

MCERA

Established in 1950



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May 13, 2014

Our website address is www.mcera.merced.ca.us

Mission Statement

- **MCERA's mission is to provide benefits to its members, to manage assets prudently in accordance with plan provisions and to provide competent and efficient services to our members.**

MCERA Overview

- **The Merced County Employees' Retirement Association (MCERA) is a retirement system, organized under the County Employees' Retirement Law of 1937**
- **The system provides retirement, disability, and death benefits to the employees, retirees and beneficiaries of the County of Merced, Merced Superior Court, Merced Cemetery District and Joint Powers Authority.**
- **The Board of Retirement is responsible for all policies and investment decisions for the system.**
- **All employees become members of the system on the first day of employment**

Defined Benefit

- **Life time benefit**
- **Benefit is paid for by member contributions, employer contributions and investment earnings**
- **Benefits determined on basis of formula NOT on individuals' account balance**
- **Member must have five years of service to vest benefit**
- **Social Security Benefits are separate from MCERA's Benefit and are not reduced**

Plan

- **Tier 1: Hired before 6/13/1994 or level A Manager hired/appointed on or before 9/30/2012**
- **Tier II: Anyone Hired between 6/14/1994 & 9/30/2012**
- **Tier III: Anyone Hired between 10/1/2012 & 12/31/2012 or anyone hired thereafter who established reciprocity (hire date with reciprocal system before 1/1/2013)**
- **Tier IV: Anyone Hired on or after 1/1/2013**
- **Safety members: Sworn Law Enforcement and Probation Officers**
- **General/Miscellaneous members: Everyone else**

Tier I

Minimum age to retire

- **Safety members: 50 years old with ten years of service, any age with 20 years of service or 70 years old regardless of years of service**
- **General members (miscellaneous): 50 years old with ten years of service, any age with 30 years of service or 70 years old regardless of years of service**

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Final Compensation

- **Highest average of 26 consecutive pay periods**
Cost living allowance each year, 3% maximum

Tier II & III

Minimum age to retire

- **Safety members: 50 years old with 10 years of service, any age with 20 years of service or 70 years old regardless of years of service**
- **General members (miscellaneous): 55 years old with 10 years of service or 70 years old regardless of years of service**

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Final Compensation

- **Highest average of 78 consecutive pay periods**
- **NO cost of living allowance**

Tier IV

Minimum age to retire

- **Safety members: 50 years old with 5 years of service**
- **General members (miscellaneous): 52 years old with 5 years of service**

Final Compensation

- **Highest average of 78 consecutive pay periods**
- **NO cost of living allowance**

Benefits

Benefit amounts are based on:

- Service Credit**
- Final Average Salary**
- Age at retirement**

Final Average Salary

- **Tier I**
 - **Highest 26 consecutive pay periods**
- **Tier II, III, & IV**
 - **Highest 78 consecutive pay periods**
- **This includes differentials, loyalty bonuses, and 25th pay period sell backs**

Service Credit

- **Every hour of service that we have a contribution on is counted**
- **Excludes overtime**
- **Variable shift is only credited the hours worked**
- **Balance of any remaining sick leave time**
 - **Depending on bargaining unit and service time, a member is eligible to sell back certain % of sick leave time at retirement (this amount will not be included in final compensation) and the balance will be converted to service time; or you may convert all sick leave to service time.**
 - **Will not be used to determine eligibility to retire**

Ventura Settlement

Merced Ventura Settlement:

- this agreement allows members at retirement to include up to 160 hours of vacation pay out in final compensation. This means you will get paid for all your unused vacation time and the payment for a maximum of 160 hours will be used in the computation of your retirement benefit.

- AB 197 excludes this from retirement compensation however pending litigation may reverse this decision. Effective date for this change for Legacy member's (Tier 1-3) will be 60 days after a decision has been made.

Age Factor Tier I & II

- **Formula:**
 - maximum 3% at 50 for safety members, 3% at age 60 for miscellaneous members
- **Every quarter of a year younger than these ages will result in a lower percentage**

Age Factor Tier III

- **Formula:**
 - maximum **2.62%** at **55** for safety members, **2.43%** at age **65** for miscellaneous members
- **Every quarter of a year younger than these ages will result in a lower percentage**

Age Factor Tier IV

- **Formula:**
 - maximum **2.7%** at **57** for safety members,
2.5% at age **67** for miscellaneous members
- **Every quarter of a year younger than these ages will result in a lower percentage**

Account Balances

A members contribution is based on:

- **age and salary for tiers I – III**
- **tier IV is currently set at 5.75% Misc and 10% Safety**
- **it is deducted from your pay check on a bi-weekly basis**
- **deductions are pre-tax**

Interest :

- **is paid on member contributions as determined by the Board of Retirement and is posted twice a year (June/December)**

Loans and Withdraws

Loan:

- a member may not borrow from a retirement account and may not withdraw funds unless employment is terminated

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Forfeiture of benefit:

- a member forfeits any retirement benefits if contributions are withdrawn

Purchase of Service Credit

Re-deposits, Purchase of part time and Leave of Absences will increase a members service time

Leave of Absence and Part Time buybacks include:

- **Personal medical leaves**
- **State disability time off**
- **Part time (extra-help) employment**
- **Military leaves (if taken while at work with Merced County, it may be purchased within one year of returning from leave and member must return from leave to purchase)**

Re-deposits:

- **A member who was previously employed with an MCERA employer may redeposit withdrawn contributions with interest**

Purchase Continued

Prior Public service purchase:

- **Will not be included for vesting purposes; will not be used to determine eligibility to retire**
- **Will add additional years of service when calculating benefit**
- **Prior Public Service purchases are only allowed with Board of Supervisor's approval**

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- **Lump-sum check**
- **Rollover from a 401K, 403b, or an IRA**
- **Payroll deduction payments**
- **Combination of the above**

Reciprocity

- **may be established if an employee comes in from or goes to work for another 1937 Act County, the State of California , or any other reciprocal system within 6 months between systems**

Benefits include:

- **earliest entry age used for contribution rates (Tiers I, II & III).**
- **highest salary from either system will be used for final compensation (All Tiers)**

Retirement Timeline

One year prior to Retirement:

- **A member should contact the retirement office to review options, service time , and beneficiary selections (Tiers II, III & IV should contact our office 3 years in advance to maximize benefit)**
- **A member must be married or have a domestic partner registered one year prior to retirement (for Unmodified Option) to leave a benefit for their spouse or partner**

Retirement Timeline Cont.

- **A retirement application should be submitted to retirement no earlier than 60 prior to the retirement date**
- **A member will receive their first retirement check 6 weeks after their retirement date**
- **Once a member receives a retirement check, no changes may be made to the option chosen or beneficiary selected**

You are invited to the quarterly Brown Bag Information programs . For more information and for program dates, please contact our staff .

Our website address is www.mcera.merced.ca.us

Available on our website are forms for change of name, beneficiary, address or other changes as well as information on reciprocity and contribution withdrawals.

Also available is a calculator to do your own calculations for retirement, however, these will only be unofficial estimates.