



**MERCED COUNTY
EMPLOYEES' RETIREMENT
ASSOCIATION**

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INTRODUCTION

Your retirement program is a major benefit of your employment with the County of Merced. Merced County employees enjoy a system of retirement benefits governed by the County Employees Retirement Law of 1937. As a member of the Merced County Employees Retirement Association, you and your family have valuable retirement and survivor benefits. The Retirement Association is governed by the Government Code of the State of California and the by-laws established and adopted by the Retirement Board and adopted by the Merced County Board of Supervisors.

Statements in this handout are simplified. The information provided herein is not intended to answer every possible question an employee may have regarding retirement rights or benefits. Regardless of any conclusions a reader may reach, the final determination of any particular matter must be governed by the Government Code of the State of California, administrative decisions made pursuant to the law and rules and regulations of the Retirement Board. The law is subject to periodic changes and you should consult the Retirement Office for more exact information.

The Merced County Employees Retirement Association requests that you give as much notice as possible as to your intended retirement date, 2 to 3 months would be appropriate. You may have some service time issues that may need to be reconciled.

Please refer to the Employee Member Handbook located at www.mcera.merced.ca.us for detailed information about your retirement benefits.

GENERAL INFORMATION

Administration – Board of Retirement

Retirement system administration is managed by the Board of Retirement, which consists of nine members and two alternate members. The day to day operation of the system is managed by an appointed Retirement Plan Administrator. By statute, Board members include the following:

- The Treasurer/Tax Collector of Merced County. (Ex Officio)
- Four members appointed by the Board of Supervisors.
- Two miscellaneous members elected by the miscellaneous members.
- One safety member and one safety member alternate elected by the safety members.
- One retired member and one retired member alternate elected by the retired members.

All Board members, except the County Treasurer, serve for a term of three years. The Treasurer's term is concurrent with the term of office.

The Board of Retirement sets policy for operation of MCERA; considers and decides on 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.

The Board of Retirement regular meetings are held on the second and fourth Thursday of each month at 8:15 a.m. Board meetings are generally held in the Retirement Office, 3199 M Street, Merced, California. Meetings are open to the public and the Board encourages member attendance and comments. You can contact the MCERA office at 209 725-3636 or by email at MCERA@co.merced.ca.us.

Administration – Retirement Association Office

MCERA office staff assists the Board of Retirement in the administration of the retirement system. MCERA staff process applications for retirement benefits, refunds, beneficiary allowances, death benefits, prior service purchases, and maintains member records. MCERA staff is responsible for day to day retirement system accounting and the disbursement of funds, including monthly retirement benefits as authorized by the Board of Retirement.

MCERA Annual Report

MCERA furnishes an annual report to all members after the close of each fiscal year providing general, statistical, and financial information concerning the retirement system.

MCERA CAFR Report

MCERA publishes a Comprehensive Annual Financial Report (CAFR) after the close of each fiscal year. MCERA's CAFR report is prepared in accordance to standards developed by the Government Accounting Standards Board (GASB). The CAFR is available on the MCERA website.

Annual Member's Statement

MCERA furnishes an annual statement of account to each active and deferred member. This statement includes the member's date of birth, partial social security number, years of service, contributions, member type, tier and designated beneficiary. Members are encouraged to review these statements carefully. Any discrepancies should be immediately reported to the MCERA office. Each year in January, a statement is mailed out showing contribution balance and the total interest earned.

Membership

As of November 2, 1998, Resolution 98-02 establishes that you become a member of the Retirement system on the first day of service. Employees who are temporary, seasonal, or intermittent employees or are under contract for temporary services are excluded from membership. There are two Tiers of membership.

- Tier 1 all employees hired prior to June 13, 1994 and all A Level Managers are members of Tier 1
- Tier 2 all employees hired after June 13, 1994 are members of Tier 2

Record Confidentiality

The "County Employees' Retirement Law of 1937" (CERL) of 1937 makes individual retirement records confidential. These records may be disclosed only:

- To the member or to someone authorized by the member in writing,
- Upon court order, or
- For matters relating to MCERA's administration

Vesting

Members are vested in MCERA after they have attained five years of retirement service credit. Vesting entitles you to receive a pension from MCERA once you have fulfilled all eligibility requirements.

