



EMPLOYER HANDBOOK

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www.samcera.org

HELPFUL INFORMATION

Please visit our website at www.samcera.org for general plan information, Board of Retirement meeting dates and materials, financial reports, and helpful benefit guides. You can also find downloadable employer fact sheets and forms under the “Forms and Publications” tab.

SamCERA benefits are governed by the County Employees Retirement Law of 1937 and the California Public Employees’ Pension Reform Act of 2013; therefore, any discrepancies between the law and the information in this booklet will be resolved in accordance with the law. The material contained in this guide is for informational purposes only and does not constitute legal advice.



TO OUR PARTICIPATING EMPLOYERS

USING THIS GUIDE

This guide gives an overview of your employees' SamCERA benefits, funding for those benefits and your role as a participating employer. Among other areas, topics include:

Your Employees and SamCERA

- What you need to know about our processing of new hires, terminating employees, and retiring employees
- What to do before you hire a SamCERA retiree
- What to do if you have a disabled employee who can no longer perform their job duties

Your Employer Contributions

- How future employer and employee contribution rates are set, and important dates to remember
- Options on when to pay or prepay employer contributions
- How contributions are calculated, and what to do if there is a change in employee pay codes

Contacting SamCERA

Employers with questions should call (650) 599-1234 and your call will be directed to the appropriate staff member. You can also email us at samcera@samcera.org.

If your employees have any questions regarding SamCERA benefits, please refer them to SamCERA for assistance.

Scott Hood
Chief Executive Officer

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GENERAL OVERVIEW

IN THIS SECTION:

- SamCERA Employers & Membership
- Governance
- Board of Retirement
- Employees Who Serve on the Board of Retirement

ABOUT SAMCERA

Defined Benefits Plan

SamCERA provides statutorily defined retirement, disability and death benefits for its eligible members and qualified beneficiaries. Employees in full or part-time permanent positions employed by the County of San Mateo (the County), San Mateo County Superior Court (the Court) and the San Mateo County Mosquito and Vector Control District (the District) are members of SamCERA.

SamCERA has no role in retiree health, life insurance, or deferred compensation programs. These programs are administered by the respective employer's benefits divisions.

General and Safety Members

SamCERA membership is divided into two categories: general members and safety members. Safety members include sworn law enforcement personnel in the Sheriff and Probation departments and the District Attorney investigators. All other members are general members.

- There are multiple plans within the general and safety member categories.
- SamCERA determines plan placement based upon an employee's date of hire, prior public agency employment, and other factors.

Questions About SamCERA Benefits

- A brief overview of benefit information is in the section titled, "SamCERA Membership and Plan Benefits."
- A detailed description of all plans and benefits can be found in "Guide to Your SamCERA Benefits" on our website under the "Forms and Publications."
- SamCERA staff is available to address questions that you have about SamCERA benefits, so don't hesitate to give us a call. If any of your employees have retirement benefit questions, please refer them to SamCERA for assistance.

GOVERNANCE

Statutory Governance

SamCERA administers its benefits in accordance with state and federal law. The Board of Retirement is the governing body of SamCERA and it adopts regulations and policies that further direct the administration of the system. By statute, the Board appoints a Chief Executive Officer who hires staff necessary to administer the fund and benefits. An organization chart illustrating the staffing structure is on SamCERA's homepage under "About SamCERA."

Public Meetings

All business of the Board is conducted in accordance with California's public meeting law, known as the Ralph M. Brown Act. The Board generally meets publicly on its regular meeting date, the Fourth Tuesday of the month. The Board's meeting calendar, current and past agendas and agenda packet materials can be found on our website under "Board of Retirement," "Board of Retirement Meetings."

Board of Retirement Responsibilities

The Board is vested with the duty to invest the assets of the retirement fund and to administer SamCERA's benefits. The Board has a variety of responsibilities, which include:

- Setting and acting upon investment objectives and strategies to fund benefits;
- Adopting actuarial assumptions and recommending employer and employee contribution rates to the Board of Supervisors;
- Approving the budget, regulations, and policies to ensure the prompt delivery of the benefits;
- Determining if members should receive disability retirement benefits; and
- Setting the annual retiree cost of living adjustment for monthly benefits.

State Law

SamCERA and its benefits are generally governed by the County Employees Retirement Law of 1937 ("CERL") and the California Public Employees' Pension Reform Act of 2013 (PEPRA). These statutes can be found on our website under "Board of Retirement," "Governance." Additionally, the Board of Supervisors may also adopt resolutions and ordinances which may affect the benefits of SamCERA members.

Federal Law

To maintain SamCERA's tax qualified status, the system must be administered in a manner consistent with the Internal Revenue Code and Internal Revenue Service regulations.

Board Regulations and Policies

The Board adopts its own regulations and policies that further direct the administration and the system. These can be found on our website under "Board of Retirement," "Governance."

