



MENDOCINO COUNTY EMPLOYEES
RETIREMENT ASSOCIATION

Member Handbook

2023-2024

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Office Hours Weekdays, 8:00 AM to 12:00 PM and 1:00 PM to 5:00 PM

Legal Notice

This handbook is intended to provide you with general information about the benefits available through Mendocino County Employees Retirement Association (MCERA), but it does not describe every plan provision in detail. No statement in this handbook is a legally binding interpretation, embellishment, or amendment of applicable provisions of law or MCERA's policies. If conflict arises between the information presented in this handbook and governing law, the law, Board Policies, and Board resolutions will prevail over the information contained in this handbook.

The information presented in this handbook should not be construed as legal advice or as a legal opinion on specific facts. Should you have legal questions, please consult an attorney.

Introduction

What is MCERA?

Mendocino County Employees Retirement Association (MCERA) is a retirement system, organized under the County Employees Retirement Law of 1937, which provides retirement, disability and death benefits to the employees, retirees, and former employees of MCERA's participating employers.

Your MCERA retirement plan is a major component of your employment benefits. You are encouraged to become familiar with the provisions of the plan and to use this handbook as a reference guide. The handbook is under [Member Forms and Publications](#) on our website

Statements in this booklet were simplified for readability. Regardless of the conclusion a reader may reach, the final determination of any particular matter must be governed by administrative decisions made pursuant to the laws governing the retirement system and the rules and regulations of the Board of Retirement.

MCERA's principal responsibilities include management of the trust fund, delivery of retirement, disability and death benefits to eligible members, administration of cost-of-living programs and general assistance in retirement and related benefits.

Mission

Providing sustainable pensions, retirement planning education, and professional services to current and future members.

Vision

To be a trusted resource for a well-planned and secure retirement.

Guiding Principles

- We are mindful of the impacts to individual members when we fulfill our fiduciary role of making decisions in the best interests of all members.
- We value professionalism, inclusion, and collegiality in doing our work.
- We take the long term into consideration in everything we do while remaining adaptable and flexible in the short term.

Strategic Goals

- Protect the Plan's long-term financial health.
- Strengthen risk oversight.
- Improve effectiveness and efficiency through people, processes, and technology.
- Develop MCERA's reputation as a retirement benefits expert.

What We Do

The Board of Supervisors established a retirement system for Mendocino County effective January 1, 1948, under the provisions of the County Employees' Retirement Law of 1937 (CERL).

MCERA is an independent agency within the County of Mendocino, with a separate operating budget and professional staff.

The California Constitution gives the Board of Retirement (Board) plenary authority over the administration of MCERA, which includes administering MCERA retirement, death and disability benefits and managing the assets of the plan. The MCERA Board of Retirement and MCERA staff are committed to act for the exclusive benefit of MCERA and its participants, manage the assets of MCERA prudently, and administer benefits with impartiality. To fulfill this mandate, MCERA employs a skilled professional staff and independent consultants that operate under a system of governance, operational, and fiduciary policies, and procedures.

Participating employers in MCERA include:

- County of Mendocino
- Mendocino County Superior Court
- Russian River Cemetery District.

MCERA Board of Retirement

The Board is comprised of nine members and one alternate: two elected by the active general membership, one elected by the active safety membership, one regular and one alternate elected by the retired membership, four appointed by the Mendocino County Board of Supervisors, and the Mendocino County Auditor-Controller/Treasurer-Tax Collector, who serves as an ex-officio member.

Board members serve three-year terms, except the ex-officio member who serves for as long as the office is held.

The Board has a fiduciary responsibility to manage the retirement system for the exclusive benefit of MCERA members. The 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.

The Board of Retirement holds regularly scheduled meetings on the third Wednesday of the month at 8:30 a.m. that are open to MCERA members and the public. The meeting agendas and minutes are posted on our [website](#), for your review and convenience. Each meeting agenda specifies the meeting location, typically the MCERA Board Room at 625-B Kings Court in Ukiah or the Mendocino County Board of Supervisors Chambers at 501 Low Gap Road in Ukiah.

Defined Benefit Plan

MCERA administers a defined benefit retirement plan. This means that your retirement benefit is not based on how much you and your employer contribute. Instead, your benefit is a lifetime benefit determined by using a fixed, pre-established formula based on your years of service under the plan, your age at retirement, and your highest average compensation. Once your benefits have been earned, they cannot be reduced or eliminated. Pension benefits do not vary with movements in financial markets.

Plan Funding

MCERA plan benefits are funded through three sources:

- Employer contributions
- Member contributions
- Investment earnings

Over the course of your employment, you and your employer make retirement contributions to MCERA based on your membership tier and pension-eligible compensation. Member and Employer contribution rates are determined by MCERA's independent actuary and are changed annually based on the results of an annual actuarial valuation.

Upon receipt by MCERA, the money contributed is placed in the pension trust fund. As trust funds, all assets of the retirement system are protected by the California Constitution and cannot be accessed or used by the employer for other purposes. The Board of Retirement has a fiduciary responsibility to safeguard the contributions of the trust fund in order to provide benefits to members.

Investment earnings are the primary means of paying for retirement benefits. All the assets of the retirement system are invested by professional investment management firms hired under a process established by the Board of Retirement. The assets are diversified and allocated among different asset classes to meet the expected investment return at the lowest overall expected risk. MCERA closely monitors its investment managers to assure that they are complying with their assigned investment mandate and MCERA's investment policies.

For more information regarding the financial status of MCERA, please refer to the Annual Comprehensive Financial Report (ACFR) or the Popular Annual Financial Report (PAFR) prepared each fiscal year. These reports detail MCERA's income and expenses, shows the system's assets and liabilities, and provides an accounting of the system's reserves. The ACFR and PAFR are available on MCERA's website. Copies can also be obtained from the Retirement Office upon request.

Membership

Membership Eligibility

If you are a permanent employee of one MCERA's participating employers and work at least 64 hours a pay period, you are automatically enrolled as a member of MCERA. Membership is effective at the beginning of your second pay period of employment and is not the same as your hire date with your employer.

Membership is mandatory for most employees. New employees who are age 60 or older as of their date of employment may waive membership. You will be enrolled as a member unless you file the waiver of membership form, in lieu of the membership affidavit. Elected Officials must file a written declaration to become a member. **The decision to waive membership is irrevocable and will prevent you from qualifying for retirement, disability, or death benefits.**

Membership Date

You become a member of MCERA on the date that you start making contributions to MCERA. Retirement contributions begin on the first day of your second pay period of employment in an eligible position.

Membership Status

Active

Currently employed by an MCERA participating employer and making contributions towards their retirement.

Deferred

Have ended employment, have 5 or more years of service credit, have left their retirement contributions on deposit with MCERA, but have not yet retired.

Inactive

Have ended employment and have left their retirement contributions on deposit with MCERA but have less than 5 years of service credit. Not eligible to retire.

Retired

Have retired from MCERA and are receiving a lifetime month benefit.

Membership Groups

Your membership group is determined by your job classification. There are three membership groups:

Safety

Safety members are those employees who are in position in which the principal duties consist of either active law enforcement or active fire suppression. Safety members are employed by the Sheriff's Department, Jail, District Attorney, and Social Services whose principal duties consist of active law enforcement.

Safety Probation

Safety Probation members are employed by Probation and Juvenile Hall whose principal duties engage in the control and custody of individuals.

General

All other eligible employees are considered general members.

