

WELCOME GUIDE

a reference for new members



**Marin County Employees'
Retirement Association**

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Important Legal Disclaimer

This Welcome Guide is intended to provide new members with general information about the benefits available through the Marin County Employees' Retirement Association (MCERA), but it does not describe every plan provision in detail. Every effort has been made to ensure the timeliness and accuracy of the information offered; however, you should not rely solely on the information contained herein.

MCERA is governed by the County Employees' Retirement Law of 1937 (CERL, Government Code Section 31450 et. seq.) as adopted by the Marin County Board of Supervisors and implemented by the MCERA Retirement Board. The laws governing public retirement systems are complex. No statement in this guide is a legally binding interpretation, enlargement, or amendment of the provisions in the CERL or MCERA's bylaws and policies. If conflict arises between this guide and the CERL, the decision will be based on the CERL, Board policies, Board resolutions, and other governing law, and not on information contained in this guide.

The information presented in this guide should not be construed as legal advice or as a legal opinion on specific facts. For legal advice regarding specific facts, consult an attorney knowledgeable in retirement law matters.

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Welcome!

Welcome to membership in the Marin County Employees' Retirement Association (MCERA), and congratulations on your recent employment.

It's never too early to start thinking about retirement, and as a member of MCERA you are part of a program designed to help you achieve a secure future. For over 60 years, MCERA has provided eligible employees of Marin County and other participating employers the opportunity to earn retirement benefits they can count on. We offer substantial retirement, disability, and death benefits to eligible members, their spouses and beneficiaries.

How do I get started?

As a regular-hire employee working $\frac{3}{4}$ time or more in an eligible position for an employer who participates in MCERA, you are automatically an MCERA member. Employees who are 60 years of age or older on their date of membership may elect to irrevocably waive their membership in the plan. If you wish to waive your membership under this provision please contact our office.

As a new member, there are some basics you should know:

- ✓ **Contributions**
Employee contributions are age-based and mandatory. Generally, they will be deducted on a pre-tax basis beginning with your first paycheck. Your contributions are refundable only upon termination of employment.
- ✓ **Member Enrollment Affidavit**
All new members are required to complete a Member Enrollment Affidavit and return it immediately to their employer's Human Resources department. The affidavit contains necessary enrollment information such as your birth date, marital status, any prior public service, and your choice of beneficiary/ies.
- ✓ **Birth Certificate**
Within thirty days of your employment, you must bring a certified copy of your birth certificate or a valid passport to the MCERA office or to your employer's Human Resources department. Failure to supply your birth certificate or a valid passport will result in your contribution rate being increased to the highest rate permissible. Please contact our office to discuss suitable alternative proof of age documentation if these items are not available.

What if I have more questions?

Our staff is here for you and will be glad to answer any questions that are not fully addressed within this guide. Our website, www.mcera.org, is also a valuable resource. We encourage you to contact our office if you would like additional information about your MCERA retirement benefits.

Again, welcome to MCERA membership. We look forward to assisting you as you plan for your future. ■

Contact Us

Our Office: Marin County Employees' Retirement Association
One McInnis Parkway, Suite 100
San Rafael, CA 94903-2764

Main: (415) 473-6147

Fax (Benefits): (415) 473-3612

Fax (Administration): (415) 473-4179

Website: www.mcera.org

Hours: Monday thru Friday, 8:00 AM to 5:00 PM

Voicemail: MCERA's voicemail system is available 24 hours a day. You can leave a message in the general mailbox and it will be forwarded to the correct person for a response. Please remember to leave your name and telephone number.

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

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

Group Seminars: Pre-retirement seminars are available to all members but are particularly helpful for members planning to retire within 5 years. Seminars are held frequently throughout the year. Call MCERA for more information or to reserve a seat.

Introduction

About MCERA

MCERA is a multiemployer governmental pension plan established by the County of Marin on July 1, 1950, under the County Employees Retirement Law of 1937 (California State Government Code Section 31450 et. seq., also referred to as the 1937 Act). MCERA is also governed by the California Constitution and the regulations, procedures and policies adopted by MCERA's Retirement Board. The Marin County Board of Supervisors may also adopt resolutions, as permitted by the 1937 Act, which may affect the benefits of MCERA members.