Structure of the Board and Elections of Employees to the Board

Composition of the Board

The Board has nine members and two alternates. The composition is set out by statute and includes the County Treasurer, four appointees of the Board of Supervisors and four elected members chosen by the differing active and retiree SamCERA membership groups. Elected and appointed Board members serve for three-year terms. There is no limit to the number of terms an elected member may serve. Appointed members have a twelve-year term limit set by the Board of Supervisors. There are two elected alternates, one elected by safety active members and one by the retirees.

If Your Employee is Running for Election

There are employee elections for the general, safety, and safety alternate Board seats which are held in accordance with the Board's regulations. These regulations address the election process but do not address campaigning. Regular elections are held in June with a notice of elections sent out in early April. Elections are held two out of every three years, as the three-year terms are staggered. Special elections are called as needed to fill a vacancy.

For campaign related issues related to County employees:

The County has "Guidelines for Campaigning for Board of Retirement Trustee" which sets forth what employees cannot do on County time or using County resources. For questions or concerns about campaigning, contact your agency's Human Resources department.

Neither SamCERA nor the County's Elections Department get involved in campaign related issues.

If Your Employee is Elected to the Board

State law provides that for employees who are on the Board, their Board duties are part of and normally take precedence over their regular employee duties. The time it takes for Board

members to prepare for and attend meetings, attend educational seminars and conferences is on regular paid time, e.g. "001" time for County and Court employees and regular hours worked for the District. Board meetings can take all or part of a work day, depending upon the workload of the Board.

The Chief Executive Officer is happy to discuss how to address any scheduling issues that you may have if one of your employees serves on the Board.

(GOV § 31522.) "The official duties of elected board members who are employees of the county or a district shall be included as part of their county or district employment and their board duties shall normally take precedence over any other duties."

PLAN FUNDING & CONTRIBUTIONS

IN THIS SECTION:

- How Contribution Rates Are Set
- Employer & Employee Contributions
- Supplemental Contributions

FUNDING SOURCES

SamCERA benefits are funded from three sources:

INVESTMENT EARNINGS	Earnings from stocks, bonds, alternative investments, other investments, minus fees.
EMPLOYEE CONTRIBUTIONS	Money deducted from employees' paychecks, purchases and redeposits.
EMPLOYER CONTRIBUTIONS	Money employers pay.

FINANCIAL STATEMENTS AND INVESTMENT PERFORMANCE

CAFR and PAFR

SamCERA's Comprehensive Annual Financial Report (CAFR) provides detailed information about SamCERA's finances and investments, including assets, liabilities, funding sources, and funded status. The Summary Annual Financial Report (also referred to as the Popular Annual Financial Report, or "PAFR"), gives a quick overview of information provided in the CAFR. Current and historical PAFRs, CAFRs, as well as actuarial reports and other financial reports, are located on our website under the "Investments and Financials."

Investments

The Board invests the money that comes from employer and employee contributions and returns from the investments. An accomplished team of investment professionals and money managers, in conjunction with the Board and staff, prudently manage the investment of the pension fund. Every month, quarter and year, the Chief Investment Officer, investment staff and the Board's investment consultant present an analysis of investment performance to the Board. The most current quarterly performance report, along with other financial reports, can be found on our website under "Investments and Financials."

CALCULATING AND SETTING CONTRIBUTION RATES

Rates Are Set by Statute

Both employee and employer contribution formulas for setting rates are established by law and are based in part on actuarial assumptions.

Employee Contribution Rates

The basic rate at which the employees contribute is structured as a percentage of the employee's biweekly pensionable earnings.

- For Plans 1-6, the percentage is based on the employee's age at entry into SamCERA membership. (Plan 3, which is closed for new employees, is non-contributory.)
- For PEPRA Plan 7, there is a flat-rate contribution percentage not based on entry age.

Cost Share

In addition to the basic rate, pursuant to union agreements or employer resolutions, certain employees in Plans 1, 2, 4 and Safety Plan 5, pay an additional percentage contribution as a "cost share" because of the higher formula in those plans. The cost share is a contribution which helps offset the higher plan costs. Certain employees in Plans 1, 2, 4, 5, and 6, also pay a "COLA share." The COLA share helps fund the cost of future cost-of-living adjustments. Plan 7 employee rates already include the COLA cost as part of the basic rate.

Compensation and Contributions

Contributions are a percentage of an employee's "compensation earnable" or "pensionable compensation" depending upon the employee's plan. (In this Guide, we simply refer to it as "pensionable earnings.") Not all compensation given to an employee is used in the calculation of pensionable earnings. The Board of Retirement makes the determination of what is and is not included in accordance with state law. A listing of the pay codes that are included or are not included in pensionable earnings, is on our website under "Board of Retirement," "Governance."

TIP: PAY SCHEDULES & PAY CODES



- If you will be creating a new pay code or changing the use of an existing pay code, you must contact SamCERA before implementation so that the Board can determine if the pay item should be included or not in pensionable earnings. This way, when the change in the pay code is rolled out, contributions can be either taken or not taken, as appropriate.
- By law, any payment to an employee must be listed on publicly available pay schedules such as: salary ordinances, published MOUs, and salary resolutions to be included in pensionable earnings.