In addition to the Membership Groups above, a member is classified based on when they first became a member of a California public retirement system. Individuals who became a member after December 31, 2012, are subject to the Public Employees' Pension Reform Act (PEPRA) of 2013 and are referred to as PEPRA members. Individuals who became a member of a California public retirement system prior to January 1, 2013 are referred to as non-PEPRA members.

Membership Tier

The calculation of your retirement benefit depends on your membership tier. Your membership tier is determined by your membership type and your date of entry into MCERA membership. Your tier determines when you will be eligible to retire, your benefit formula, how your final average salary (FAS) is calculated, and whether you will receive annual cost of living increases once you retire.

Your membership date, also referred to as your participation date, is based on the following criteria:

- The first day of the second pay period after your date of hire.
- Your date of hire as a permanent employee working full-time or allocated at a minimum of 64 hours a pay period.
- Your date of transfer from a non-qualifying position to one that requires membership.
- Your date of membership with a previous public retirement system with which you have established reciprocity.

The table below only shows open tiers that could accept new members. You can find your tier by locating your membership type and date in the table below or by logging in to [MemberDirect](#) and viewing your account summary.

Tier	Membership Date	Final Average Salary	Max COLA	Code Section	Benefit Formula
General Tier 3 (Depending on MOU)	Prior to 1/1/02 or 10/1/03	3 years	3%	31676.1	2%@57
General Tier 3 (Enhanced)	After new formula date to 12/31/2012	3 years	3%	31676.12	2%@57
General Tier 4 (PEPRA)	1/1/13-Present	3 years	N/A	7522.20(a)	2.5%@67
Safety Tier 2	6/1/1982-12/31/2012	3 years	3%	31664.2	3%@55
Safety Tier 3 (PEPRA)	1/1/2013-Present	3 years	N/A	7522.25(d)	2.7%@57
Safety Probation Tier 2	7/1/1984-12/31/2012	3 years	3%	31664	2%@50
Safety Probation Tier 3 (PEPRA)	1/1/2013-Present	3 years	N/A	7522.25(d)	2.7%@57

Enhanced Benefits for General Tier 1 and General Tier 3 Members are based on Memorandums of Understanding (MOUs). Members were given the option to pay additional contributions to convert their service credit to the enhanced benefit formula following adoption. If you paid to enhance your service, all of your service credit will use the new formula. If you did not pay to enhance your service, the service credit prior to the enhancement date will be calculated using the older benefit formula, and the service credit after the date of enhancement will be calculated using the new formula.

Some members have earned service credit in more than one membership group and tier. At retirement, MCERA will calculate the retirement benefit for each group and tier and then add them together to determine the total retirement benefit amount to be paid.

Contributions

As of January 2, 1987, all employee contributions are tax deferred. Since these contributions have not been taxed, they will become taxable income to you at the time of withdrawal (refund) or when paid to you as part of your retirement allowance.

Contributions are deducted from your pay and are credited to your retirement account each pay period. Interest is credited to your retirement account twice a year – June 30 and December 31 on contributions in the retirement fund that have been on deposit for six months.

MCERA does not allow loans on your retirement contributions. You cannot withdraw money while you are still working for a participating employer or if you have established reciprocity with another

retirement system. If you terminate your employment with a participating employer and did not establish reciprocity, you may take a refund of your contributions and any accrued interest.

Member Contribution rates

Contribution rates are reviewed annually and may be changed based on the results of the annual actuarial valuation. Your contribution rate is calculated based on (a) your base pay plus some special pay items considered “compensation earnable” or “pensionable compensation” for retirement purposes, (b) your benefit tier, (c) your age when you entered the retirement system for non-PEPRA tiers, and (d) your classification as either General or Safety member.

Member Contributions after thirty years of credited service

Non-PEPRA safety members do not contribute into the system after 30 years of service. In May 2001, the County of Mendocino Board of Supervisors adopted CERL section 31625.3 which ceases General member, employee contributions for non-PEPRA members who have total credited service of 30 years, including reciprocal service. Members subject to the Public Employees’ Pension Reform Act (PEPRA) contribute throughout their career.

You cannot add additional money to your retirement contributions. If you wish to save more for retirement you may be able to contribute to a voluntary 457(b) plan. Mendocino County offers 457(b) plans with Empower and CalPERS Voya. Mendocino County Superior Court offers a 457(b) plan with Empower. For additional information, contact your employer’s payroll department.

Employer Contributions

Employers must contribute amounts needed, in addition to employee contributions, to provide for current and future benefits. The employer contributions are kept in a separate reserve account and are not refundable to you at any time.

Includible Compensation

Compensation Earnable

Compensation Earnable applies to all non-PEPRA tiers and defines what can be included in compensation for the calculation of retirement benefits. As a MCERA member, you pay contributions on pay items classified as Compensation Earnable. Not all pay items are subject to pension contributions or included Compensation Earnable. Whether a pay item is pensionable is determined by the Board of Retirement and adopted by resolution. Resolutions including a current list of pensionable and non-pensionable compensation earnable are available on MCERA’s webpage and via the following link.

- [Compensation Earnable](#)

Pensionable Compensation

Pensionable compensation applies to all PEPRA tiers and changes what can be included in compensation for the calculation of retirement benefits. As a MCERA member, you pay contributions on your “base” pay and some premium pay items. Fewer premium pay items are included for PEPRA members than non-PEPRA members. Whether a pay item is pensionable is determined by the Board of Retirement and adopted by resolution. Resolutions including a current list of pensionable and non-pensionable compensation are available on MCERA’s webpage and via the following link.

- [Pensionable Compensation](#)

Reciprocity

Reciprocity refers to an agreement between most California public retirement systems which encourages careers in public service.

Benefits of Reciprocity

- The service credit earned in all reciprocal systems will combine to help you meet all vesting and retirement eligibility requirements. This means you don't "start over" when you move between systems.
- The California Public Employees’ Pension Reform Act of 2013 (PEPRA) requires new benefit tiers for new members on or after January 1, 2013. If your original entry date into the reciprocal system was prior to January 1, 2013, you may be eligible for non-PEPRA membership. This may provide a greater retirement benefit formula.
- If your new retirement system uses age-based retirement contribution rates, you will pay retirement contributions based on your age at entry into the prior system. Generally, the younger you are when you begin membership the lower your contribution rate. MCERA uses the date of entry of your first reciprocal system to determine your contribution rates for non-PEPRA tiers.
- Your highest final average salary earned in any reciprocal system will be used by all systems to calculate your retirement benefit.

Eligibility Requirements for Reciprocity

To establish reciprocity with another California public retirement system, the following conditions must be met:

- You must make an election with the retirement system you leave to establish reciprocity.
- You must enter active membership in the next system within 180 days of termination of your employment with the prior system.
- The next system must be a public California retirement system subject to reciprocity.

- There can be no overlapping service time. The termination date from the first system must pre-date the start date in the following system. Your official termination date with MCERA will be the end of the pay period.
- You cannot take a refund from any reciprocal system.
- You must retire from all reciprocal systems on the same date.

Reciprocal Retirement Systems

1937 Act County Retirement Systems: Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare, and Ventura.

State Retirement Systems: CA Public Employees' Retirement System (CalPERS) and CA State Teachers' Retirement System (CalSTRS).

Other Reciprocal Retirement Systems: City and County of San Francisco, San Luis Obispo County Pension Trust, Judges' Retirement System, and Retirement Systems to which reciprocity provisions apply.

There is no transfer of funds, and you will maintain membership in all systems where you have established reciprocity. When it comes time to retire, you must apply to retire from all reciprocal systems on the same date and you will receive separate benefit payments from each system.