Retirement service credit is adjusted proportionately for a member working in a position requiring less than 80 hours in a bi-weekly period. For example, an employee in a permanent, part-time position working 40 hours in a bi-weekly period would earn retirement service credit at 50 percent. Such an employee would need to work for ten years to have five years of retirement service credit and to be considered vested in MCERA.

Enrollment Form

You are required to complete an Enrollment Form when you enter employment with Merced County, Merced County Courts or a participating District. The Enrollment Form is the official record that MCERA uses to determine your rate of contribution and to calculate your retirement benefits.

The Enrollment Form is your membership into MCERA. No benefits can be paid unless a form is on file with MCERA. Incorrect contribution amounts can result if information on the Enrollment Form is incomplete or incorrect. The Enrollment Form is also the instrument used to designate your beneficiary

Beneficiary Designation

You are required to designate a beneficiary when you become a MCERA member. Married members or members with a registered domestic partner normally designate their spouse or domestic partner as beneficiary because of the community property laws in the State of California. Additionally, the retirement plan offers substantial survivorship benefits to a spouse or registered domestic partner in the event of the member's death.

A beneficiary must be a person who has an insurable interest in the member's life. You may change your beneficiary designation at any time. Keep your beneficiary designation current to ensure that, in the event of your death, benefits will be paid according to your designation. To change your beneficiary, you may contact the MCERA office to complete a beneficiary change form.

Social Security Integration

MCERA benefits are integrated with benefits provided by the Federal Social Security Act.

Integration means that as a MCERA member, you will receive the full benefit to which you are entitled from MCERA and you will receive the full benefit to which you are entitled from Social Security. Neither benefit will be affected by the amount you receive from either agency. At retirement, your MCERA benefit will have a Social Security

integration factor applied at the time it is computed.

Contributions

Funding to pay benefits comes from three basic sources – contributions from you, the member, contributions from your employer, and investment earnings.

Contribution rates are changed from time to time based on the results of periodic actuarial studies. Your contribution is computed on your base pay plus any special pays considered compensation earnable for retirement purposes. Your contribution rate is determined by your age when you entered the retirement system and by your status as either a general member or a safety member. Since you are also covered under Social Security, your rate is reduced by one-third for the period of time you are covered under Social Security. Your employer's contributions are a percentage of the total payroll.

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 is subject to current Memorandum of Understanding provisions.

Account Status and Refund

Contributions are deducted from your pay on a pre-tax basis and are credited to your account each pay period. Interest is credited to your account twice each year. Interest credited is based on plan earnings and as determined by the Board of Retirement.

You may not borrow from or withdraw your accumulated contributions and interest while employed in a capacity eligible for membership. If you terminate covered employment, you may, upon proper application submitted to the MCERA office, withdraw your accumulated contributions and interest. You must be off County, Merced County Court or Cemetery District payroll for at least two full pay periods before any refund will be processed. If you return to work for the County or a participating District in any capacity within that period, your contributions and interest will not be refunded.

Leave Without Pay – Military

If you take a leave of absence or resign to enter the armed forces of the United States, you may purchase and receive retirement service credit for the period of military service once you return to Merced County per Government Code Section 31649.5 (if you return to Merced County within one year of separating military service).

Leave Without Pay – Medical

You may purchase and receive retirement service credit for a medical leave of absence for a period not to exceed twelve (12) months consecutive active service if you return to duty following the medical leave of absence.

If you were on a leave of absence without compensation and the leave was for a personal illness, you may purchase and receive credit for such absence per Government Code Section 31646. Credit may not be received for any period of such absence in excess of twelve (12) consecutive months.

Service Credit for Previous County or District Service

You may purchase and receive retirement service credit in MCERA for any Merced County or participating District service that you rendered prior to becoming a member and for which you did not make contributions. This includes extra help, and part-time service. Members may not purchase and receive service credit for employment as an independent contractor or employment eligible to participate in another retirement system per Government Code Section 31641.5.