Contribution Limits

For PEPRA Plan 7 employees, there is an annual statutory compensation cap, and SamCERA cannot collect employer and employee contributions on pensionable earnings over this annual cap. Contact SamCERA for the current annual PEPRA compensation limits for general and safety members. For example, the PEPRA pensionable compensation limit for general members in 2019 was set at \$124,180, and \$149,016 for safety members.

For any highly compensated employees hired after July 1, 1996, SamCERA cannot collect employer and employee contributions on pensionable earnings over an annual amount set forth by the IRS pursuant to Section 401(a)(17) of the Internal Revenue Code. The IRS sets the annual compensation limits each year and publishes them on its website. For example, the pensionable earning limit for 2019 was set at \$280,000.

For all highly compensated County employees who are not in Plan 7

- Contact SamCERA to verify IRS compensation limits.
- If the compensation will be over the limit:
 1. Contact Human Resources;
 2. Make sure that each of these employees has signed and returned the “Acknowledgement of Internal Revenue Code Compensation Limits Effect on SamCERA Retirement Contributions and Benefits” form; and
 3. Place a copy of the form in the Employee’s Personnel File and send a copy to SamCERA.

For all highly compensated Court and Mosquito District employees, who are not in Plan 7

- Direct employee to contact SamCERA for more information.

NOTE: SamCERA is prohibited from paying a pension based on final compensation that is over the applicable IRS or PEPRA Plan 7 annual limit, see the section titled, “Basic Plan Information For Employers,” for more information.

ACTUARIAL VALUATION AND CONTRIBUTION RATES

Annual Valuation

An actuarial consulting firm conducts an annual actuarial valuation of the retirement fund to determine the funded status and, in turn, what contribution adjustments are needed to ensure the financial health of the fund. In the annual valuation, the actuary:

- Compares the total valuation of assets with the total liabilities for all plans.
- Recommends the employer contribution rates for the next fiscal year.
- Recommends Plan 7 employee rates, which are adjusted annually to be 50% of the Gross Normal Cost Rate. (Other plan member rates are not adjusted on an annual basis. They are set every three years.)

Triennial Review

In addition, by statute, every three years, SamCERA requests its actuary to perform an analysis of the appropriateness of all economic assumptions (e.g., inflation, investment returns, plan expenses, and salary schedules) and non-economic assumptions (likelihood of an employee’s termination of employment, retirement, disability, or death at each age). This report is referred to as the “Actuarial Experience Study” or “Triennial Report.”

As part of the triennial review, SamCERA hires an additional auditing actuary to review the process and findings of our actuary. This audit helps ensure that our actuary’s assumptions and funding recommendations are sound.

ACTUARIAL REPORTS

The most recent, as well as past annual and triennial actuarial reports can be found on our website under the “Investments and Financials” tab.

Changes in Actuarial Assumptions and Rate Changes

When changes in some or all of the actuarial assumptions occur, interest and contribution rates are adjusted accordingly. A decrease in the assumed rate of investment return signifies an expectation of lower investment earnings by the Fund. Therefore, typically, when this rate is lowered, employee and employer, contributions are increased and vice-versa.



Process to Set Contribution Rates

First, the actuary recommends for the Board's adoption, assumptions to be used by the actuary in its actuarial study. Demographic and economic assumptions used in the annual actuarial valuation consist of: investment return; price inflation; general wage growth; payroll growth; COLA for Plan 1; Plan 2; and COLA for Plans 4, 5, 6 & 7.

After the study is complete, the actuary recommends employer and employee contribution rates to the Board. The Board determines the rates to recommend to the Board of Supervisors for its adoption. The Board of Supervisors then sets the employer and employee rates for all active SamCERA members, including Court and District employees.

IMPORTANT DATES

Each year, SamCERA will notify each employer when its actuary will be appearing before the Board to determine:

1. Recommended assumptions (usually the **June and/or July** meeting); and
2. Recommended rates (usually the **September** meeting).

Typically, the Board of Supervisors approves the rates recommended by the Board of Retirement for the next fiscal year at its **December or January** meeting.

SamCERA encourages participation from employers and employees on these important decisions. Knowing your employer rates will help you set your upcoming annual budgets.

PAYMENT OF EMPLOYEE & EMPLOYER CONTRIBUTIONS

Payment of Employer Contributions

Employer contributions from the County and the Courts are made by the County's Controller's Office via a journal entry from the County's Investment Pool to SamCERA's account. The District sends a biweekly check for the employer contributions. SamCERA will reconcile these payments and, if any adjustments are needed, SamCERA will contact the Controller's office or the District's payroll clerk as applicable.

Payment of Employee Contributions

Employee contributions are collected from Court and County employees through automatic payroll deductions that are processed through an interface file from Workday to SamCERA's software. The

District sends a biweekly check for the employee contributions along with employee salary and hourly pay code information.

Adjustments to Individual Employee Contributions

The amount that your employees individually contribute to SamCERA may be adjusted due to a variety of circumstances, including:

Underpayment of Contributions If an underpayment has occurred, SamCERA must collect what is owed along with any accrued interest. We will notify the employee of the corrective action to be taken. Any arrears contributions will be collected pre-tax and the interest will be collected post tax. For the County and the Court, the adjustment to contributions is submitted by SamCERA via EIB (payroll adjustments) and are to be processed through the payroll system. For the District, the payroll clerk is contacted.