Reciprocity is not automatic. It is only established when you actively make an election to do so. Therefore, it is important that you notify both your old and new systems of your intent to establish reciprocity. It is your responsibility to verify that reciprocity has been established. If reciprocity is established, you must retire from all reciprocal retirement systems on the same date.

How to Establish Reciprocity with MCERA

Entering MCERA

When you leave employment that was covered by another qualified retirement system and accept employment with Mendocino County, Mendocino County Superior Courts, or the Russian River Cemetery District as a permanent, full-time (over 64 hours a pay period) employee, you may be eligible to establish incoming reciprocity.

To establish reciprocity, contact your prior retirement system. After you inform your prior system that you wish to establish reciprocity with MCERA, that system will contact MCERA with the necessary information. Please note that reciprocity is not considered established until MCERA receives confirmation of your years of service and your date of termination from your previous retirement system. MCERA will send you written notification indicating if reciprocity was established.

Leaving MCERA

When you terminate employment, MCERA will send you a Disposition of Retirement Distributions form where you indicate how you would like us to handle your retirement contributions. If you intend to become a member of another retirement system within 180 days after leaving MCERA, you should check the box for “Reciprocity and Deferred Status” and indicate which system you will be entering to request outgoing reciprocity. Upon receipt of the form, we will contact your new retirement system and send them confirmation of your relevant information.

For additional information or to verify that reciprocity has been established, please contact MCERA at (707) 463-4328.

MemberDirect

MemberDirect is MCERA’s member self-serve portal. The member portal was designed so members can view their retirement account information in real time.

Active and Deferred Members

Members who are not yet retired can do the following:

- View their individual MCERA account information, including:
 - Membership Tier
 - Contribution Balance
 - Service Total
- View Personal Contact Information – like mailing address (update through your employer)
- View Beneficiary Information
- Create Retirement Benefit Estimates
- Access Annual Statements
- Access Common Forms, including:
 - Designation of Beneficiary Form
 - Separation from Employment Packet
 - Service Retirement Application Packet

Retired Members and Benefit Recipients

Members who are receiving benefit payments can use MemberDirect for accessing benefit payment and tax information.

To register for MemberDirect, you will need a Personal Identification Number (PIN). If you are a new member of MCERA, you will receive the PIN in a welcome letter that is sent to your home address about 4 weeks after your date of hire. The PIN expires after 90-days. If you do not receive your PIN or your PIN has expired, have questions or trouble registering, or need your password reset, please call MCERA at (707) 463-4328 or email retirementassociation@mendocinocounty.org.

Service Credit

Earning Service Credit

You earn service credit when working for a participating employer and making contributions. Service credit is based on the scheduled hours you work in a pay period. You are credited with one year of service credit for working 2080 hours, which is one year, or 26 pay periods, at 80 hours each. If you work less than 80 hours a pay period, your service credit is prorated. For example, if you work 64 hours a pay period, you will have to work 1 year and 3 months to receive 1 year of service credit.

If retirement contributions are not deducted from your pay, you do not earn service credit. For example, you will not receive service credit if you:

- Have an unpaid leave of absence and do not make retirement contributions.
- Work in a position scheduled less than 64 hours a pay period.
- Are working in a position classified as extra help.

Service credit is used to determine when you are eligible to retire. It is also one of the factors used to determine your future retirement benefit. Generally, the more retirement service credit you have when you retire, the greater your monthly retirement benefit will be.

Vesting

You are vested once you have earned 5 years of service credit with MCERA or between MCERA and a reciprocal system. Vesting entitles you to receive a lifetime retirement benefit once you are eligible to retire.

Purchasing, Redepositing, and Enhancing Service Credit

Active members of MCERA may be eligible to purchase additional service credit or redeposit withdrawn MCERA contributions from prior membership.

You must be an active member to purchase service credit. The only exception is that Safety members may complete a redeposit of withdrawn contributions while they are a member of a reciprocal system.

If you are considering purchasing service credit, MCERA will help you determine whether the service qualifies for purchase, how much it will cost, and the benefit you would receive by investing in more service credit. Keep in mind that interest is added to the cost to purchase service credit every six months. The longer you wait to purchase service credit, the greater the cost.

If you apply for a Disability Retirement, service credit purchases may not increase your benefit from MCERA. In most cases, your service credit is not a factor in determining disability retirement benefits. Purchases are not refundable, even if the purchased service does not increase your benefit.

Cost estimates to purchase service can be requested by contacting MCERA and submitting an Estimate/Consultation Request form.

Payment for service purchases can be made by:

- Direct rollover from a qualified plan (pre-tax).
- Lump sum payment of the total amount by check (post tax).
- A combination of a rollover and personal check.

MCERA does **NOT** offer payroll deduction service purchase at this time.

Service prior to membership with MCERA

You may purchase service credit for periods of employment prior to your membership in MCERA, including the first pay period of your employment before you became a contributing member. The purchase of service does not change your membership entry date. You cannot purchase service credit for part time or extra help employment that occurred after you became a member.

Medical Leave Without Pay

MCERA members returning to active membership following leave without pay due to personal illness or injury, can purchase up to 12 consecutive months of service credit for each leave event.

Military Leave Without Pay

Time spent in military service may be purchased if you were a member of MCERA when you left (resigned or obtained a leave of absence) to serve in the military and returned to MCERA membership within the time requirements in the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Redeposit of Withdrawn Contributions

If you previously took a refund of contributions and interest from MCERA, are rehired by a participating employer, and reenter membership with MCERA, you can restore your original service credit by redepositing your previously withdrawn contributions.

You must redeposit all your withdrawn contributions and interest, plus the interest that would have accrued had you left your funds with MCERA. Partial redeposits are not allowed and your service is credited when the full payment is complete. If you terminate employment or retire before completing full repayment, you must pay a lump sum for the balance due or forfeit all benefits from the redeposited funds, and all monies paid will be refunded to you.

Choosing to redeposit your previous service may impact your current MCERA benefit tier and contribution rate. If your withdrawn service occurred prior to 1/1/2013, you will be placed in a non-PEPRA tier and additional payment may be required to cover the difference in required contributions.

Enhanced Benefit

Retirement Benefits for General Tier 1 and 3 Members increased between 1/1/2002 and 10/1/2003. The effective date of the enhanced benefit depends on your bargaining group at the time of the enhancement. Members hired before the enhancement date have the option of purchasing an enhanced benefit so that all service credit is calculated at a greater retirement benefit formula. Purchase of an enhanced benefit must be paid in full before your retirement date. If you terminate employment or retire before completing full payment, you must pay a lump sum for the balance due or forfeit all enhanced benefit and all monies paid will be refunded to you.

Job and Life Changes

Name and Contact Information Changes

Active Employees

As an active member, you must update your name, phone number and address change through your employer. Updates made through your employer will be transmitted to MCERA.

If you would like to update your email address for MemberDirect, you must do so by logging into your MemberDirect account. This does not change the email address on file with your employer.

Deferred and Inactive Members (not receiving benefits)

If separated from employment, you may update your personal contact information by completing and signing a change of address form which is available on [MCERA's website](#), [MemberDirect](#), or by request from MCERA. Your personal contact information can also be updated by logging into MemberDirect.

If you would like to update your email address for MemberDirect, you must do so by logging into your MemberDirect account.

Retirees and Recipients (receiving benefits)

Retirees and recipients may update personal contact information by completing and signing a change of address form which is available on [MCERA's website](#), [MemberDirect](#), by request from MCERA. Your personal contact information can also be updated by logging into MemberDirect.

If you would like to update your email address for MemberDirect, you must do so by logging into your MemberDirect account.