If you have reentered MCERA membership, you may redeposit any contributions previously refunded and regain service credit for the previous service per Government Code Section 31652.

Purchased previous County service credit counts towards your 5 years eligibility for vesting in MCERA and it counts towards your 10 years eligibility for retirement. It will not count towards accumulation of vacation or seniority.

Purchasing Service Credit

There are many options available to pay for service credit purchases:

- **Lump Sum Payment:** You may choose to make a lump sum payment of the amount due by personal check, money order or certified check.
- **457 Deferred Compensation Rollover:** You may choose to rollover funds on a pre-tax basis from your MCERA County 457 Deferred Compensation plan or from another qualified 457 Deferred Compensation plan to pay for service credit purchases. Such rollovers are subject to specific rules established in conjunction with Merced County.
- **Payroll Deductions-**You may choose to make payroll deductions to pay for your service credit purchase. The type and the amount of service time being purchased determines the number of deductions required. The maximum number of deductions cannot exceed 130 pay periods or 5 years unless approved by the MCERA Board.

If you choose to make payroll deductions on a pre-tax basis, **you may not stop the purchase contract for any reason except termination of employment. Pre-tax contracts are binding and irrevocable.** The contract cannot be changed, except to increase the deduction amount.

Reciprocal Benefits

If you terminate employment with Merced County or a participating District and, within six months, enter another retirement system that has a reciprocal agreement with MCERA, you may elect to leave your contributions on deposit with MCERA and establish reciprocity, regardless of your length of service with MCERA. Reciprocal retirement systems include any other county operating under the County Employees' Retirement Law of 1937 (covering MCERA and 19 other California county systems), the California Public Employees' Retirement system (CalPERS, covering the State of California and many counties, cities and special districts), the California State Teacher's Retirement System, and most other public agencies within the State of California that have a reciprocal agreement with CalPERS.

There are three principal advantages to establishing reciprocity:

- In the new system, your age for determining your rate for contribution will be the same as when you entered MCERA. If you are coming from another system, MCERA will use your age at the time you entered the previous system to determine your rate for contribution.
- Service to your credit under each system will be added together in order to determine eligibility for benefits under all systems. For example, when you have a total of five years of service, you will be considered vested under all systems with which you have reciprocity. Your combined years of service will also count towards determining your eligibility for retirement.
- Upon death or retirement for service or disability, the final compensation used to determine your benefits from the several systems will be the highest earned under any of the systems whether it be one year or the average of three years compensation. However, the combined disability retirement allowance payable from two or more reciprocal systems cannot exceed an allowance calculated as if all your service were with one system.

If you choose to establish reciprocity, you may not withdraw your contributions from MCERA unless you separate from your employment in the new system and withdraw your funds from that system. **In addition, you must retire from all reciprocal systems on the same date**, unless section 31835.1 applies (this section allows for different retirement dates if you are cannot retire on same date due to different age and/or service requirements). **Failure to do so may result in breaking reciprocity and a loss of reciprocal benefits.**

If you became a member of MCERA within six months of leaving a reciprocal retirement system, you may be eligible to establish reciprocity and receive reciprocal benefits. Contact the system that you left or the MCERA office for more details.

Dissolution of Marriage

California is a community property state and as such, retirement benefits earned during marriage are considered community property. In the event of dissolution of marriage, members should be aware of certain laws in order to protect their retirement account. If your ex-spouse is awarded a community property share of your retirement account, MCERA must receive certain documents in order to process the claim.

Legal representation is not mandatory; however, MCERA staff cannot provide legal advice concerning the division of retirement benefits.

Joinder

Family Code Section 2060(b) states that an order or judgment in a dissolution or other family law proceeding is not enforceable against a pension plan unless the plan has been joined as a party to the proceeding. Therefore, MCERA requires that the retirement plan be joined as a party to divorce proceedings.

RETIREMENT INFORMATION

Eligibility for Service Retirement

Service retirement means that you have met certain eligibility requirements and you have decided to retire from County service. Eligibility for service retirement differs dependent upon your membership type.