Overpayment of Contributions If an overpayment has occurred, the funds are returned with any interest owed to the employee. For the County and the Court, a refund of overpaid contributions is submitted by SamCERA via EIB (payroll adjustments) and are to be processed through the payroll system. For the District, the payroll clerk is contacted.

1. If the excess contributions were for regular required contributions, those contributions were made pre-tax. Any interest owed to the employee by SamCERA is pre-tax as well. Any excess contributions the employee had made for a purchase or upgrade are post-tax. SamCERA will identify whether the returned funds are taxable or not.
2. If the contributions were made on a pre-tax basis, or if there is interest owed to the employee, these funds being returned may be subject to both state and federal withholding.
3. If the contributions were made on a post-tax basis, these contributions can be returned to the employee without withholding taxes because taxes were already paid.

Employee Payment for Service Purchases Employee contributions can increase due to a service credit purchase that is paid for through a post-tax payroll deduction. For these payments, SamCERA will provide the adjustments to the County and the Court via EIB (payroll adjustments). For the District, the payroll clerk is contacted.

Review of Contributions Received

Not all salary and pay items are subject to contributions, because not all pay items and amounts

are used to calculate an employee's pension (e.g. overtime is not included). What is allowable is dependent upon the employee's plan. Because of this, SamCERA carefully reviews all incoming contributions to determine if they are allowable and if the amount received can be reconciled with what was expected to be received. From time to time, SamCERA will contact your finance staff to address any issues. In addition, each year, as part of our financial audit, our external auditor will send each employer a letter to confirm the amount of contributions paid during the prior fiscal year.

PREPAYMENT OF REQUIRED EMPLOYER CONTRIBUTIONS

Lump Sum Payments

State law authorizes employers to make an advance payment of all or part of the its estimated annual contribution if the payment is made within 30 days after the July 1, fiscal year begins. Prepayments can also be for an additional year or partial year if certain requirements are satisfied. Certain employers have opted to make a prepayment of its estimated contributions because it receives a "discount" on the cost of the contributions.

Here's how the "discount" works:

The actuarial valuation contains recommended contribution rates for the employers. The amount of the rates assume that employer contributions will be paid on a biweekly basis and includes an interest charge of the assumed earnings rate. If an employer pre-pays its contributions, the interest charge is removed from the amount of contributions due--hence the "discount."

Prepayment Dates If an employer prepays on an annual fiscal year basis, each annual deposit is required on or before the first pay day in July of the commencement of the fiscal year. If an employer prepays on a semi-annual fiscal year basis, the first semi-annual prepayment is required on or before the first pay day in July of the commencement of the fiscal year and the second semi-annual prepayment is required on or before the first pay day in January.

True-Up

The amount of the prepayment and the actual contributions required to have been paid throughout the year will never be equal. Consequently, prepayment amounts will be “trued up” the following fiscal year by increasing or decreasing (crediting) the succeeding year’s required contribution amount by the extent of the over or under payment of contribution. For example, if the prepayment was \$125 million and the actual required contribution required was \$100 million, \$25 million will be credited to the employer for the following year’s required contributions. However, if the actual required contribution was \$150 million, then \$25 million more must be received by SamCERA prior to the end of the fiscal year.

SUPPLEMENTAL CONTRIBUTIONS

Payments Above the Statutory Rate

Employers may wish to make supplemental contributions above the required statutory contribution rates. These are not prepayments of a required contribution but rather a payment that is more than the required contribution amount. These payments are made to accelerate the reduction of any unfunded liability which could eventually reduce that employer’s contribution rate.

Agreement with SamCERA

Employers interested in paying supplemental contributions can enter into an agreement with the Board of Retirement authorizing such supplemental contributions and setting forth how they should be accounted for in the Retirement Fund.

Important Information Regarding Changes in Collective Bargaining Agreements, Resolutions for Management and Confidential Employees, and Legal Settlements

1. Actuarial Impact Report Required Before Adoption of Salary or Benefit Increases

When the Board of Supervisors approves any salary or benefit increases for either or both represented and non-represented County employees, the public notice of that Board action must include an explanation of the financial impact that the proposed benefit change or salary increase will have on the funding status of the Retirement Fund. (Government Code sections 31515.5 and 23026.)

Upon the employer's request and at its expense, SamCERA will ask its actuary to prepare an estimate of the actuarial impact on the Retirement Fund of the proposed salary increases to be included in the report to the Board of Supervisors. Note that there are additional requirements regarding retirement benefit increases and other post-employment benefit increases (e.g. retiree health). The costs associated with increases in these benefits must be determined by an actuary and publicly disclosed two weeks prior to an adoption of the increase in benefits. (Government Code section 7507.)

Please note that the Board of Directors of the Mosquito Abatement District must also comply with the requirements of Government Code section 7507.