MCERA's membership includes active, deferred and retired members and beneficiaries of the following ten agencies and organizations (these are called the "plan sponsors"):

- City of San Rafael
- County of Marin
- LAFCO
- Marin City Community Services District
- Marin/Sonoma Mosquito Abatement District
- Marin Superior Court
- Novato Fire Protection District
- San Rafael Redevelopment Agency
- Southern Marin Fire Protection District
- Tamalpais Community Services District

Administration – Retirement Board

Retirement system administration is managed by the Retirement Board. All Board members, except the County Director of Finance serve for a term of three years. By statute, Board members include the following:

- The Director of Finance of Marin County.
- Four members who are qualified electors of the County and not connected with County government in any capacity, except one may be a County Supervisor. The Board of Supervisors appoints these members.
- Two miscellaneous members of MCERA elected by the miscellaneous membership.
- One safety member and one safety member alternate elected by the safety membership.
- One retired member and one retired member alternate elected by the retired membership.

The Retirement Board sets policy for the operation of MCERA, considers applications for disability retirement, recommends employer and employee contribution rates on the basis of actuarial studies, controls the investment of assets and authorizes all disbursements of MCERA funds.

Retirement Board meetings are open to the public. Regular monthly meetings are generally held the second Wednesday of each month at 9:00 AM in the Retirement Board Chambers, One McInnis Parkway, Suite 100, in San Rafael.

Administration – Retirement Office

MCERA office staff, under direction from the Retirement Administrator, assist the Retirement Board in the administration of the retirement system. MCERA staff process applications for retirement benefits, contribution refunds, beneficiary allowances, death benefits and prior service purchases while maintaining member records. MCERA staff is responsible for retirement system accounting and disbursing funds, including monthly retirement benefits as authorized by the Retirement Board.

General Information

Defined Benefit Plan

MCERA administers a defined benefit retirement plan. This means that your future retirement benefit is not based on how much you and your employer contribute, nor on movements in the stock market. Instead, your benefit is a predictable lifetime income based on your years of service under the plan, your age at retirement, and your final average compensation.

Membership Eligibility

All permanent/regular employees working at least 75% of full-time in a permanent position for one of MCERA's plan sponsors are eligible and automatically enrolled in the MCERA plan. All other employees working under contract or in temporary, seasonal, part-time (less than 75% of full-time) or provisional positions are not eligible for membership. Elected officials and new employees who are age 60 or older as of their date of membership may waive participation in the plan.

Membership begins on the first day of eligible employment. If you transfer from an ineligible to an eligible position, you will begin participating on the first day in an eligible position.

Member Information

At the time you are hired into an eligible position you will be required to complete a Member Enrollment Affidavit. This document provides MCERA with important information pertinent to your retirement account such as your birth date, marital status, any prior public service, and your beneficiary designation.

In addition to completing the Member Enrollment Affidavit, a certified copy of your birth certificate or other acceptable evidence of birth date is required by the Retirement Board and must be provided to MCERA within 30 days of your membership date. Failure to submit an acceptable proof-of-age document will result in a pension contribution rate that is higher than what would otherwise be required. If you cannot submit the required proof-of-age documentation, or for a list of acceptable proof-of-age documents, please contact MCERA.

Beneficiary Designation

You are required to designate a beneficiary when you become an MCERA member. Additionally, the retirement plan offers substantial survivorship benefits to a spouse or registered domestic partner in the event of the member's death during employment. You may designate an organization or a trust as your beneficiary; however, organizations and trusts may not receive a survivor continuance, only a refund of unused contributions.

Vesting

Vesting entitles you to receive a pension from MCERA once you have fulfilled all eligibility requirements. Members are vested in MCERA after they have attained 5 years of retirement service credit. If you have established reciprocity with another qualified retirement system, your reciprocal service credit is included in determining eligibility for vesting and retirement.

