based on the life expectancies of you and your beneficiary.[10]

Option 3 reduces your monthly benefit, but after your death, pays one half of the reduced monthly retirement benefit to your beneficiary for the rest of their lifetime. Trusts cannot be named as beneficiaries of this option; by CERL statute, trusts may be named as beneficiaries to lump sum payments only.

The amount your monthly benefit is reduced depends on your age at retirement, the age of your beneficiary at your retirement date, and the life expectancies of both parties.[11]

OPTION 4

Option 4 allows you to make an election to receive a reduced retirement allowance during your lifetime, and to name more than one beneficiary who would receive an allowance for their lifetime(s) upon your death. Your reduced allowance is calculated using your age at retirement and the age(s) of your beneficiary(ies).[12]

If one of your beneficiaries dies before you, the reduction to your retirement allowance remains in effect. You cannot name another beneficiary to receive the previous beneficiary's portion of your monthly allowance.

Several conditions must be met to qualify for this option:

- The designation of more than one beneficiary must not put any additional financial burden on the system.
- CCCERA must consult with our actuaries, to determine the benefit amounts and qualifications for each designated survivor.

- The processing and approving of the first request to estimate benefit allowances under Option 4 shall be processed free of charge to the member. Additional estimate requests requiring actuarial services to determine the benefit amount(s) and qualifications will be charged at $500.00 per verification. (This fee provision, including the fee amount, is subject to change based on the CCCERA Board's determination of the financial and administrative burden to the system.)

As required by law, retirement benefit reduction factors are calculated using life expectancy estimates developed by licensed, professional actuaries employed by CCCERA, who specialize in retirement and benefit issues. At retirement, each member and chosen beneficiary(ies) have specific, individual demographic information used to actuarially calculate the prospective reduced monthly benefits and potential survivor benefits associated with Options 1, 2, 3, or 4. Therefore, without actual data, it is impossible to estimate what a given benefit may be for any option. In addition, combined total benefits payable to multiple beneficiaries may not exceed 100 percent of the member's basic retirement allowance.

**In cases where the beneficiary is someone significantly younger than the member, the continuance may be less than the member's benefit. However, you will be informed of the continuance percentage prior to electing the option.*

TEMPORARY ANNUITY OPTION

The Temporary Annuity Option is designed to coordinate your retirement allowance with benefits receivable from Social Security, so your total retirement benefits remain relatively level before and after age 62.[13]

If you retire from CCCERA before you are eligible to receive Social Security benefits (and you are fully insured under Social Security) you may elect to have your CCCERA retirement allowance increased temporarily, by an actuarially determined amount. At age 62, however, your CCCERA benefit will be reduced by the age 62 Social Security estimate you provided at retirement.

After age 62, and for the remainder of your lifetime, your CCCERA retirement allowance will be less than it would have been had you not elected this option. Contact CCCERA for more information on this option.

BENEFICIARIES AND INSURABLE INTEREST

Options 1, 2, 3, or 4 require that the person(s) you designate as your beneficiary(ies) in the event of your death must have an insurable interest in your life. The legal definition of insurable interest is "... an interest based upon a reasonable expectation of pecuniary advantage through the continued life, health, or bodily safety of another person, and consequent loss by reason of that person's death or disability or a substantial interest engendered by love and affection in the case of individuals closely related by blood or law."

More simply, insurable interest generally means someone closely related to you by blood or law, and financially dependent on you during your life.

For more detailed help planning your retirement, please call CCCERA and speak with a retirement counselor or visit *cccera.org*.

(1) 31782; (2) 31760.1; (3) 31760.2; (4) 31786; (5) 31786.1; (6) 31789.5; (7) 31760.11; (8) 31761; (9) 31762; (10) 31763; (11) 31763; (12) 31764; (13) 31810

Age Factors

Benefits calculated under section 31676.11, 31751, 31676.16 of the Government Code. Pension benefits include a Cost-of-Living Adjustment (COLA), based on changes to the Consumer Price Index (CPI). Benefit availability and amounts will be based on your actual circumstances at time of retirement, determined by the actual documents, contracts, policies, and laws in effect at that time.