Under either increases in salary or retirement benefits, SamCERA's actuary will need time to provide the required actuarial data. Please keep this in mind when determining when to place these matters on your Board's agenda. (As SamCERA does not administer retiree health, the employer must contract with an actuary directly for such actuarial impact services.)

There are additional components to these statutory requirements, and they may have been amended. SamCERA advises you to review the current statutes carefully prior to any adoption of salary increases or changes to post employment benefits.

2. SamCERA Needs Information Regarding Salary Increases, Retroactive Increases, and New Pay Items to Accurately Track Contributions and Administer Retirement Benefits

Employers should provide draft changes regarding pay items or work hours to any Memorandum of Understanding or Management/Confidential Resolution to SamCERA for review prior to final negotiation and approval in case there is a provision that SamCERA cannot administer. All final documents must be sent to SamCERA for its implementation.

3. Legal Settlements Regarding Employees/Wages

Similarly, separation agreements and legal settlements over wage related matters for individual or multiple employees, including back pay for reinstatement, should be pre-reviewed by SamCERA as well, so that both parties will understand the ramifications, if any, relating to the employees' contributions, service credit and pension. The documents should not state that the parties have determined whether a payment is pensionable or not. That determination is only made by SamCERA. We cannot administer a settlement that is inconsistent with our governing law.

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NEW HIRES, POSITION STATUS CHANGES & TERMINATIONS

IN THIS SECTION:

Employer Responsibility for:

- New Hires and Position Status Changes
- Employees Who Are Unable to Perform Job Duties
- Employees Leaving Employment



NEW OR RETURNING EMPLOYEES IN PERMANENT POSITIONS

Membership

Any new County, Court or District employee working in a full-time or part-time permanent position becomes a SamCERA member upon employment.

Required PEPRA Verification Form

All new or rehired employees in permanent positions need to complete a PEPRA Verification Form to determine if they should be placed in PEPRA Plan 7. These forms are on our website under the “Forms and Publications,” “Employer Forms.”

PEPRA Verification Form Process for Employers

- ✓ **Download the PEPRA Verification Form.** You can find it under “Forms and Publications,” “Employer Forms.” (Note: The District has a separate form, so make sure to download the correct one!)
- ✓ **Have the employee fill out the Form.** The form asks the employee a few basic questions about their past and current public agency employment.
- ✓ **Check to make sure the form is complete.** If you don’t have the completed form back from your employee within 2 days, follow up right away.
- ✓ **Send the completed form to SamCERA.** It’s important to return this form to SamCERA immediately. We need to process it **before the end of the employee’s first pay period** to place the employee in the correct plan. Send the form to samcera@samcera.org.



Notify SamCERA About New & Returning Permanent Employees

In addition to the PEPRA Verification Form, SamCERA needs to know about all new or returning employees in permanent positions. Providing information about your new employee’s past public employment will help SamCERA to quickly and accurately place the employee in the correct retirement plan and will help your agency deduct the correct amount of money from the employee’s paycheck for retirement contributions.

- For the County and Court’s new and returning employees who will be working at least half time as a permanent position employee, Workday notifies SamCERA’s V3 system.
- For the District’s new and returning employees who will be working at least half time as a permanent position employee, your staff should promptly notify SamCERA by email sent to samcera@samcera.org.

EMPLOYEE STATUS CHANGE

For all changes in employee status (from full-time to part-time and vice-versa) notify SamCERA using Workday or by email, as applicable.

EMPLOYEES WHO LEAVE EMPLOYMENT BEFORE RETIREMENT

Leaving Employees Should Contact SamCERA

Employees leave for a variety of reasons. If possible, before they leave, please tell them to contact SamCERA to receive important information regarding their SamCERA account and forms to complete regardless of the reason for leaving or their eligibility for retirement. For an overview of this information, we have a “Leaving Employment” guide on our website under “Forms and Publications.”

Employer Should Notify SamCERA

SamCERA needs to know about all employees in permanent positions who are leaving employment regardless of the reason. Communicating correct termination dates will help SamCERA update its accounts and assist those employees who are seeking a refund or rollover of their contributions. It is also important for those employees that may be establishing reciprocity with their next public agency employer.

- For County and Court employees who are SamCERA members and terminating employment for any reason, Workday will notify SamCERA’s V3 system.
- For District employees who are SamCERA members and terminating employment for any reason, District staff should promptly notify SamCERA in writing.

Employees Who Are Unable to Perform Job Duties

If you believe that your employee is leaving because of a physical or mental condition which prevents them from substantially performing their usual and customary job duties, please refer them to SamCERA. For general information on Disability Retirements and your role as the employer, see pages 29-31.

SamCERA will Notify Employers

SamCERA will notify you when your employee has either:

- Filed for service retirement and the effective retirement date; and/or
- Filed for a disability retirement; and/or
- Had a disability retirement application granted or denied by the Board.

Termination Pay

For your employees who are leaving for any reason, including retirement, you will issue a final check on the pay period after the employee's final pay period of work. This final check will probably include cash outs for items such as:

- Accrued Vacation Time
- Accrued Comp Time
- Accrued Holiday Time
- Other outstanding payroll payments

These final payments will not be used to calculate the retirement allowance and retirement contributions will not be taken from this payment.