Beneficiary Designation

All members should have a current beneficiary designation on file with MCERA that includes the beneficiary's date of birth, social security number, current mailing address and telephone number. This beneficiary information should be reviewed if you have a life changing event such as marriage, divorce, birth of a child, etc.

Members may update beneficiary information or change their beneficiary designation with MCERA by submitting a completed beneficiary designation form. Beneficiary designation forms are available on [MCERA's website](#), [MemberDirect](#), or by request from MCERA. California is a community property state, and the law will supersede any beneficiary designation.

Job Status Change

If you are an active member of MCERA and you are considering changing your job status from full time, working 64 hours per pay period or greater, to part time working less than 64 hours per pay

period you will become a non-contributing member of MCERA. Part time employees working less than 64 hours per pay period leave active membership, do not make retirement contributions, and do not earn MCERA service credit. Their retirement contributions must remain on deposit, in a deferred status earning semi-annual interest, for as long as they continue to be employed.

If your job status changes back to full time, working greater than 64 hours per pay period, your active membership will resume, you will begin contributing again, and you will begin earning MCERA service credit.

Leaving Employment

When you separate from employment you will need to consider whether you want to keep your retirement contributions on deposit with MCERA or receive a refund. If you leave employment due to health reasons, you may be eligible for a disability retirement. Please contact MCERA for more information.

Your options are as follows:

- Retirement - If you meet eligibility requirements and are ready to retire you will need to submit a Service Retirement Application Packet to MCERA.
- Reciprocity – If you leave employment and become a member of another California public retirement system within 180 days, you may be eligible to establish reciprocity. Once established, MCERA service credit will be combined with the other system's service when establishing vesting rights and eligibility to retire. All reciprocal systems will use the highest final average compensation in your benefit calculation, no matter which system you belong to at the time of retirement.
- Deferred Retirement – If you have 5 years of retirement service credit, you are vested and eligible to defer your retirement until a later date. You can leave your retirement contributions on deposit until you are eligible and ready to retire in the future.
- Leave Funds on Deposit - If you do not have 5 years of service credit you are not vested, therefore not eligible to receive a retirement benefit, but you can leave your contributions on deposit. Your contributions will earn the semi-annual interest credited to all MCERA accounts. You can withdraw your contributions at any time.
- Withdrawal of Funds - In most cases, you have the option to withdraw your retirement contributions and interest. However, an election to withdraw your funds is not allowed if you are employed in any capacity with a MCERA employer or are employed by a reciprocal system and are eligible to establish reciprocity. Once you withdraw your funds, you forfeit all rights to all MCERA benefits and will not be eligible for any future retirement benefits, including disability retirement, unless you re-enter MCERA membership and redeposit the withdrawn funds plus interest.

Divorce and your MCERA Benefits

Divorce can play a significant role in your retirement. Upon a divorce, divorce filing or legal separation, it is essential that MCERA is notified as soon as possible. Retirement benefits earned during a marriage are considered community property in the State of California. When a legal separation or divorce is filed with the court, and the former spouse is asserting a claim for a community property interest in your MCERA retirement benefit, the member and/or the other parties involved are advised to notify MCERA in writing of the proceedings. Members who have reached a Marital Settlement Agreement (MSA) must submit a copy of the MSA and the Judgement to MCERA as soon as possible. MCERA will use these documents to verify if the divorce is final and if there will be a division of MCERA benefits. MSAs that do not mention the member's MCERA benefit will need to be returned to Court for additional orders. If the MSA deems the MCERA benefits the member's sole and separate property, there is nothing else needed. If the MSA divides the community property interest in MCERA benefits, MCERA must be joined as party to the martial dissolution proceedings.

Domestic Relation Order (DRO)

MCERA has prepared sample language that will assist parties in obtaining a Domestic Relations Order (DRO). Our Model DROs are available on the [Member Forms & Publications](#) page of our website. MCERA strongly recommends that all DROs be submitted to MCERA for review before submission to the Court. Failure to do so may result in delays in obtaining your retirement benefits.

MCERA must receive a court approved DRO specifying how the member's benefit is to be divided before MCERA will pay benefits. If you are going through a divorce at the time of your retirement, payment of your benefits will be delayed until MCERA receives an executed DRO that includes a description of the division of the community property interest of your benefit.

Division of Community Property-Shared Benefit

Under a shared-benefit division, a nonmember former spouse does not have a separate account established but receives a portion of each payment due the member. Benefits to the nonmember former spouse are not guaranteed for life. Share benefit division must be used for all post-retirement benefit divisions.

Division of Community Property-Separate Accounts

Active or deferred MCERA members going through a divorce can utilize a separate accounts division pursuant to CERL Article 8.4. Article 8.4 does not apply to members who are retired at the time the DRO is filed with the court. (See Share Benefit information above). Under a separate accounts division, an account will be established for the non-member spouse and credited with contributions and service from the member's account pursuant to the terms of the DRO.

Adoption of Article 8.4 is intended to provide parties with additional flexibility in drafting DROs. Members are not required to use the method of community property division set forth in Article 8.4. Family Code § 2610 (a)(3) states the court may order division of the

community property interest in the member's MCERA retirement account pursuant to Article 8.4 upon agreement of the nonmember spouse.

Joinder Required

MCERA must be joined in all divorce and legal separation cases where the court issues a DRO. MCERA is not bound by a DRO until the court obtains jurisdiction over MCERA through a joinder.

We recommend that you contact MCERA at least 6 months prior to your date of retirement to ensure that all required paperwork is completed timely.

The above information is also applicable to anyone with a registered domestic partnership.

MCERA cannot provide legal advice. IF you are a member of MCERA or a non-member spouse dealing with a divorce, MCERA recommends seeking individual legal counsel. All parties should obtain their own legal assistance during the divorce process since the division of retirement benefits in divorce proceedings is complex.

Disability Benefits

Nonservice-Connected Disability

If you are permanently incapacitated from performing your job duties, and your disability is not work related, you may be eligible for a nonservice-connected disability retirement benefit. To receive this benefit, you must have at least five years of retirement service credit, which may include reciprocal retirement service credit. If found eligible to receive a nonservice-connected disability retirement, you will receive up to 33% FAS (taxable) or a service retirement, if higher (also taxable).

Service-Connected Disability

If you are permanently incapacitated from performing your job duties, and your disability is work related, you may be eligible for a service-connected disability retirement benefit, regardless of your age or length of service. If found eligible to receive a service-connected disability retirement, you will receive 50% FAS (tax free) or a service retirement, if higher (taxable in excess of the 50% FAS).

If the Board finds that the disability is not work related but is permanently incapacitating, you will receive a nonservice-connected disability retirement (taxable).

Permanent Incapacity

To apply for disability retirement benefits, you must be deemed permanently incapacitated from the performance of your usual assigned job duties as described in your job class specification. If you have been assigned permanent work restrictions and your department is able to accommodate those restrictions, you are not considered to be permanently incapacitated.

Burden of Proof

The burden of proving permanent incapacity and work connection is placed on the applicant by law. Applicants must prove permanent incapacity, and if the application is for a service-connected disability retirement, must also prove that the incapacity is due to a work-related injury, illness, or disease.

Application for Disability Retirement

An [application for disability retirement](#) can be filed by a member, by the head of a member's department or by any person on a member's behalf. An application must be filed: while the member is in service; or within four months after discontinuance of service; or at any time if, from the date of discontinuance of service to the time the application is filed, it is demonstrated that the member has been continuously physically or mentally incapacitated to perform job duties.