Your retirement benefit is calculated with this equation:

Highest Final Average Salary	**X**	**Years of Retirement Service Credit**	**X**	**Retirement Age Factor**	**=**	**Monthly Pension Benefit**

See page 10 of this handbook for detailed information about the basic estimate formula. This calculation is for the unmodified retirement allowance.

General Tier 1: Age at Retirement	**General Tier 1: Retirement Age Factor**
50.00	1.2423
50.25	1.2602
50.50	1.2780
50.75	1.2958
51.00	1.3137
51.25	1.3330
51.50	1.3523
51.75	1.3717
52.00	1.3910
52.25	1.4120
52.50	1.4330
52.75	1.4540
53.00	1.4750
53.25	1.4978
53.50	1.5208
53.75	1.5437
54.00	1.5665
54.25	1.5915
54.50	1.6165
54.75	1.6415
55.00	1.6667
55.25	1.6852

Age Factors *(Continued)*

General Tier 1: Age at Retirement	General Tier 1: Retirement Age Factor
55.50	1.7038
55.75	1.7225
56.00	1.7412
56.25	1.7662
56.50	1.7912
56.75	1.8163
57.00	1.8413
57.25	1.8678
57.50	1.8945
57.75	1.9210
58.00	1.9477
58.25	1.9758
58.50	2.0042
58.75	2.0325
59.00	2.0608
59.25	2.0912
59.50	2.1215
59.75	2.1518
60.00	2.1822
60.25	2.2035
60.50	2.2250
60.75	2.2465
61.00	2.2680
61.25	2.2893
61.50	2.3108
61.75	2.3323
62.00	2.3538
62.25	2.3752
62.50	2.3967
62.75	2.4182
63.00	2.4397
63.25	2.4610
63.50	2.4825
63.75	2.5040
64.00	2.5255
64.25	2.5468
64.50	2.5683
64.75	2.5898
65.00	2.6113

Age Factors *(Continued)*

General Tier 2: Age at Retirement	General Tier 2: Retirement Age Factor
50.00	0.830
50.25	0.845
50.50	0.860
50.75	0.875
51.00	0.890
51.25	0.905
51.50	0.920
51.75	0.935
52.00	0.950
52.25	0.965
52.50	0.980
52.75	0.995
53.00	1.010
53.25	1.025
53.50	1.040
53.75	1.055
54.00	1.070
54.25	1.085
54.50	1.100
54.75	1.115
55.00	1.130
55.25	1.145
55.50	1.160
55.75	1.175
56.00	1.190
56.25	1.205
56.50	1.220
56.75	1.235
57.00	1.250
57.25	1.265
57.50	1.280
57.75	1.295
58.00	1.310
58.25	1.325
58.50	1.340
58.75	1.355
59.00	1.370

Age Factors *(Continued)*

General Tier 2: Age at Retirement	**General Tier 2: Retirement Age Factor**
59.25	1.385
59.50	1.400
59.75	1.415
60.00	1.430
60.25	1.445
60.50	1.460
60.75	1.475
61.00	1.490
61.25	1.505
61.50	1.520
61.75	1.535
62.00	1.550
62.25	1.565
62.50	1.580
62.75	1.595
63.00	1.610
63.25	1.625
63.50	1.640
63.75	1.655
64.00	1.670
64.25	1.685
64.50	1.700
64.75	1.715
65.00	1.730

Age Factors *(Continued)*

General Tier 1 Enhanced, Tier 3 Enhanced: Age at Retirement	General Tier 1 Enhanced, Tier 3 Enhanced: Retirement Age Factor
50.00	1.4260
50.25	1.4500
50.50	1.4740
50.75	1.4980
51.00	1.5220
51.25	1.5500
51.50	1.5760
51.75	1.6020
52.00	1.6280
52.25	1.6560
52.50	1.6860
52.75	1.7140
53.00	1.7420
53.25	1.7720
53.50	1.8040
53.75	1.8340
54.00	1.8660
54.25	1.9000
54.50	1.9320
54.75	1.9660
55.00	2.0000
55.25	2.0140
55.50	2.0260
55.75	2.0400
56.00	2.0520
56.25	2.0660
56.50	2.0780
56.75	2.0920
57.00	2.1040
57.25	2.1180
57.50	2.1300
57.75	2.1440
58.00	2.1560
58.25	2.1700
58.50	2.1820
58.75	2.1960
59.00	2.2100