➤ **General Members**

- Any general member in Tier I with 10 years of retirement service credit who is age 50 or older, or with 30 years of retirement service credit regardless of age, is eligible for service retirement. Any general member under Tier 2 with 10 years of service and age 55 or older, or with 30 years of retirement service credit regardless of age, is eligible for service retirement.

➤ **Safety Members**

- Any safety member in either Tier 1 or 2 with 10 years of retirement service credit who is age 50 or older, or with 20 years of retirement service credit regardless of age, is eligible for service retirement.

➤ **Optional Membership**

- Membership is optional for elective officials and those entering employment at age 60 or older who are not reciprocal members of other systems.

➤ **Age 70**

- Any member having attained the age of 70 may retire for service, regardless of their years of retirement service credit. You may retire at 65 if you were a member prior to December 31, 1978.

Application for Service Retirement

You should obtain a Retirement Application packet at least 60 days before your retirement effective date. You should also make an appointment at this time with Retirement Staff to discuss and prepare for your retirement. The Retirement Staff will explain the retirement options available to you and will answer any questions you may have about your MCERA benefits. The Retirement Office will need a copy of your birth certificate and marriage license if you are naming a spouse or domestic partner as beneficiary.

If you will be eligible for Social Security benefits at retirement, you should apply to the local Social Security office at least 90 days before your retirement date. Contact the Social Security Administration for more information.

Calculation of Service Retirement Benefits

As of March 15, 2005 for County employees and as of November 4, 2005 for Merced County Court employees, general member service retirement benefits are calculated using the formula in Government Code Section 31676.17.

Benefits for General members in the Merced Cemetery District and those in Deferred Inactive Reciprocity status prior to March 15, 2005 are calculated using the formula in Government Code Section 31676.11.

As of July 1, 2005, Safety member service retirement benefits are calculated using the formula in Government Code Section 31664.1.

Final Compensation Defined

For Tier 1 members, Final Compensation is Computed on the Members Highest 12 Months Salary.

Final compensation means the average annual compensation earnable by a member during any year elected by a member at or before the time he files an application for retirement. This will be computed on the member's highest 12 consecutive months of salary pursuant to Government Code Section 31462.1.

For Tier 2 members, Final Compensation is Computed on the Members Highest 36 Consecutive Months Salary.

Final compensation means the average annual compensation earnable by a member during any three years elected by a member at or before the time he files an application for retirement. This will be computed on the member's highest thirty six consecutive months pursuant to Government Code Section 31462.

Final compensation for retirement may differ from the amount actually paid because certain pay types may or may not be included as compensation earnable for retirement purposes. Pay types included in Final Compensation are defined by the MCERA By-Laws. "Annual" as related to final compensation, means 2080 hours.

Eligibility for Disability Retirement

If you become disabled and permanently unable to perform your normal job duties, you may apply for disability retirement. An application may be filed on your behalf by your department head or by another person. You must provide at your expense, copies of your application, and supporting medical records.

In addition, the Board of Retirement may require that you undergo a medical examination at MCERA expense. This examination will be conducted by an independent medical examiner selected by the Board.

Disability retirement allowances are paid from the date of application or from the date after the last day for which you are paid, whichever is later. If you are granted or entitled to sick leave, your disability retirement will not become effective until the expiration of such sick leave with pay unless you consent to retirement at an earlier date.

The Board of Retirement may require that you be re-examined at any time until you attain age 55 to determine if you are still unable to perform the duties of your former position. If you are found no longer disabled, you may be placed on a re-employment list. If you are reemployed by the County or a participating District, your disability retirement allowance will be discontinued.

The benefit for non-service-connected disability is based upon a formula **NOT TO EXCEED ONE-THIRD OF YOUR FINAL COMPENSATION** or the amount of your service retirement allowance, whichever is greater. Eligibility requires five years of service.

For service-connected disability retirement, the benefit is equal to **ONE-HALF OF YOUR FINAL COMPENSATION** or your service retirement allowance, whichever is greater. A disability retirement allowance is paid from the date of your application or the expiration of your sick leave with pay unless you prefer a date in between. Eligibility is based on a disability arising out of employment.