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BASIC PLAN INFORMATION FOR EMPLOYERS

IN THIS SECTION:

- Service Retirement Eligibility
- Benefit Calculations

OVERVIEW

The following is a general overview of what an employer needs to know about SamCERA benefits. If your employee has any questions regarding their retirement benefits, please refer them to SamCERA staff for assistance. Also, on our website under “Forms and Publications,” SamCERA has various member guides that provide helpful and detailed plan information. These guides address life events that can occur during your employees’ careers, such as, disability, death, and divorce.

Please note that SamCERA has no role in active or retiree health benefits, life insurance, or deferred compensation programs.

REGULAR SERVICE RETIREMENT ELIGIBILITY

When Employees Are Eligible to Retire

Retirement eligibility depends upon the employee’s retirement plan type. Employers can verify an employee’s plan type by contacting SamCERA.

Employees can quickly verify their plan type and the amount of their service credit by going to MySamCERA either online or using the mobile app.

SamCERA members are eligible for a service retirement when the member meets <u>one</u> of the following requirements:	
PLANS 1, 2, 4, 5 & 6	<ul style="list-style-type: none">• At least age 50, with 10 years of service credit• General Members: 30 years of service credit, regardless of age• Safety/Probation Members: 20 years of service credit, regardless of age• At least age 70, regardless of service credit• Part-time or seasonal employee: At least age 55 with 5 years of service credit & 10 years of county employment
PLAN 3	<ul style="list-style-type: none">• At least age 55, with 10 years of service credit
PEPRA PLAN 7	<ul style="list-style-type: none">• General Members: At least age 52, with 5 years of service credit• Safety/Probation: At least age 50, with 5 years of service credit

Timing of Retirement Applications

SamCERA will notify you if your employee has applied to retire. By law, employees cannot submit retirement papers more than 60 days prior to retirement, so employers will, at most, get two months' notice from SamCERA.

HEADS UP: Many employees choose March 31st or April 1st as a retirement date



Here's why: If an employee retires on or before April 1 in any given year, the employee becomes eligible for the annual Cost-of-Living-Adjustment (COLA) increase that may be added to his or her benefit on April 1 of that year. If they retire after April 1, they will not be eligible for any applicable increase until April 1 of the following year.

BENEFIT CALCULATIONS

Employees Can Calculate Their Own Estimate

Employees can easily and quickly get an estimate of their retirement benefits using MySamCERA online or the mobile App. SamCERA staff can provide estimates as well.

How Benefits Are Calculated

Monthly service retirement benefits are calculated based on the following three components:

- Years of Service Credit;
- Age Factor in the Plan Based on Age at Retirement; and
- Final Average Compensation

Years of Service

In general, service credit is earned based on the eligible hours worked as a SamCERA employee. Our V3 pension software converts the hours to service credit years.

Age Factor

The age factor is the percentage of pay used to calculate the retirement benefit and is determined by the employee's age as set forth in the applicable plan formula. The plan type not only determines the age factor but also any applicable Cost-of-Living Allowance ("COLA"). The age factor generally increases slightly for every ¼ year of age, up to a certain age, depending on the member's plan.

Final Average Compensation (FAC)

The period used to calculate FAC also varies based on the plan type (e.g. highest 1 year, highest 3 individual years, or highest 3 consecutive years.)

Compensation Limits

For all PEPRA Plan 7 employees, there is a compensation cap that is set annually, which in turn, sets a cap for the FAC. Contact SamCERA for the current annual PEPRA compensation limits for general and safety members.

As discussed on page 13 in the section titled, “Calculating and Setting Contribution Rates,” for employees hired after July 1, 1996, SamCERA is prohibited from paying a pension based on final compensation that is over the IRS annual limit.

- For all highly compensated County employees who are not in Plan 7, contact SamCERA to verify IRS compensation limits. (In 2019 the annual compensation limit for pensionable earnings was set at \$280,000.) If the compensation will be over the limit, contact Human Resources. Make sure that each of these employees has signed and returned the “Acknowledgement of Internal Revenue Code Compensation Limits Effect on SamCERA Retirement Contributions and Benefits” Form. Place a copy of the Form in the Employee’s Personnel File and send a copy to SamCERA.
- For all highly compensated Court and Mosquito District employees, who are not in Plan 7, direct them to contact SamCERA for information.

Termination Pay

As discussed in the section titled, “Employees Who Leave Employment Before Retirement,” for your employees who are leaving for any reason, including retirement, you will issue a final check on the pay period after the employee’s final pay period of work. This final check will probably include cash outs for certain accrued leave time. These final payments will not be used to calculate the retirement allowance and contributions will not be taken from this payment.

SamCERA Review

State law requires SamCERA to determine whether an element of compensation was paid to enhance an employee’s retirement benefit. If such a determination is made, we are mandated to exclude such compensation from the FAC calculation. The employee will be notified of such determination and there is a process for the employee and/or employer to seek review. This process can be found under the Board’s Administrative Policies on our website under “Governance.”