As soon as you are reasonably certain that your medical condition permanently prevents you from performing your usual job duties, you should file a disability application. The application process can take six months or more to complete. If an applicant meets vesting and eligibility requirements,

they may choose to receive their normal service retirement benefit while awaiting determination of the disability application. If an applicant does not meet vesting and eligibility requirements, and they have remaining accrued paid leave, they will be allowed to use that leave while their application is in process.

The Board of Retirement will determine whether an applicant is permanently incapacitated and if that permanent incapacity is work related. Disability retirement benefits become effective on the date the application is filed with the Board or the date following the last day for which the applicant receives regular compensation.

Death Benefits

In addition to retirement and disability benefits, survivor benefits are available to your beneficiary in the event of your death. Your surviving spouse, registered domestic partner, dependent children, or other beneficiaries may have important and substantial benefits due them. These survivor benefits will depend on specific circumstances and can only be accurately calculated based on the facts of each case. For more information, please contact MCERA.

Active Member Death Benefits

If you have less than five years of service, **OR** your beneficiary is **NOT** your qualifying surviving spouse/registered domestic partner or dependent children, your beneficiary will receive the basic death benefit.

The Basic Death Benefit consists of the following:

1. Your accumulated contributions plus interest; and
2. One twelfth of your annual pensionable compensation during the 12 months immediately preceding the death, multiplied by your completed years of service, but not to exceed 50 percent of the annual compensation (6 months of salary).

If you have at least five years of service and your death is **NOT** the result of a work-related illness or injury, your surviving spouse/registered domestic partner, or dependent children can elect to receive one of the three benefits listed below:

1. The Basic Death Benefit, as described above.
2. Continuing monthly benefit equal to 60% of either a nonservice-connected disability retirement allowance or a service retirement allowance (provided the member met the service retirement eligibility requirements prior to death), whichever is greater.
3. One twelfth of your annual pensionable compensation during the 12 months immediately preceding the death, multiplied by your completed years of service, but not to exceed 50 percent of the annual compensation (6 months of salary), plus a reduced continuing monthly benefit.

Regardless of your years of service, if your death is a result of a work-related injury or illness, your surviving spouse/registered domestic partner or dependent children will elect to receive one of the three benefits listed below:

1. The Basic Death Benefit, as described above.
2. Continuing monthly benefit equal to 100% of either a service-connected disability retirement allowance or a service retirement allowance (provided the member met the service retirement eligibility requirements prior to death), whichever is greater.
3. One twelfth of your annual pensionable compensation during the 12 months immediately preceding the death, multiplied by your completed years of service, but not to exceed 50

percent of the annual compensation (6 months of salary), plus a reduced continuing monthly benefit.

Additional benefits may be due your beneficiary if you are a Safety member and dies as a result of an accident or injury caused by external violence or physical force in the performance of your duty.

Death While in Deferred or Inactive Status

If you are a deferred or inactive member, your beneficiary will receive a refund of your accumulated contributions plus interest.

Death After Retirement

The amount of survivor benefits depends upon the option you choose during the retirement process. In most cases a burial benefit is payable to your beneficiary. If reciprocity applies, the burial benefit will be paid by the last reciprocal system subject to Government Code Section 31789.

Preparing to Retire

Planning Your Retirement

Attend or Watch a Pre-Retirement Seminar

If you will be retiring in the next 3 years, we suggest that you attend one of our pre-retirement webinars or seminars offered each spring and fall. When registration is open, you can register to attend via MemberDirect. If you are unable to attend, videos from past seminars are available on the [Events](#) page of our website.

Verify Retirement Eligibility

Eligibility for a service (non-disability) retirement is based on your membership group and tier. You must meet the following eligibility requirements:

General Tier 1 and 3 Members

- Minimum 5 years of credited service
- At least 10 years of membership
- Minimum age of 50
- 30 years of service, regardless of age

General Tier 4 Members

- Minimum 5 years of credited service
- Minimum Age 52

Safety and Probation Tier 1 and 2 Members

- Minimum 5 years of credited service
- At least 10 years of membership
- Minimum age of 50
- 20 years of service, regardless of age

Safety and Probation Tier 3 Members

- Minimum 5 years of credited service
- Minimum Age 50

Credited service is service for which contributions were paid into MCERA. No service credit is earned for periods in which contributions do not occur. You can find eligibility date in your MemberDirect account.

Choose Your Retirement Effective Date

If you are an active member, you will need to choose the effective date of your retirement per the [Service Retirement Policy](#). Your separation date is always the last day of the pay period in which

you stop working and your retirement date is the day following your separation date. You may elect a later date of retirement, but this election will impact your conversion of sick leave to retirement service credit. To qualify for the conversion of sick leave to retirement service credit, you must elect a retirement date immediately following the last day you receive compensation.

If you are a deferred member, you will choose the effective date of your retirement once you have met eligibility requirements. If reciprocity applies, you are required to retire from all reciprocal systems on the same date.

How Your Benefit Is Calculated – non-PEPRA Tiers

MCERA retirement benefits are based on formulas in the County Employees Retirement Law, specific to your membership type, adopted by the Mendocino Board of Supervisors. The non-PEPRA formula is:

Benefit = (Final Average Salary – Social Security Integration Factor) X Years of Service X Multiplier

Non-PEPRA members make contributions to MCERA on their compensation earnable minus a Social Security Integration Factor. Since contributions are made on this reduced amount, the benefit formula is adjusted by the Social Security Integration factor to ensure that your MCERA retirement does not cause a reduction in your future Social Security benefit.

For example, if your Final Average Salary is \$3,000 per month, the salary is reduced by the Social Security Integration Factor of \$116.67 for a FAS amount of \$2,883.33 that will be used in the benefit calculation.

Your multiplier is determined by the section of the County Employees Retirement Law for your membership type and your age at retirement. See the table on page 10 to find the code section applicable to your tier.

Let's consider an example for a General Tier 3 member. Benefits for a General Tier 3 (enhanced) members are based on section 31676.12. This section specifies benefits at 1/50th (2%) of final average salary based on the member's age at retirement. The age factor for a general tier 3 member who retires at age 62 is 1.3093, which when multiplied by the 2% provides a benefit multiplier of 2.6186%.

A general tier 3 member who retires at age 62 with 10 years of service and a final average salary (FAS) of \$3,000 would receive a monthly retirement allowance of \$755.03

$$\text{BENEFIT: } (\$3,000 - \$116.67) \times 10 \times (2\% \times 1.3093) = \$755.03$$

$$\$2,883.33 \times 10 \times 2.6186\% = \$755.03$$

How Your Benefit Is Calculated – PEPRA Tiers

PEPRA member benefits are based on formulas in the Public Employees Pension Reform Act of 2013 and are specific to your membership type. PEPRA member make contributions to MCERA on their entire pensionable compensation. The PEPRA benefit formula is:

Benefit = Final Average Salary X Multiplier X Years of Service

Your multiplier is based on your age and membership type. See the table on page 10 to find the code section applicable to your tier.

Let's consider an example for a General Tier 4 member. Benefits for General Tier 4 members are based on section 7522.20(a). This section specifies a percentage based the member's age at retirement that ranges from 1.0% to 2.5% of final average salary. A General Tier 4 member who is age 62 at their date of retirement has a benefit multiplier of 2.0%.

A general tier 4 member who retires at age 62 with 10 years of service and a final average salary (FAS) of \$3,000 would receive a retirement allowance of \$600.00

$$\text{BENEFIT: } \$3,000 \times 10 \times 2.0\% = \$600.00$$

Retirement Benefit Options

Your retirement benefit will always be a lifetime benefit to you but the benefit payment option you choose may impact your benefit and the benefits payable to your beneficiary(ies) in different ways. It is important that you fully understand the benefit payment options available to you. Your benefit option cannot be changed once you receive your first benefit payment. Please make your decision carefully and if you require additional information, please don't hesitate to contact MCERA.