Age Factors *(Concluded)*

General Tier 1 Enhanced, Tier 3 Enhanced: Age at Retirement	General Tier 1 Enhanced, Tier 3 Enhanced: Retirement Age Factor
59.25	2.2220
59.50	2.2360
59.75	2.2480
60.00	2.2620
60.25	2.2740
60.50	2.2880
60.75	2.3000
61.00	2.3140
61.25	2.3260
61.50	2.3400
61.75	2.3520
62.00	2.3660
62.25	2.3780
62.50	2.3920
62.75	2.4040
63.00	2.4180
63.25	2.4180
63.50	2.4180
63.75	2.4180
64.00	2.4180

Returning to Work After Retirement

There are two ways retirees may return to work with a CCCERA employer: by suspending their retirement to return to full-time employment and reinstating as an active CCCERA member (this is referred to as a "reinstatement"), or on an approved, limited basis while receiving their pension.

REINSTATEMENT TO ACTIVE SERVICE AFTER RETIREMENT

After retirement, if you return to work in a position eligible for membership in CCCERA, you may be reinstated as an active member, without being subject to the restrictions that apply if you had continued to receive your pension.

You will not receive a retirement allowance while you are working. Retirement contributions will be taken from your salary and you will earn retirement service credit, just as you did prior to retirement. Your contribution rate will be the same percentage (flat rate) as all other members in your tier. When you retire again, your new benefit will be calculated on the most recent credited service. That benefit amount will be added to your original retirement allowance, plus any retiree cost-of-living increases granted while you were reemployed. Contact a retirement counselor to verify what retirement tier you will be in upon reinstatement.

RETIREES RETURNING TO WORK – FEDERAL AND STATE LAW RESTRICTIONS

In situations where the participating employer determines a CCCERA retiree possesses special skills or knowledge, the law allows the employer to hire that retiree on a temporary basis for a limited duration without suspending the retiree's retirement allowance; however, restrictions apply.

The 960 hour rule: An eligible retiree may return to work for up to 960 hours in a fiscal year and continue to receive his/her retirement allowance.

During this post-retirement employment, the member will not accrue any additional CCCERA pension benefits, nor will the member or the employer pay contributions for this service.

The 180 days rule: Retired members must wait 180 days from their date of retirement before returning to work for a participating employer on a temporary basis, except under the following conditions:

- If the employer certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days have passed and the appointment has been approved by the Board of Supervisors (or the district's governing body) in a public meeting.

- If the retiree is a public safety officer or firefighter hired to perform a function that is regularly performed by a public safety officer or firefighter.

Members who received a retirement incentive, such as an early separation payoff or a "golden handshake", are not eligible to return to work until after 180 days following the date of retirement.

The 90 day rule: Notwithstanding the above conditions, to comply with IRS regulations regarding in-service distributions and maintain the retirement fund's tax-qualified status, a member under the normal retirement age may not return to temporary County or district service within 90 days of his or her retirement date. The 90-day waiting period is referred to as a bona fide separation from service period. Members who retire at ages younger than Normal Retirement Age (55 for general members) must have a bona fide separation from service. This means that they must truly cease employment in order to collect a retirement allowance, and there must not be a pre-existing agreement with the employer to return to work after retirement. If a member is re-employed in violation of the bona fide separation from service rules, the retirement allowance must be suspended and will not resume until the member has a bona fide separation from service or reaches the Normal Retirement Age.