5

| DEATH & PERMANENT DISABILITY DURING EMPLOYMENT

IN THIS SECTION:

- Active Employee Deaths
- Disability Retirements & Your Responsibility

OVERVIEW

If your employee dies prior to terminating employment, SamCERA will provide certain benefits to eligible beneficiaries. Please notify SamCERA right away so that we may reach out to the beneficiaries.

If your employee has a mental or physical condition that prevents the employee from substantially performing their usual job duties, and this condition appears to be permanent, and you are unable to accommodate the restrictions, please refer them to SamCERA for counseling.

EMPLOYEE DEATHS

If your employee dies prior to leaving employment, please contact SamCERA. There may be death benefits available to a surviving spouse or registered domestic partner and/or minor children. The benefits vary based on whether the death was work related or not, and other factors.

NON-SERVICE & SERVICE-CONNECTED DISABILITY RETIREMENT

SamCERA Has Two Types of Disability Retirement Benefits

Service-Connected (work related) and Non-Service-Connected (not work related) disability retirement. The following is a high-level overview of the disability application process, for more detailed information, please refer to our Disability Retirement Guide located on our website under “Forms and Publications.”

Notification That Application Has been Filed

SamCERA will notify you when your employee has filed for a disability retirement and whether that application requests non-service-connected or service-connected benefits.

Burden of Proof

Employees have the burden of proof as to whether they are disabled and whether the disability is service-connected. (There are exceptions regarding the burden of proof for “presumptions” on the service-connection issue that apply only to safety members.)

Employer Applications

An employer can apply for a disability retirement on the employee's behalf, unless the employee waives the right to a disability retirement and elects to withdraw contributions or take a deferred retirement. Please contact SamCERA if you are contemplating filing such an application on behalf of your employee.

DISABILITY RETIREMENT APPLICATION PROCESS

1. Submission of Disability Retirement Application

After the employee submits a completed application and accompanying authorizations to release medical and employment information, SamCERA begins the process to obtain the records. This includes obtaining forms and information received from the employer.

2. Record Review by Medical Advisor

Because the applications are heavily reliant on information from medical records, the Board has an appointed Medical Advisor who reviews the employee's medical records and application materials and gives an opinion to the Board on whether the employee is permanently disabled from substantially performing his or her job duties and, if so, whether such condition is work related or not.

3. Timing

In general, depending on the time to obtain the medical records, the process may take approximately 12 months from the submission of the application to the initial presentation to the Board.

4. Board Decision

The Board will make an initial determination to grant or deny the application. If the applicant is not satisfied after the initial Board determination, they can request a formal hearing with a hearing officer. The hearing officer's findings and recommendation is then presented to the Board for its determination. After the Board renders a final decision, the employee has a right to request a judicial review in Superior Court. The formal process is set out in the Board's regulations on our web site under the "Board of Retirement," "Governance."

5. Notification of Action Taken on a Disability Retirement

SamCERA will notify you if the employee's application has been granted or denied.

6. Employer Challenges

Employers who disagree with a determination regarding an active employee made by the Board may separately challenge the Board's decision.

EMPLOYER RESPONSIBILITIES IN THE APPLICATION PROCESS

Provide Timely Information to SamCERA

In addition to information received from Human Resources and Workers' Compensation, SamCERA needs information from you about the employee's current ability to perform his or her job duties and the accommodations, if any, that have been made or offered. Accordingly, SamCERA will send written questions, and/or call the appropriate supervisor/manager. Please ensure that your supervisors/managers provide the requested information promptly because SamCERA cannot process the application without this input.

Workers' Compensation

Whether or not an employee has received Workers' Compensation benefits has no direct bearing on whether a service-connected disability will be granted. While SamCERA will obtain Workers' Compensation documents, SamCERA's disability retirement benefits are not connected to Workers' Compensation and the eligibility for our benefits is based on different standards.

- The Board makes a separate determination of permanent disability and service-connection, both of which may differ from the Workers' Compensation system.
- If SamCERA requests information through a form or by asking a question, this information is required, even if similar information was already provided in the Workers' Compensation claim.

What Information is Needed?

SamCERA needs to receive certain information from your staff, usually the direct supervisor, based upon his or her knowledge or observations as to what job duties the employee can or cannot perform because of the injury or illness, and what accommodations were made or not made, including any modification to the employee's assigned duties. (In general, SamCERA will not need information from the employer about the incident that caused the employee's injury or illness. That information is usually addressed in other records.)

When SamCERA asks for information from your agency, it is important that:

- SamCERA's questions be answered by the supervisor/manager who is directly responsible and has the most relevant information.
- Your staff understands that SamCERA's disability retirement benefits are not connected to Workers' Compensation.
- SamCERA's forms be completed by appropriate departmental supervisor/manager whose responses should not simply refer SamCERA to Workers' Compensation records or Risk Management staff.
- Forms be completed and returned to SamCERA in a timely manner because SamCERA cannot process the application without your input.