Deferred Retirement

Deferred retirement is available to you if you leave County or District employment after five or more years of County or District service and, with your contributions still on deposit, apply in writing to be placed on deferred retirement within 180 days after termination of employment. You may apply for deferred retirement by completing a Disposition of Retirement Contributions form indicating that you wish to defer your retirement according to Government Code Section 31700.

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

Deferred members may cancel their deferred retirement election and withdraw their accumulated contributions at any time prior to receiving a retirement allowance unless they have established reciprocity with an eligible public agency.

Normal Retirement Age

The Board of Retirement has adopted resolutions defining normal retirement age as 50 for Safety Employee Members and as age 60 for Miscellaneous Employee members. The resolutions also require that a “bona fide” separation from service must occur before any retired member who is younger than normal retirement age can be employed as a retiree by an MCERA employer. A bona fide separation from service is based on two factors:

- The absence of a predetermined arrangement to return to work with an MCERA employer.
- A minimum of 60 day break in service from the date of retirement to the date post-retirement employment begins.

If you are a retiring safety member, 50 years or older or a retiring general member, 60 years or older, these regulations do not apply to you.

For members who retire younger than “normal retirement age,” the member must:

- Have a 60 day separation from employment and
- Not have any pre-determined arrangement with an MCERA employer for the member to return to work after retirement.

If a member who retires below normal retirement age returns to work without complying with conditions above they will be asked to terminate employment within 30 days of notification by MCERA and may not return to work for 365 days or until they reach normal retirement age whichever occurs first. Members who fail to terminate employment may be subject to having retirement benefits terminated.

Retirement Options

You may choose an unmodified retirement allowance or you may choose to have your allowance modified by one of the following provisions, which allows payment of varying amounts to certain beneficiaries after your death. **The retirement plan you select may not be changed after the first payment of a retirement allowance is made.**
Unmodified

An unmodified benefit provides the maximum allowance to you for your lifetime, with 60 percent of the allowance continued to your eligible spouse or registered domestic partner. To qualify for such continuance, you must have been married to your spouse or registered domestic partner for one year prior to the date of your retirement, Government Code Section 31760.1. If you should marry or remarry after you have retired, that new spouse is not entitled to any continuing benefit upon your death. If you do not have a spouse but you do have unmarried minor children, your unmarried minor children will be eligible to receive the 60 percent continuance until they attain the age of 18, or age 22 if enrolled full time in an accredited school.

Option No. 1

Under Option 1, you may elect to receive a slightly reduced retirement allowance, payable throughout your life, with the provision that your accumulated contributions less the sum of the actual monthly annuity payments received by you will be paid upon your death to your beneficiary. Under this option, the beneficiary may be changed at any time after retirement, Government Code Section 31761. This option extends the length of time before the balance of your contributions payable to your beneficiary is depleted.

Option No. 2

This option pays a reduced monthly allowance with the provision that 100 percent of the allowance will continue after your death to a beneficiary named at the time of retirement. Your beneficiary does not have to be a spouse or registered domestic partner, but your beneficiary must be a living person having an insurable interest in your life. Your monthly allowance is determined based on the age of your beneficiary so that your allowance may be sharply reduced if your beneficiary is considerably younger than you are. Your beneficiary may not be changed after retirement, even if your beneficiary predeceases you, Government Code Section 31762.

Option No. 3

This option pays a reduced monthly allowance with the provision that 50 percent of the allowance will continue after your death to a beneficiary named at the time of retirement. Your beneficiary does not have to be a spouse, but your beneficiary must be a living person having an insurable interest in your life. Your monthly allowance is determined based on the age of your beneficiary so that your allowance may be sharply reduced if your beneficiary is considerably younger than you are. Your beneficiary may not be changed after retirement, even if your beneficiary predeceases you, Government Code Section 31763.