Unmodified Allowance

The unmodified allowance is the highest benefit to retiree. Upon your death, your qualifying surviving spouse/registered domestic partner will receive a lifetime benefit equal to 60% of the benefit you received. To qualify, you and your spouse/domestic partner must be legally married/registered as domestic partners with the State of California for at least one year prior to your retirement date and continuously until the member's death. If there is no qualified spouse/domestic partner and there are minor children, the 60% continuance is available to the minor child(ren) as long as they remain eligible. An eligible minor child(ren) is under age 18, or under age 22 if a full-time student, and unmarried. If, at the time of your death, there is no one eligible for a continuance, a lump payment of any remaining contributions, if any, is payable to your beneficiary(ies).

Option 1

This option does not provide a continuance. The benefit is slightly reduced from the unmodified option, and upon your death, a lump-sum payment of any remaining accumulated contribution balance is payable to your beneficiary(ies). Each month the annuity portion of your benefit payment

is deducted from your accumulated contributions until the balance is zero. The monthly benefit is payable to you for your lifetime, even after your contribution balance is exhausted.

Option 2

The option provides a lifetime benefit continuing benefit to your sole beneficiary equal to 100% of your monthly benefit. The reduction from the unmodified is based on your age and your beneficiary's age at your date of retirement. Should your beneficiary pre-decease you, you will continue to receive the same reduced amount and you CANNOT designate a new beneficiary.

Option 3

The option provides a lifetime benefit continuing benefit to your sole beneficiary equal to 50% of your monthly benefit. The reduction from the unmodified is based on your age and your beneficiary's age at your date of retirement. Should your beneficiary pre-decease you, you will continue to receive the same reduced amount and you CANNOT designate a new beneficiary.

Option 4

This option allows you to name one or more beneficiaries, and/or to designate a specific percentage of lifetime continuance to be paid to your beneficiary(ies) after your death. In order to provide this continuance, your benefit is reduced from the unmodified allowance based on your age and your beneficiary(ies) ages at your date of retirement. Should your beneficiary pre-decease you, you will continue to receive the same reduced amount and you CANNOT designate new beneficiary(ies). Due to the unique nature of this option, MCERA provides only one Option 4 estimate at no cost to the member. The cost of any additional benefit estimates is borne by the member.

Age 62 Modified Allowance

This is an optional allowance that can be elected in addition to a retirement option. It is only available to legacy/non-PEPRA members. It provides for a larger benefit from the age you retire to age 62, based upon the estimated Social Security benefits receivable at age 62. Social Security Estimates will be calculated at the time of retirement and will not include future earnings. This estimate is used to calculate your benefit with MCERA and may differ from the actual benefit you receive from Social Security.

At age 62, your benefit will be reduced by the estimated Social Security amount. This reduction will happen regardless of whether or not you actually apply for Social Security at age 62. This option can give you a more level payment for your life consisting of a combination of your Social Security benefit and MCERA retirement.

Obtain Retirement Benefit Estimates

Obtaining retirement benefit estimates is one of the best ways to plan for your retirement. Active and deferred members can create their own retirement benefit estimates in MemberDirect or request an estimate by submitting an [Estimate/Consultation Request Form](#) to MCERA. Members with periods of part time employment, pensionable premium pays, or service purchase questions should

consider requesting a custom estimate from MCERA. You can obtain a Retirement Estimate/Consultation Request Form by downloading it from our [website](#), downloading it from [MemberDirect](#), or by contacting our office.

Once retirement benefit estimates are created, members can schedule an appointment to meet with a retirement specialist to discuss the estimates in person, virtually, or by phone. Please remember that the information provided is only an estimate of your benefit. Your actual benefit at retirement may vary due to changes in your salary and retirement service credit.

Optimizing your Retirement

This section discusses steps you can take to ensure you receive the highest benefit possible and what you need to consider before selecting your retirement date. Review MCERA's Service Retirement Policy for information on how the retirement date is determined.

Age Factor Percentage Increase Dates

Your age factor is based on your age when you retire and increases every $\frac{1}{4}$ year up to a maximum age factor percentage. If you haven't reached your maximum age factor percentage, you want to make sure that you don't retire right before your age factor percentage increases.

For example, if you were born January 15th, your age factor would increase on:

- January 15
- April 15
- July 15
- October 15

Your maximum age factor percentage is based on your membership group and tier:

- General Tier 3 (Unenhanced) - 65
- General Tier 3 (Enhanced) - 62
- General Tier 4 (PEPRA) - 67
- Safety and Probation Tiers - 55
- Safety and Probation Tier 3 – 57

Sick Leave Conversion at Retirement

If you are a County or Superior Court employee, who is retiring immediately after separating from employment, your unused sick leave will be converted to service credit. That service credit will be used when calculating your monthly pension in retirement. However, service credit from sick leave may NOT be used to become vested or to reach your retirement eligibility requirements.

Complete Service Credit Purchases

Any service credit that you purchase, redeposit, or enhance, generally increases the benefit amount you will receive when you retire. If you have eligible time to purchase, consider doing so as soon as

possible because the cost to purchase increases over time. All service purchases must be completed prior to your retirement.

Vacation Cash Out

If you are a County or Superior Court employee who is a non-PEPRA member, MCERA includes Vacation Cash Out compensation (limited by MOUs and paid within your final average salary period) when calculating your final average salary. The additional compensation increases your final average salary and will increase your monthly pension calculation.

The maximum amount of vacation cash out that can be included is the amount your bargaining unit will allow you to cash out in any rolling 12-month period such that only one vacation cash-out is included in any one year.

You can find your vacation cash out limit below:

Bargaining Group	Calendar or Fiscal Year	Vacation Cash Out Limit
Service Employees' International Union, Local 1021	Fiscal	40 hours
Mendocino County Deputy Sheriffs' Association	Fiscal	40 hours
Mendocino County Law Enforcement Management Association	Calendar	80 hours
Mendocino County Management Association	Calendar	80 hours
Mendocino County Association of Confidential Employees	Fiscal	40 hours
Mendocino County Department Head Association	Fiscal	80 hours
Mendocino County Probation Employees' Association, Teamsters Local 856	Calendar	40 hours
Mendocino County Public Attorneys' Association, Teamsters Local 856	Fiscal	60 hours
Service Employees' International Union, Local 1021 – Mendocino County Superior Court	Fiscal	100 hours

Cost of Living Adjustment (COLA) Date – April 1st

If you are a non-PEPRA member, on April 1 of each year in retirement, you will receive a cost-of-living adjustment (COLA), which is an annual increase to your retirement allowance of up to 3%, based on the change in the Consumer Price Index in the preceding calendar year. If your retirement date is on or before April 1, you will receive the annual COLA for that year. If you retire after April 1, you'll have to wait until next April 1 to get next year's COLA increase.

PEPRA tiers are not eligible for COLAs. While all MCERA members are encouraged to save for retirement by participating in their employer's voluntary deferred compensation plan or an Individual Retirement Account to provide additional funds in retirement, doing so is of greater importance to PEPRA members because of the lack of a COLA.

Other Retirement Considerations

Compensation and Benefit Limits

Employees may be subject to the following compensation and benefit limits.

100% Maximum

Your retirement benefit from MCERA is capped at 100% of your final average salary.