Limits on Pay Rate: During his or her temporary employment, the retiree shall be paid at a rate not less than the minimum nor greater than the maximum rate paid by the employer to other employees performing comparable duties.

Restrictions for Unemployment Insurance Recipients: Any retired person who, during the 12-month period prior to a temporary appointment described in this section, has received unemployment insurance resulting from prior County or district employment, is not eligible to be employed and must wait 12 months before being eligible. Upon accepting an offer of employment, a retiree must certify in writing that he or she is in compliance with this requirement.

ADDITIONAL TAXES ON RETIREMENT ALLOWANCES WHEN RETIREES RETURN TO WORK UNDER CCCERA

Even in cases where the retiree is eligible to work for a CCCERA participating employer while receiving a retirement allowance from CCCERA without violating federal or state law, that retirement allowance could be subject to a 10 percent additional federal tax under Internal Revenue Code 72(t) and a 2.5 percent additional California state tax under California Tax Code 17085(c)(1). These additional taxes apply to retirees under the age of 59 ½, even if they are over Normal Retirement Age if they did not have a bona fide separation of service (i.e., the required minimum continuous 90-day separation from service and no pre-existing agreement with the employer to return to work after retirement.)

Pension Forfeiture for Job-Related Felony Convictions

Effective January 1, 2013, PEPRA established pension forfeiture, without exception, for all public employees convicted of a job-related conduct, in pursuit of office, or in connection with obtaining salary, retirement or other benefits.[1] PEPRA establishes pension forfeiture for any public employee first employed, elected, or appointed to an office before January 1, 2013 and for any public employee first employed, elected, or appointed to an office after January 1, 2013.

PEPRA requires the forfeiture of "all accrued rights and benefits in any public retirement system" by any public employee convicted of any felony, as of the earliest date of the crime, "for conduct arising out of or in the performance of his or her official duties, in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits."

No exceptions apply.

(1) 7522.72, 7522.74

Life Event Reminders

During your membership, while actively employed and after retirement, there are some events that may impact your CCCERA account. If changes or clarifications need to be made, please call or write CCCERA.

Initial employment:

1. Fill out a *Enrollment Affidavit Form (Form 101)*.

   If you are a reciprocal member, be sure to verify rules, current regulations and participating employers, and if eligible, indicate your reciprocity in Section 2 of *Form 101*. Upon receiving *Form 101* with Section 2 completed, CCCERA will mail a *Reciprocity Affidavit Form (Form 109)* to you to complete. Please note, if Section 2 of *Form 101* is not completed upon enrollment, members must complete a *Reciprocity Election Form (Form 103)*.

2. Complete *Beneficiary Designation Form (Form 102)*.

3. Complete a *Death During Active Membership Form (Form 104)*. This form authorizes CCCERA to file an application for non-service connected disability on your behalf, in the event that you are permanently incapacitated by reason of injury or other disability leading to death while you are an active member of CCCERA.

Address change:

1. If you are an active employee, notify your payroll clerk of your new address.

2. If you are retired or deferred, notify CCCERA. Address changes must be accompanied by your signature for your own protection. Retired and deferred members can print a *Member Mailing Address Change Form (Form 301)* from *cccera.org* and mail to CCCERA.

Marriage or Domestic Partnership:

1. Make sure your beneficiary information is up to date.

2. If you choose a beneficiary other than your spouse/registered domestic partner, complete Section 5 of a *Beneficiary Designation Form (Form 102)* if you are an active member, and complete a *Spousal Waiver (Form 303)* if you are a retired member.

If you have dependent children:

Make sure your beneficiary information is accurate.

Divorce or dissolution of a Registered Domestic Partnership:

1. Verify your beneficiary.

2. Understand changes to your service credit, if an account split has been ordered by a Domestic Relations Order (DRO). A former spouse cannot be removed as a beneficiary until community interest is resolved.

Name changes:

Notify CCCERA in writing of your new legal name. Proof is required, such as a Driver's License, Social Security Card, Passport, Marriage Certificate, or Divorce Decree.