Contributions

Both you and your employer contribute to the retirement plan. Contribution rates are changed from time to time based on the results of periodic actuarial studies. The contributions you and your employer pay are invested to fund future retirement benefits.

All participating members are required to contribute to the plan. Members contribute a percentage of their earnable compensation through regular payroll deductions, generally made on a pre-tax basis. Your contribution rate is determined by your retirement tier parameters, your age at entry into membership, and whether you are a miscellaneous or safety member. The younger you are when you enter membership the lower your contribution rate will be.

Interest is credited to your account every June 30 and December 31 on the prior 6-month balance. Your contributions plus the interest credited to your account belong to you and cannot be forfeited. However, in the event of a divorce, with the filing of a joinder and Domestic Relations Order, part of your contributions and interest (or benefit) may be reassigned due to a community property interest by your former spouse.

All participating employers are required to contribute to the plan. Employers contribute amounts needed in addition to employee contributions to provide for current and future benefits. The retirement law authorizes your employer to pay some or all of the contributions you would otherwise be obligated to pay. Any employer “pick up” of your contributions is a negotiated benefit and subject to current memorandum of understanding provisions. The employer contributions are kept in a separate reserve account. You will benefit from your employer’s contributions only upon retirement.

Annual Benefit Statement

MCERA provides an Annual Benefit Statement to each active and deferred member, typically every fall. This statement includes the member’s date of birth, social security number, years of service, contributions, retirement entry date and designated beneficiary. You are encouraged to review this statement carefully. Any discrepancies should be immediately reported to the MCERA office.

Service Credit

Service credit is used to determine when you are eligible to retire and the amount of your monthly lifetime retirement benefit. Typically, the more service credit you have the higher your monthly benefit will be. Service credit includes service earned each pay period of employment during membership, starting with your date of entry into membership and ending with your termination date. Retirement service credit does not include time missed due to leave without pay, unpaid strike time, part-time hours not worked, or service less than 75% of full-time.

The most common way of accumulating service is by working for a participating employer in an eligible position. Service credit is adjusted proportionately for a member in a part-time position working 75% to 99% of full-time hours. For example, an employee in a permanent position working 75% of full-time would earn service credit at 75% -- after 5 years, such an employee would only earn 3.75 years of service credit.

Sick leave is the only type of accrual that may be counted towards service credit. The amount of sick leave that a member can convert to service credit depends on the member's employer and bargaining agreement. For many employees, upon retirement, a portion of your unused sick leave balance is currently converted to service credit and added to your total years of service. Sick leave balances are not transferable between employers and credit for accrued sick leave is only available through your final employer. Converted sick leave service does not count toward meeting any retirement eligibility requirements.

Reciprocity

If you terminated employment with another public employer in California who has a reciprocal agreement with MCERA, left your contributions on deposit with that system, and established your MCERA membership within six months of your termination date, you may elect reciprocity between MCERA and your previous retirement plan. Reciprocity may be established with other 1937 Act systems, with CalSTRS, CalPERS, or with many public agencies that have reciprocity with CalPERS.

There are three principal advantages to establishing reciprocity:

✓ **Age**

Your age for determining your contribution rate at MCERA will be the same entry age used in your previous employer's retirement plan. Since your contribution rate at MCERA is based upon your age when you entered membership, the rate at which you currently contribute could be reduced.

✓ **Service**

Your service credit in each retirement system will be added together in order to determine eligibility for benefits under all systems. For example, if you had 6 years of service with the County of Alameda, and only 4 years of service with the County of Marin, you would be eligible to retire from both plans because your years of service combined would equal the 10-year minimum service requirement.

✓ **Final Average Compensation**

Upon death or retirement for service or disability, the final average compensation used to determine your benefits from the systems will be the highest earned under any of the systems. However, the combined disability retirement allowance payable from two or more reciprocal systems cannot exceed an allowance calculated as if your service was earned in only one system.

We recommend that you notify MCERA as soon as possible if you believe you may be eligible for reciprocal benefits.

Service Purchases

Depending upon individual circumstances, members may be eligible to purchase additional service credit that counts toward retirement eligibility. You can choose to make a service purchase at any time in your career. However, because the cost of purchasing service includes interest, the longer you wait to purchase service credit the higher the cost will be. All service purchases must be completed prior to your effective date of retirement.