IRC 415(b) Benefit Limits

Section 415(b) of the Internal Revenue Code limits the benefit amount qualified pension plans, including MCERA, may pay their retirees. The limit is set by federal law and is periodically adjusted for inflation. Members subject to IRC 415(b) limits will be notified by MCERA.

Section 401(a)(17) Compensation Limit

Section 401(a)(17) of the Internal Revenue Code (IRC) imposes a cap on the amount of compensation that can be considered when calculating retirement plan contributions or benefits. The limit is set by federal law and is periodically adjusted for inflation. This affects members with membership dates between January 1, 1996, and December 31, 2012.

PEPRA Pensionable Compensation Limits – 7522.10

The California Public Employees' Pension Reform Act of 2013 (PEPRA) limits the compensation that can be used to calculate pensions for those who became members of MCERA on or after January 1, 2013. The salary that we use in your retirement calculation is capped at the Social Security Wage Index Limit as calculated by the California Actuarial Advisory Panel. Members subject to the PEPRA cap will be notified by MCERA. PEPRA members subject to the compensation limit pay contributions only on the permissible, includible salary. You do not pay pension contributions on salary that exceeds the PEPRA compensation limit.

Social Security

MCERA members participate in Social Security. Your retirement benefit from MCERA has no impact on your social security benefit. When you retire you will receive your MCERA benefit and if eligible, a Social Security benefit based on your Social Security covered employment.

If you receive a pension from another government plan that was *not* covered by Social Security, including a reciprocal retirement system, your Social Security benefit may be reduced by the [Windfall Elimination Provision \(WEP\)](#) or the [Government Pension Offset \(GPO\)](#) provisions. You can obtain more information through the official Social Security Administration's website at www.ssa.gov or by calling (800) 772-1213.

Reciprocity

When you have reciprocity with another retirement system, you must retire from both systems on the same date. MCERA will request your salary information from the reciprocal system. The highest final average salary between reciprocal systems is what is used to determine benefits for all reciprocal systems. If we do not receive the reciprocal salary information before we process your first retirement benefit payment, we will pay your benefit based on your MCERA salary information. Once we receive your reciprocal salary information, we will recalculate your benefit. Any difference in the benefit amount will be paid retroactively in a subsequent payment.

Applying for Retirement

Retirement Application Packet

To retire, you must submit a retirement application to MCERA. You can obtain a retirement application packet by downloading it from our [website](#), downloading it from [MemberDirect](#), or by contacting our office.

Completing Your Retirement Application Packet

If you are using the fillable PDF application packet, you can type your information using the form fields, but you must print and sign the forms with a pen. If you are married or in a registered domestic partnership, your spouse must sign the Benefit Option Election Form either in front of an MCERA staff member or in front of a notary.

The retirement application packet includes the forms that you are required to submit and other informational documents.

Item	Instructions
Service Retirement Application Checklist	Informational. Use this checklist to ensure that you have gathered and completed all required forms and documents.
Service Retirement Frequently Asked Questions	Informational. Answers to frequently asked questions about retirement.
Service Retirement Policy	Informational. Provides guidance to members regarding how and when to retire.
Application for Service Retirement	Required. Elect your date of retirement and any beneficiary eligible for a continuance.
Benefit Payment Option Election	Required. Elect the benefit option you wish to receive. If you have a spouse or registered domestic partner, they must sign this form either in front of an MCERA staff member or a notary. Your selection is permanent and cannot be changed after your first benefit payment is processed.

Item	Instructions
Burial Benefit Beneficiary Designation	Required. Elect the beneficiary(ies) you would like to receive a \$1,000.00 burial benefit at the time of your death.
Retired Member Beneficiary Designation	Required. Designates the beneficiary(ies) for a refund of your remaining contributions (if any) and who may receive your last month's benefit payment (for month of death) if your bank account is closed.
Retiree Return to Covered Employment Policy	Informational. Provides clear guidance regarding requirements for returning to work for one of our plan sponsors.
Return to Work Acknowledgment	Required. Acknowledges that you understand the rules for returning to work for one of our plan sponsors.
Benefit Payment Policy	Informational. Provides clear guidelines and procedures for the payment of benefits to members
Direct Deposit Authorization	Required. All monthly benefits will be paid by direct deposit. Extenuating circumstances may be appealed to the Executive Director.
Withholding Certificate for Periodic Pension or Annuity Payments (W-4P)	Required. Required for all retirees.
Withholding Certificate for Pension or Annuity Payments (DE 4P) - California	Required. Required for all retirees who reside in California. Exception. Not required if you are moving out of the state of California.
Certificate Attestation	Optional. Use this form if you are submitting photocopies of vital documents.
Vital Documents	Required. Required for all retirees. Includes birth, marriage, and domestic partnership certificates.
Association of Mendocino County Retired Employees (AMCRE) Flyer	Informational. Information about AMCRE and the benefits of membership
Association of Mendocino County Retired Employees (AMCRE) Application for Membership and Authorization for Automatic Deduction	Optional. Complete to become a member of AMCRE and to authorize the deduction of monthly dues.

Item	Instructions
Retirement Benefit Pay Dates	Informational. Calendar showing retirement benefit pay dates.

Submit Your Application and All Required Documents

The earliest we can accept your retirement application is 60 days prior to your chosen retirement date. If you submit your application too early, we will refuse your application and you will have to re-submit it within the 60-day window. Scheduling an appointment with MCERA to submit your completed application and required documents is recommended.

Failure to submit all required documents may delay the processing of your retirement benefit. Please refer to the Retirement Application Checklist, which is included in the Retirement Application Packet, for a list of all required documents.

Retiree Return to Covered Employment

MCERA retirees frequently return to the workforce after retirement; and they are free to do so without MCERA approval. However, if the retiree returns to Covered Employment, there are restrictions on how quickly the retiree can return to Covered Employment and how many hours he/she can work annually in Covered Employment. Covered Employment means either the employment or the contracting for services of a MCERA retiree by any MCERA plan sponsor (Mendocino County, Mendocino County Superior Courts and Russian River Cemetery District). Refer to the [Retiree Return to Covered Employment Policy](#) for additional information or contact MCERA.

Eligibility to Return to Covered Employment

PEPRA Requirements

For a MCERA retiree to be eligible to return to Covered Employment, PEPRA requires the retiree have a 180-day break in service, unless the Covered Employment qualifies for an exception from the 180-day break in service requirement. MCERA retirees may qualify for an exception by either:

1. The Covered Employment is in a public safety position, or
2. The employer certifies by a vote of the governing body on a non-consent agenda item that two conditions exist: (1) either there exists an emergency requiring the retiree return to Covered Employment to prevent the stoppage of public business or the retiree has skills needed to perform work of limited duration in Covered Employment; and (2) that the appointment of the retiree is necessary to fill a critically needed position before the 180-day break in service.

These exceptions to the PEPRA required break in service do not apply in certain situations. To ensure eligibility to return to Covered Employment, the retiree is encouraged to contact MCERA to discuss the specifics of their situation.

Limits on Covered Employment

Once a MCERA retiree has established eligibility to return to Covered Employment, they are subject to limits on the amount of work they are eligible to perform in Covered Employment. MCERA retirees may not work or be compensated for more than 960 hours in any fiscal year. The rate of pay for a MCERA retiree that returns to Covered Employment must be in line with that of other employees performing comparable duties.

Consequences of Violating Eligibility to Return to Covered Employment

The retiree has a responsibility to ensure their Covered Employment does not exceed the 960-hour maximum. Regardless of the hourly rate, each hour worked/paid counts toward the 960 hours limit, including but not limited to, regular, overtime and on-call or standby hours.