Employment status changes:

Call CCCERA for information on possible reciprocity, contribution refunds, or deferment if you are terminating.

Disability while employed:

Contact CCCERA for information on procedures and forms required to submit your application.

Member death:

To notify CCCERA, call CCCERA or use the form available at *cccera.org/report-death* – a retirement counselor will guide survivors through the required procedures, forms and certificates that must be submitted.

About CCCERA

The Contra Costa County Employees' Retirement Association (CCCERA) is a public employee retirement system established by the County of Contra Costa on July 1, 1945. The association is administered by the CCCERA Board of Retirement to provide service retirement, disability, death and survivor benefits for county employees and 16 other participating agencies under the California Government Code, Section 31450 et seq. (CERL) and Section 7522 et seq. (PEPRA).

CCCERA is also governed by the California Constitution and the regulations and policies adopted by CCCERA's Board. The Contra Costa County Board of Supervisors may also adopt resolutions, which affect benefits of CCCERA members as permitted by CERL.

The 12 member Board of Retirement is responsible for the general management of CCCERA. Of the 12 members, three are alternates: one each for safety, retired and general member representatives (the alternate members vote in the absence of primary members). Five board members, including the safety alternate, are elected by CCCERA's active membership. Two board members are elected by the retirees; including the retiree alternate. Four board members are appointed by the County Board of Supervisors. The County Treasurer serves as an ex-officio member. Board members, with the exception of the County Treasurer, serve three year terms in office, with no term limits.

Employer and member basic and COLA contributions are based on statute and rates recommended by an independent actuary and adopted by the Board of Retirement. Employees covered by the plan are required by statute to contribute toward their pensions. The employees' rates are equal to one-half the normal cost of the benefit plan. Member contributions are refundable on termination of employment, if the member chooses.

Employers are required to contribute at an actuarially determined rate calculated in accordance with Government Code Section 31453(a). Pursuant to provisions of the CERL, the Board of Retirement recommends annual contribution rates for adoption by the Board of Supervisors.

CCCERA's funding objective is to meet long-term benefit promises by maintaining a well-funded plan and obtaining optimum investment results. This goal is accomplished by the implementation of a carefully planned and executed long-term investment program. The California Constitution and Government Code Section 31594 and 31595 authorize the Board to invest in any investment deemed prudent in the Board's opinion. Investment decisions are made in the sole interest and for the exclusive purpose of providing benefits, minimizing contributions and defraying reasonable expenses for administering the system. Investments are diversified to minimize the risk of loss and to maximize the rate of return.

The Board has adopted an Investment Policy, which provides the framework for the management of CCCERA's investments. This policy establishes CCCERA's investment policies and objectives and defines the principal duties of the Board, custodian bank and investment managers.

ANNUAL BENEFIT STATEMENTS

The annual benefit statement contains a summary of your account at a given date, usually December 31st of the previous year. This information includes your designated beneficiary, your address, date of birth and membership date. There is also a tally of your contributions and interest, any service purchases you have completed, and estimates of your projected retirement benefit at appropriate ages. These estimates will assist you with retirement planning, but do not include many of the variables that will impact your final benefit estimate as you near actual retirement.

For example, though the benefit statement uses ages in the future to estimate your benefit, the projected retirement benefit is calculated using your present salary, since there is no way of knowing what your salary will be at your time of retirement.

The statement is a general guideline to help keep your file current with CCCERA. After you review the document, you can submit a form enclosed with the statement, to indicate changes to your information (if needed). CCCERA also provides estimating tools on our website, *cccera.org*.

ACCOUNT BALANCES

In a defined benefit system like CCCERA, account balances (the total of your contributions plus interest accrued) have no effect on your final retirement benefit. Benefits are determined by a formula which is not based on your contribution amount. (In defined contribution plans, such as a 401(k), your contributions, interest and investment gains or losses form the basis of your benefit.)