Purchasing service credit may not be beneficial for everyone. MCERA encourages you to review benefit estimates with and without a service credit purchase to determine whether making a purchase is right for you. Additional years of service may or may not increase your monthly retirement allowance.

The following types of service are available for purchase:

✓ **Redeposit of Previously Withdrawn Contributions**

If you previously worked for an MCERA plan sponsor and withdrew your contributions upon termination of employment, you may restore those years of service by redepositing your contributions plus interest into your MCERA account upon returning to employment and MCERA membership. To receive credit for this service, you must redeposit all of your previously withdrawn contributions, plus the interest your account would have earned had you left your funds on deposit. You may not redeposit a portion of your previously withdrawn funds.

✓ **Service Prior to Membership**

You may be eligible to purchase and receive retirement service credit for service that you rendered with an MCERA plan sponsor prior to entering into MCERA membership for which you did not make contributions. A common example of this type of service is employment in an extra-hire or temporary capacity. To receive credit for this service, you must deposit into your retirement account the amount you would have contributed during your prior employment plus any interest that would have been credited to your account. You may purchase all or part of your total service prior to membership.

✓ **Part-time Service Not Covered By Membership**

You may be eligible to purchase and receive retirement service credit for service that you rendered when your working hours fell below 75% of full-time and you stopped making contributions. To receive credit for this service, you must deposit into your retirement account the amount you would have contributed during that time plus any interest that would have been credited to your account. You may purchase all or part of your part-time service not covered by membership.

✓ **Medical Leave Without Pay**

If you are unable to work due to your illness, injury or maternity disability and have a period of unpaid leave, you may be entitled to purchase service credit for up to 12 consecutive months of the leave period once you have returned to full active employment. For this type of service purchase MCERA requires a copy of the doctor's note that states the effective date of your medical leave and the date you return to active employment. To receive credit for this service, you must deposit into your retirement account the amount you would have contributed during your period of leave plus any interest that would have been credited to your account. You may purchase all or part of your medical leave without pay.

To find out if you are eligible for any of the above types of purchases, or for information on how to pay for your service purchase, contact MCERA.

Service Retirement

Retirement Eligibility

Your minimum retirement eligibility requirements are determined by your employer, your Tier, and whether you are a miscellaneous or safety member. Generally, both miscellaneous members and safety members have met the requirements for retirement eligibility after attaining 10 years of service and a minimum age of 50 or 55. Miscellaneous members can retire at any age after 30 years of service and safety members can retire at any age after 20 years of service. Anyone can retire at age 70 with any amount of service.

How Your Allowance Is Calculated

Your retirement allowance is determined by three factors: your age at retirement, your total years of retirement service credit, and your final average compensation. An increase in any one of these components will increase your retirement allowance.

✓ Age

Your age at retirement is measured to the completed quarter year. For example, if your age is 50 years and 2.9 months, your age for retirement purposes is 50 years. If your age is 50 years and 3.1 months, your age for retirement purposes is 50.25 years.

✓ Service

Your service credit includes service earned each pay period of employment during membership, starting with your date of entry into membership and ending with your termination date. Service credit may also include converted sick leave accruals (if applicable), service earned through a service purchase, or reciprocal service with another public employer. Retirement service credit does not include time missed due to leave without pay, unpaid strike time, or part-time service less than 75% of full time. If you have had periods of unpaid leave or part-time service, your years of retirement service credit may be reduced.

✓ Final Average Compensation

Your final average compensation is computed on your highest consecutive one- or three-year “look back period” of compensation, determined by your Tier. If your look back period includes part-time employment, the time period under review will be extended to include the number of hours necessary to equal full-time employment. Also, your final average compensation for retirement may differ from the amount you were actually paid because certain pay types may or may not be included as compensation earnable for retirement purposes. For example, overtime pay does not count toward your final average compensation, but non-salary compensation such as uniform allowances or shift differentials may be included. More information on which pay types are included in determining your final average compensation is available by contacting MCERA.