If a MCERA retiree who is eligible to return to Covered Employment exceeds the limits on Covered Employment the retiree is required to reinstate to active employment status as of the date the retiree exceeded the limit on Covered Employment. In addition to the reinstatement to active employment status, the MCERA retiree may be required to return to MCERA any retirement benefit payments that are determined to have been paid after the member was reinstated to active employment status. Such payments shall be classified as overpayments and handled in accordance with the MCERA Board adopted [Error Correction Policy](#).

Glossary of Retirement Terms

'37 Act – the County Employees' Retirement Law of 1937 (a.k.a. CERL)

Active Member – is a member who is actively employee with an MCERA plan sponsor.

Actuary – An actuary is a person who uses statistics and MCERA's plan assumptions, to calculate MCERA's liabilities and contribution needs.

Actuarial Valuation – A periodic study performed by an actuary that uses estimates/assumptions adopted by the Board of Retirement to determine the contributions rates to be charged to active members and employers in order to assure funding of the benefits promised to members and their beneficiaries and survivors. The report is also referred to as a “valuation report.”

Age Factor – the age-based component of the benefit multiplier used in the formula determining the retirement allowance. The age factor is based on your age at retirement for your respective tier and classification. For example, a General Tier 3 member who retires at age 60 has an age factor of 1.1500 which is multiplied by the Tier multiplier ($1/60^{\text{th}}$ or 1.667%) to obtain the benefit multiplier of 1.9167% ($0.016667 * 1.1500 = .019167$).

Annuity – An annuity is fixed sum of money paid to someone, typically for their life. The MCERA annuity is the portion of your monthly benefit funded by your contributions. The annuity along with the Pension, provided by the employer contributions, is your retirement allowance. MCERA's retirement allowance includes a COLA for legacy members. There is no COLA for PEPRA members.

Beneficiary – is the individual(s) or entity/entities that you name to receive any benefits due from MCERA in the event of your death.

Benefits – refers to any amount due from MCERA owed to a member or beneficiary. Benefits may include lump sum refunds of member contributions and interest or monthly retirement allowances.

CERL – the County Employees Retirement Law of 1937 (see '37 Act)

COLA – Cost of Living Adjustment, based on the change in the Consumer Price Index to the nearest $\frac{1}{2}\%$, is determined each year by the Board of Retirement. COLA increase help maintain your purchasing power in retirement. Legacy members are eligible to receive a COLA, up to the maximum of 3% in any year. PEPRA members do NOT receive COLA increases during retirement.

Compensation: Compensation Earnable (General Tiers 1-3 and Safety & Safety Probation Tiers 1 & 2) – Compensation Earnable is wages included in the calculation of your MCERA pension benefit for all active or deferred employees who first became a member of MCERA or another

County or State public retirement system before January 1, 2013 (legacy members). MCERA's website has the resolution with a complete list of [Compensation Earnable](#) pay types.

Compensation: Pensionable Compensation (General Tier 4 and Safety & Safety Probation Tier 3) – Pensionable Compensation is wages included in the calculation of your MCERA pension benefit for all active or deferred employees who first became a member of MCERA or another County or State public retirement system after January 1, 2013, who are subject to the Public Employees' Pension Reform Act (PEPRA). Pensionable Compensation is mandated by law and has specific rules regarding what elements of total pay are used in the calculation of benefits. MCERA's website has the resolution with a complete list of [Pensionable Compensation](#) pay types.

Consumer Price Index – The Consumer Price Index (CPI) is a measure of the average change in prices over time for a fixed set of goods and services. CPI is the most widely used measure of inflation.

Contributions: Employee – During your employment you contribute a percentage of your pay each pay period through automatic payroll deductions which submitted to MCERA and posted to your retirement account. This percentage is your contribution rate and may be based on your age at membership and is determined annually by MCERA's actuary.

Contributions: Employer – During your employment, your employer contributions a percentage of your pay to MCERA to pay future benefits and pay toward any unfunded liability of the plan.

Deductions – Amounts taken directly from the employee's pay check and paid to MCERA by the employer.

Deferred Member – is a member who is no longer employed with an MCERA plan sponsor but retains funds on deposit with MCERA and is entitled to a future retirement benefit.

Deferred Retirement – the start of retirement benefits after a period of time after the separation from employment from the plan sponsor (delayed start of retirement benefits).

Disability Retirement – a retirement allowance granted due to an illness or injury that prevents a member from performing the essential functions of their position. A disability retirement may be a service-connected disability or a disability unrelated to employment (nonservice-disability).

Eligibility – Establishes the right to receive certain retirement benefits. Eligibility is based on 5 years of credited service (vested) and time or age requirements.

Final Compensation – the highest consecutive one- or three- year period of compensation earnable or pensionable compensation used to determine retirement benefits.

Insurable Interest – a financial loss or other hardship in the event of your death.

Membership Classification: General Members – General Members are employed by Mendocino County, Superior Court, or a special district and are comprised of all employees other than Safety members.

Membership Classification: non-PEPRA Members – non-PEPRA Members are all active or deferred employees who first became a member of MCERA or another County or State public retirement system before January 1, 2013 (legacy members). A non-PEPRA member may be in the General or Safety member classifications.

Membership Classification: PEPRA Members – PEPRA Members are all active or deferred employees who first became a member of MCERA or another County or State public retirement system after January 1, 2013, who are subject to the Public Employees’ Pension Reform Act (PEPRA). A PEPRA member may be in the General or Safety member classifications.

Membership Classification: Safety Members – Safety members are employed in active law enforcement, fire suppression, and other high-risk classifications designated by Government Code.

New Member (under PEPRA) – A new member is an individual who (1) becomes a member for the first time on or after January 1, 2013 and was not a member of any other California public retirement system prior to that date; or (2) was a member of another California public retirement system prior to January 1, 2013 but not subject to reciprocity.

Non-PEPRA Members – see Membership Classification: non-PEPRA members

Non-Service-Connected Disability Retirement – a retirement granted a member who the Board of Retirement found to be permanently physically or mentally incapacitated from the performance of his or her duties but not as a result of injury or disease arising out of his or her employment.

PEPRA – Public Employees’ Pension Reform Act of 2013

PEPRA Members – See Membership Classification: PEPRA Members

Permanently Disabled – an ill or injured member who will not improve to the point that he or she could resume performing the essential function of the job held at the time of the illness or injury.

Plan Sponsor – A Plan Sponsor is one of the public employers whose employees participate in MCERA. MCERA’s Plan Sponsors are the County of Mendocino, Superior Court of Mendocino, and the Russian River Cemetery District.

Purchase Contributions – Amounts paid by employees via rollover or personal check to pay for the purchase of qualifying service in MCERA.

Reciprocity – Reciprocity is an agreement among public defined benefit retirement systems to allow members to move from one public employer to another 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 systems when you establish reciprocity, but service with a reciprocal system would

count towards service totals needed for eligibility to receive benefits, among other benefits. You must retire concurrently from all reciprocal systems.

Registered Domestic Partner – A registered domestic partners have the same rights and are eligible for the same benefits and rights of survivorship as those available to spouses. Domestic partnerships must be registered with the State of California.

Service-Connected Disability Retirement - a retirement granted a member who the Board of Retirement found to be permanently physically or mentally incapacitated from the performance of his or her duties as a result of injury or disease arising out of his or her employment.

Social Security Level Income Option – A temporary increase in benefits between the member's date of retirement and attaining age 62, followed by a decrease in benefits in the month following the member's 62nd birthday when the member is eligible to receive early Social Security benefits to provide a level income stream before and after starting Social Security benefits.