You may request your account balance at any time, by submitting a request, in writing, to CCCERA. Since the information about your account is confidential, we must have your signature before we can release the amount. Include your address, and your employee number, in your request. Your balance will not be given to anyone but you. Unlike some other retirement plans, you may not borrow against your retirement funds. Your contributions and accrued interest is your asset, but the law prohibits borrowing. While this may seem restrictive, leaving your funds with CCCERA until you retire protects against their loss, and preserves your secure benefit in retirement.

BENEFIT SECURITY

CCCERA is a multi-billion dollar fund, underwritten and insured by the employers who participate. Employers in CERL defined benefit plans are bound by law to cover the costs of your retirement benefit in the event of a major investment failure. Unlike many private pension plans, your contributions and interest are inaccessible to any organization or individual. CCCERA has consistently maintained adequate funding ratios, through meticulous accounting standards, stringent checks and balances, and a diversified investment policy.

DOMESTIC PARTNERSHIP

The California Domestic Partner Rights and Responsibilities Act of 2003 amends a variety of statutes, including Section 297 of the Family Code and sections of CERL. Requirements for partners are very specific. These rights come with legal responsibilities, and a formal registration requirement with the State of California. Section 3B of the Family Code (297) states "...persons of opposite sexes may not constitute a domestic partnership unless one or both of the persons are over the age of 62."

A domestic partner of a CCCERA member who is (or will) retire will not qualify for a survivor continuance unless the partnership is registered with the Secretary of State at least two years prior to the date of death of the member and, the survivor is 55 years old on or prior to the date of death. This qualification reflects Section 31760.2 of CERL regarding survivor benefits.

415 LIMITS

Section 415 of the Internal Revenue Service Code (IRS) limits the maximum benefits a member can receive from a defined benefit plan, such as CCCERA. For a few high income earners, this means earned benefits over these limits must be paid by the plan sponsors (employers), rather than CCCERA. These replacement benefits are, by tax law, the responsibility of the plan sponsors.

MEMBER RECORD CONFIDENTIALITY

In order to protect your privacy, changes to your account, such as beneficiary designations, must be made in writing. Be aware that CCCERA is a public agency. Certain demographic information is considered public by recent court rulings and statute, and is available by valid request. The following information is not public and will not be disclosed: a member's, beneficiary's or annuitant's social security number, date of birth, address, telephone and facsimile numbers, email addresses, age at entry into service, spouse's and/or beneficiary's names, disability application, medical records, or other personal information provided by the member or beneficiary.

RETIREMENT ACCOUNT GARNISHMENT

Your contributions on deposit with CCCERA and your retirement benefits generally are not subject to garnishment or lien while you are an active employee. For retirees, two exceptions exist:

1. A court may order CCCERA to pay a portion of your retirement benefit to cover a judgment for spousal or child support.
2. The IRS may levy your retirement benefit for payment of delinquent federal income taxes.

Both of these circumstances might occur to retired members; they do not apply to active members.

Glossary

You may find the following terms helpful in understanding your benefits. The CERL and PEPRA are complicated statutes with interrelated links to other laws; interpretations are clarified by legal opinion and amendment. As public policy and procedures evolve, new elements and clarifications may be included that will affect your benefit structure. If you have questions as you plan your career and your retirement, be sure to verify your understanding of the regulations to provide the best benefit for yourself and your beneficiaries.

Accruals
Amounts, such as accrued service credit, accrued benefits, or accrued contributions and interest that are accumulated in an individual's retirement account, and form the basis of future benefits or refunds.

Actuary
Professional consultants trained in the technical and mathematical calculations of projecting estimates of the amounts needed to fund pension benefits into the future.

After-Tax Contribution
Contributions taken from payroll amounts after income tax has been deducted.

Age Factor
See Retirement Age Factor.

Alternate Payee
The spouse, registered domestic partner (or former spouse/domestic partner), of a member, who is entitled by a Domestic Relations Order (DRO), to receive all or a portion of a lump sum settlement or retirement benefit division.

Beneficiary
A person(s), trust or estate named by the member to receive benefits provided by the plan or assets remaining in the member's account, at the time of the member's death.