Option No. 4

This offers you a reduced benefit for your lifetime. The reduction depends on your age and the age of your beneficiary(ies). This is the ONLY option that allows for multiple beneficiaries. Your beneficiary does not have to be a spouse or domestic partner, but he/she must have an insurable interest in your life. You may not change your beneficiary after you retire. This option allows the member to assign the percent of continuance to each beneficiary. This option cannot be calculated by MCERA staff therefore this option and any estimates for this option will need to be calculated by the actuary. The costs for this calculation will need to be paid by the member, please contact our office for current costs of calculating option 4. When your beneficiary (ies) dies, payments stop and no further benefits will be paid. If your beneficiary (ies) predeceases you there will be no continuance to your new survivor nor will your monthly allowance increase.

Temporary Annuity – Under Age 62 (Social Security Advancement 31810)

The Temporary Annuity option is a way for members integrated with Social Security to level their income after retirement. If you retire for years of service before reaching age 62 and are fully insured under Social Security, you may elect to have your County retirement allowances increased prior to age 62 and decreased after age 62 by amounts that have equivalent actuarial values.

Under this optional plan, you would receive more than your normal monthly retirement benefit until you reach age 62. When you reach age 62, your monthly benefits would be reduced below the normal amount for the remainder of your lifetime. After age 62, Social Security benefits will make up the difference in your monthly benefit. It is the member's **responsibility** to apply for Social Security benefits at age 62 and to provide MCERA with the proper (estimate form) from Social Security.

After you have determined the effective date of your retirement and received an estimate from Social Security, if you so request, the MCERA office will calculate an estimate of the benefits payable under the temporary annuity option to assist you in your decision. Section 31810

Duration of Allowances

Your retirement allowance will continue for your life. Any survivor's allowance paid to your spouse or registered domestic partner will continue for the life of your spouse or registered domestic partner.

Allowances paid on behalf of your minor children are paid to the children collectively and continues until your last child marries, reaches age 18 or age 22 (through age 21) if enrolled full time in an accredited school or dies, whichever occurs first.

If you choose a modified benefit, any continuance to your named beneficiary continues for the life of the beneficiary.

County Work after Retirement

After retirement, you may not receive a retirement benefit and be paid for services to the County or a participating Special District except as follows:

- Service as a juror or election officer.
- Service as a field deputy for registration of voters.
- Service as a member of the Board of Retirement.
- Service under independent contract with the County.
- Service in a temporary capacity not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the Board of Supervisors. Section 31680.2.

- You may not return to temporary service if you retired below normal retirement age (50 for safety members, 60 for general members) unless there is a sixty day break in service prior to your return to work.

If you have retired from Merced County, you may return to work for the County or a participating Special District as a permanent employee subject to the provisions of Government Code Section 31680.7:

- Your retirement benefit will be suspended as of the date you are reemployed.
- During the period of reemployment, you will accrue retirement service credit at the same tier or benefit level that was applicable during your original period of employment.
- Your rate for contribution will be based on the same age at entry and the same formula that was used during your original period of employment.
- Upon termination of your reemployment, your original retirement benefit will be adjusted for cost of living and will be reinstated.
- An additional retirement benefit will be calculated based on the years of service earned during your reemployment. Such benefit will be calculated using the same benefit formula and tier as your original benefit, but will be based on your age and compensation earned during the period of reemployment.

Deductions from Retirement Allowances

You may authorize deductions from your retirement allowance for Federal and State Income tax, life, health or dental insurance under a County plan, dues for membership in Retired Employees of Merced County, Inc. (REMCO), deductions for vision through VSP, or voluntary deductions for Merco Credit Union. A representative can assist you with the forms for Federal and State Income Tax withholding and with the form for dues of REMCO. You must contact Risk Management to sign up for County health, dental insurance and life insurance. You must contact Merco Credit Union to arrange for any voluntary deductions to be withheld. Ask an MCERA staff member for the vision sign up form if you wish to have vision insurance through VSP.

Direct Deposit of Retirement Benefit

Enrollment forms are available in the MCERA office, which when properly completed, will authorize an electronic fund transfer of your monthly retirement check to your designated bank, savings and loan institution, or credit union to be credited to your account. Members retiring after January 1, 2006 will receive their monthly retirement check by electronic transfer unless they apply for a waiver from the Board.