Retiree Medical Benefits

Retiree medical benefits that may be provided by your employer are not vested benefits. Your employer determines your eligibility for non-pension benefits in retirement such as healthcare insurance. MCERA will contact your employer at the time of your retirement to determine eligibility, coverage rules and limitations. Please contact your employer's Human Resources department for further information on retiree medical benefits.

Disability Retirement

Active MCERA members who have an illness or injury that permanently incapacitates them from performing the essential functions of their job may be eligible to apply for disability retirement. The Retirement Board will determine whether you are permanently disabled from performing the essential functions of your position.

Service Connected Disability Retirement

There is no minimum service requirement necessary to apply for a service connected disability retirement. The applicant has the burden to provide evidence that they are permanently disabled from performing their job duties and that the disability is a result of injury or disease arising out of the course of their employment. The monthly retirement allowance for a service connected disability retirement is no less than 50% of your highest final average compensation. Generally, the service connected disability retirement benefit equal to 50% of the member's final average compensation is excluded from tax withholding.

Non-service Connected Disability Retirement

To qualify for a non-service connected disability retirement you must have a minimum of 5 years of retirement service credit. The applicant has the burden to provide evidence that they are permanently disabled from performing their job duties. The minimum monthly retirement allowance for a non-service connected disability is generally one third of your highest final average compensation. Non-service disability retirement benefits are subject to taxation.

Further information on disability retirement is available by contacting MCERA.

Deferred Retirement

If you terminate employment after earning 5 or more years of service credit, including reciprocal service, you may choose to leave your contributions on deposit and defer your retirement to a later date. As a deferred vested member you may receive your retirement allowance at any time that you would have been eligible to retire for service had you remained in employment.

If you terminate employment after earning less than 5 years of service credit, including reciprocal service, you will not be vested but you may still leave your contributions on deposit. As a deferred non-vested member your earliest retirement eligibility occurs at age 70.

Payment of your retirement allowance will not automatically commence at your earliest eligibility date. You must contact MCERA to apply for retirement when you are eligible or when you desire to begin receiving benefits.

To elect deferred retirement, you must apply in writing by completing the Disposition of Contributions form within 180 days of terminating your employment. Deferred members may cancel their deferred retirement election and withdraw their accumulated contributions and interest at any time prior to receiving a retirement allowance, unless they have established reciprocity with an eligible public agency.

Divorce/Domestic Partnership Dissolution

Upon a divorce or dissolution of domestic partnership, it is essential that the member notify MCERA as soon as possible. If you are a member of MCERA while you are married or partnered your retirement benefits may be considered community property and your spouse or partner may be entitled to an interest in the community property portion of your retirement benefit.

Below are the most common documents and orders generally required in the event of marriage dissolution. Please be sure to provide MCERA with any additional orders or documents pertaining to your divorce case that may affect your retirement benefits.

Judgment of Dissolution & Property Settlement Agreement

Submit a copy of your completed Judgment of Dissolution of Marriage and/or Property Settlement Agreement from your divorce proceedings to MCERA as soon as possible. The Judgment will undergo a detailed internal review by MCERA legal counsel to determine any court-awarded community property rights, including contributions and interest and service credit, your former spouse or domestic partner may have. All pages of this document, including any attachments, will be required, along with the court's file stamp and the judge's signature. It is best if the Judgment specifically mentions your MCERA account and clearly states what you and your former spouse are entitled to.

Joinder

Joinder means that MCERA is joined in the divorce proceeding and will require a court-filed order before dividing and distributing any of your retirement benefits to you and/or your former spouse or partner.

Qualified Domestic Relations Order

After filing a joinder you may also be required to file a Qualified Domestic Relations Order (QDRO). This is a court order that provides MCERA with detailed instructions regarding how the retirement benefits are to be divided. In order for MCERA to honor the orders of a QDRO, the document must be compliant with the 1937 Act and other applicable laws pertaining to pensions.