Cash Out
A lump sum distribution (payout) to a terminating member of all contributions and interest accrued during his or her career. The cash out only includes the member's portion of the contributions and interest, not the contributions made on his behalf by his employer.

Contribution Rate
Percentage factors, calculated by actuarial valuation, used to determine the employer's and the employee's contribution amounts to fund benefits guaranteed by the retirement system.

Cost-of-Living Adjustment (COLA)

An increase or decrease in pension benefits dependent on the rise or fall of the cost of living, as determined by the San Francisco Bay Area Consumer Price Index (CPI). Projected COLAs to future retirement benefits make up a portion of member contribution rates. (Some retirement plans (other than CCCERA) do not include COLAs; after retirement these pensions can lose value without periodic adjustments to the actual cost of living.)

Death Benefit

Payments or benefits made to designated beneficiaries on the death of a member.

Deferred Membership

At termination of employment, the member chooses to leave his or her accrued contributions and interest with CCCERA until a later date. Contributions continue to earn interest until the member returns to active membership, takes a lump sum distribution, is eligible and retires, or reaches age 70½, the age of mandatory distribution.

Defined Benefit Plan

A pension plan in which retirement benefits are calculated by a specific formula, rather than by the amount of contributions and interest, or investment gains and losses, accumulated in a member's account. CCCERA is a defined benefit plan. The balance in one's account has no bearing on the amount of the benefit or the length of time benefits are paid, since the pension amount is determined by years of service credit, Final Average Salary, and the retirement age factor.

Defined Contribution Plan

A retirement plan in which benefits are determined by the amounts contributed to the account, and the income, gains, expenses, or losses. Defined contribution benefits draw down an individual member's account balance until funds are exhausted.

Domestic Partner

As the definition pertains to CERL and CCCERA, domestic partners must be formally registered with the State of California. Registered domestic partners are eligible for the same benefits and rights of survivorship as are available to spouses. Persons of opposite sexes may not constitute a domestic partnership unless one or both of the partners are over the age of 62.

Domestic Relations Order (DRO) or Qualified Domestic Relations Order (QDRO)

A court ordered judgment that may include provisions for retirement account division. A DRO or Qualified Domestic Relations Order (QDRO), may create or recognize an alternate payee, and may assign rights to that payee to receive all or a portion of a benefit.

Experience Study
An actuarial analysis of the retirement system's demographics, including member salaries, service years, disability statistics, employee retention, life expectancies, expected investment return and other factors that impact the functioning and future trends of the fund.

Final Average Salary (FAS)
Your base salary for your highest 12 consecutive months of employment, divided by 12. For General Tier 2, your base salary for your highest 36 consecutive months of employment, divided by 36.

Joinder
CCCERA must be made a party in dissolution (divorce) cases, since retirement benefits are community property in California. A joinder is a form that must be filed with the court to legally include CCCERA in the dissolution action. CCCERA cannot accept a Domestic Relations Order (DRO) without a joinder.

Normal Cost
The percentage of payroll sufficient to fund benefits for members, from their entry into the system until their retirement date, under current benefit provisions.

Qualified Plan
A retirement plan approved by the Internal Revenue Service that meets the requirements of both form and operation, as detailed in the appropriate section of the tax code, Section 401(a) in the case of CCCERA. For example, CCCERA is a 401(a) plan and meets the requirements of section 401(a) of the Internal Revenue Code.

Reciprocity
An agreement between two or more plans in which service credit earned in all plans is linked for purposes of accruing retirement eligibility and benefits.

Retirement Age Factor
A percentage expressed in decimal form, mandated by the government code and adopted by your employer that is multiplied by your age and years of service to calculate your benefit. For example: 1.67% at 55 means if you retire at age 55, your benefit will be calculated using 1.67%, or .0167.

Spousal Waiver
A signed, notarized statement by both the member and the spouse/domestic partner, declaring the spouse or domestic partner relinquishes CERL rights to be the sole beneficiary of a retirement account, should the member die.

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CONTRA COSTA COUNTY CCCERA
Employees' Retirement Association

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