Cost of Living Adjustments – (Tier 1 Only)

All retirement allowances in effect on April 1 of each year are adjusted in accordance with changes in the cost of living as determined by the Consumer Price Index. The maximum change in any year cannot exceed three percent. A change in any year in excess of three percent is accumulated to be applied to the allowance in a future year when the annual change is less than three percent. No allowance can be decreased below the amount being received at the time of retirement or the date the cost of living adjustment program began in 1967 whichever is later.

Federal and State Income Tax Status

Your retirement allowance is taxable subject to Federal and State Income Tax laws. You may choose to have no taxes withheld from your retirement allowance. However, you may then owe taxes to the Federal and State taxing authorities. Questions about the tax status of your retirement allowance should be addressed to your tax advisor and/or the appropriate taxing agency.

Pre- Tax Timetable

For Management, Unit P and Merced Cemetery	06/30/93
Unit 4, 5, 6, and 8	01/14/94
Unit 3	02/10/94
Unit 7	03/16/94
Unit 2	07/06/98

After the above date your contributions are made on a pre-tax basis. Also, if you purchased retirement service credit, you may have made this purchase on an after-tax basis. Because those contributions were already taxed,

you will be given a letter at retirement explaining what portion of your monthly retirement allowance is not subject to income taxes and the time period that this tax-free portion will continue. You will also be provided with a 1099 form. You should retain the documents that you will receive upon retirement to assist in the determination of your tax liability. (The form is titled "Important Information-Retain in your Records")

SURVIVOR BENEFITS

Death before Retirement

Although the MCERA office will advise you of the exact dollar amounts that are available, the information given here may be helpful in your general estate and insurance planning.

Death before Retirement, Less than Five Years Service

If you die while employed with less than five years of retirement service credit and your death is not the result of a job-caused injury or disease, your designated beneficiary will be entitled to receive the Basic Death Benefit. The Basic Death Benefit consists of a lump sum payment of your accumulated contributions plus interest, and one month of salary for each full year of service up to a maximum of six months salary.

Death before Retirement, After Five Years Service

If you die while employed and have obtained five years of retirement service credit and your death is not the result of a job-caused injury or disease, your surviving spouse or registered domestic partner, in lieu of the basic death benefit mentioned above, may elect to receive a monthly amount for life of 60% of the retirement allowance to which the member would have been entitled had he or she retired on the day of his or her death. (If the member was below qualifying age at the time of death, the surviving spouse or registered domestic partner may elect to leave the member's accumulated contributions on deposit until such time as the member would have attained the qualifying age had he or she lived, at which time the spouse or registered domestic partner may exercise the option above).

The same choice is given to the guardian of your eligible children if you have no spouse. Eligible children are your unmarried children under age 18, or under 22 (through age 21) if enrolled full time in an accredited school.

Should you have no spouse, or eligible children, your designated beneficiary or estate will be entitled to the Basic Death Benefit only.

Death before Retirement – Job Caused

If you die while employed as a result of a job-caused injury or disease, your spouse will be entitled to receive a monthly allowance equal to at least 50 percent of your final compensation. This 50 percent benefit will be payable to the guardian of your eligible children if you have no spouse. Eligible children are your unmarried children under age 18, or under 22 (through the age of 21) if enrolled full time in an accredited school.

Death after Retirement

A \$3,000 death benefit is payable to your designated beneficiary or to your estate, in addition to any continuance of benefit which may be payable.

Death While on Deferred Retirement

If you die while in a deferred retirement status, before you begin to receive a retirement allowance, your designated beneficiary will receive a lump sum payment of your contributions plus interest.

ESTIMATING YOUR RETIREMENT

Receiving a MCERA Estimate

You may request an "official estimate" of your MCERA retirement benefits by completing an Estimate Request form. Estimate Request forms are available from the MCERA office. Please allow two to four weeks for receipt of your official estimate.

Please remember that the information provided in your “official estimate” is only an estimate of your benefit. Your actual benefits at retirement may vary due to changes in your salary or years of service. You may go to the Website www.mcera.merced.ca.us/retire.cfm to calculate your own estimate or you may request an unofficial calculation from the MCERA office.

Please refer to the Employee Member Handbook located at www.mcera.merced.ca.us for detail information including a worksheet on how to calculate your retirement.