Retirement Estimates

Compensation Percentage Tables

A useful tool in estimating your future retirement benefit is the Compensation Percentage Tables worksheet. You can use the simple worksheet and attached tables to estimate what percentage of your final average compensation you might receive as a retirement allowance from MCERA under the “Unmodified” payment option. The Compensation Percentage Tables worksheet is available on MCERA’s website.

Online Retirement Benefit Estimator

Members with retirement dates more than 5 years in the future are strongly encouraged to use the Retirement Benefit Estimator on MCERA’s website. By using this tool you can personalize your estimate to reflect anticipated increases in salary, add other forms of pensionable compensation, and include sick leave conversion credit (if applicable) to your total service time. The results are instantaneous and, assuming the variables you have entered are accurate, should yield an estimate that is very close to your actual future benefit if you chose the “Unmodified” payment option.

Custom Benefit Estimates

Individuals with periods of less-than-full-time service, those who have had periods of leave without pay, and those with retirement dates less than 5 years in the future may require a custom estimate from MCERA staff. Custom benefit estimates are based upon the facts and data available to MCERA and may not include a detailed review of your complete service history. Also, custom estimates are based upon your current salary only and do not include additional wage classes or credit for sick leave accruals, if available from your employer. As a result, custom estimates may not be representative of the future benefit that you may actually be entitled to at the time of your retirement under the “Unmodified” payment option.

Additional Resources

MCERA Website • www.mcera.org

MCERA's website was developed to assist you in obtaining information about your retirement benefits. You will find many valuable resources designed to address your retirement questions, such as:

- ✓ Forms
- ✓ Handbooks
- ✓ Retirement Benefit Estimator
- ✓ Board Agendas and Minutes
- ✓ Calendar of Events
- ✓ FAQs
- ✓ Brochures
- ✓ Newsletters
- ✓ Applicable laws and regulations

Pre-retirement Seminars

MCERA offers pre-retirement seminars which cover a wide range of topics that employees should be aware of prior to retirement. If you are planning to retire soon, or just want more information about the process, it is highly recommended that you attend. There is no cost to attend a pre-retirement seminar. Seminars are scheduled throughout the year and waitlists are available. Contact MCERA for more information.

New Member Checklist

Here are some simple steps you should take to make the most of your MCERA membership:

- ✓ **Complete your Member Enrollment Affidavit and return it to your employer's Human Resources department as soon as possible.**

All new members are required to complete a Member Enrollment Affidavit and return it immediately to their employer's Human Resources department. The affidavit contains necessary enrollment information such as your birth date, marital status, any prior public service, and your choice of beneficiary/ies.

- ✓ **Submit a certified copy of your birth certificate or valid passport to MCERA's office or your employer's Human Resources department.**

Within 30 days of your employment, you must bring a certified copy of your birth certificate or a valid passport to the MCERA office or to your employer's Human Resources department. Failure to supply your birth certificate or a valid passport will result in your contribution rate being increased to the highest rate permissible. Please contact our office to discuss suitable alternative proof of age documentation if these items are not available.

- ✓ **Keep your address information up to date with your employer.**

To ensure that you receive important information from MCERA, keep your home address current with your employer at all times. MCERA member accounts are updated each pay period with data provided by your employer, including your current address.

- ✓ **Keep your beneficiary information up to date with MCERA.**

If you have a life change, such as marriage, divorce, or the birth/adoption of a child, review your beneficiary designations. You may update your beneficiary designation by submitting a completed Beneficiary Change form to MCERA.

- ✓ **Read MCERA newsletters and financial reports.**

The best way to optimize the benefits available to you is to understand how they work. We suggest that you read all materials you receive about your MCERA benefits. A number of informational publications are available on MCERA's website, as well.

- ✓ **Review your MCERA Annual Benefit Statement.**

Your statement provides a broad range of important MCERA information, such as your annual contributions, interest credited to your account, service credit earned, and your beneficiary designation(s). Any discrepancies found on your Annual Benefit Statement should be immediately reported to MCERA.

- ✓ **More questions?**

Get in touch with MCERA if you have questions. MCERA is available by phone at (415) 473-6147, on the web at www.mcera.org, or by mail at One McInnis Parkway, San Rafael, CA 94903-2764. ■