HIRING A SAMCERA RETIREE



IN THIS SECTION:

- When Can a Retiree Return to Work?
- Different Requirements for General Member vs. Safety Member Retirees
- Required Forms & Documentation
- Rate of Pay & Limitations of Work Hours

OVERVIEW

A SamCERA retiree can work for your agency under a contract or as extra help and continue to receive uninterrupted monthly retirement benefits. However, there are strict Internal Revenue Service regulations and state law requirements that you and the retiree must follow.

If you are hiring a SamCERA retiree in a capacity other than a contract or extra help position, see page 36. Retirees cannot be hired as a Limited Term employee.



If the legal requirements are not adhered to, the retiree's benefits may be suspended and you will need to reinstate the retiree as an active employee.

Eligible retirees can work for your agency (without reinstatement to active status), if the retiree meets all of the following:

- Satisfies the applicable break in service between employments (**usually 180 days**) or falls within an exception.
- Has specialized skills needed to perform work of limited duration or the retiree's employment is needed during an emergency to prevent stoppage of public business.
- Did not receive unemployment insurance compensation during the 12-month period prior to the re-employment.
- Is not returning to a position from which he/she is receiving a disability retirement benefit. (If the former employee is receiving a disability retirement benefit, contact SamCERA for additional information.)
- Will not be compensated at an amount that exceeds the maximum monthly base salary paid to other employees performing comparable duties (divided by 173.333 to equal an hourly rate).
- Will not work more than 960 hours per fiscal year.

PREARRANGEMENTS OF POST RETIREMENT EMPLOYMENT

If an employee is retiring before the 'normal retirement age', you are not allowed to enter into a written or oral agreement (before they retire) to reemploy them after retirement.

CERTIFICATION OF COMPLIANCE FOR POST-RETIREMENT EMPLOYMENT
General Member Retirees

Address: 100 Marine Parkway | Suite 125
Richwood City, CA 94603
Phone: (450) 599-1234
Toll-Free: (800) 339-0761
Fax: (450) 591-1488
P.O. Box: RET 141
Web: www.samcera.org
Email: samcera@samcera.org

Notice

SamCERA retirees cannot serve, be employed by, or be employed through a contract directly by any SamCERA employer without reinstatement from retirement, except as permitted by law and Board of Retirement regulations. The information provided in response to Part A will determine the retiree's eligibility to provide services as an extra help employee or contractor. This form does NOT apply to retirees who wish to "unretire" and be reinstated as an active member. This certification should be completed and filed prior to the first date of post-retirement employment and a copy sent to SamCERA. Contact SamCERA if there are any questions.

Part A: Break in Service Information (To be completed by Retiree)

Last Name			First Name			Middle Initial			Last 4 Digits of SSN		
Date of Retirement			Expected Date of Reemployment			Expected Break in Service					
Month	Day	Year	Month	Day	Year						

The Expected Break in Service is the number of calendar days between the Date of Retirement and the Expected Date of Reemployment.

1. Did you retire at or above the Normal Age of Retirement (60 years)?
 Yes (Continue to question 2)
 No (Continue to question 2)
2. Did you or will you receive any unemployment insurance compensation within the 12 months prior to the expected date of reemployment?
 Yes (STOP – you are not eligible for this kind of reemployment at this time; notify hiring department)
 No (Continue to question 3)
3. Is your Expected Break in Service at least 180 days?
 Yes (Go directly to Part B and complete Part C)
 No (Continue to question 4)
4. If you answered 'No' to question 2, were you given any retirement incentive (e.g., a "golden handshake" such as an additional year of service) upon retirement?
 Yes (STOP – you are not eligible for this kind of reemployment at this time; notify hiring department)
 No (Go directly to Part B and complete Part C)

Part B: Terms of Post-Retirement Service

Limited Duration. Skills are needed for a limited duration or for an emergency to prevent stoppage of public business.
Limit of 960 hours of employment per fiscal year. Post-retirement employment shall not exceed a total 960 hours each fiscal year for all service to any SamCERA employers.
Limits on hourly rate of pay. The rate of pay for the employment shall not be less than the minimum hourly rate nor greater than the maximum hourly rate as set forth on a published pay schedule for other employees performing comparable duties.
No service credit or other retirement benefits. The employee will not acquire any service credit or retirement benefits under such reemployment without reinstatement to active service and suspension of retirement benefits.

To ensure your compliance with the law, SamCERA requires the submission of a completed SamCERA **"Certification of Compliance Post-Retirement Employment"** form which can be downloaded from "Forms and Publications," "Employer Forms." Based on the information contained in the form, SamCERA can predetermine whether and when a SamCERA retiree can commence work for your agency and remain in a retired status.

Once services commence, it is your and the retiree's responsibility to ensure that the retiree's employment (via extra help or contract) remains in compliance with state and federal laws.

3 EASY STEPS FOR HIRING A SAMCERA RETIREE AS EXTRA-HELP OR AS A CONTRACTOR

Step One: Determine When the Retiree Can Return to Work

Required Break In Service The required time period between retirement date and reemployment differs depending upon whether the retiree is a general or safety member and their age at the time of retirement.

General Member Retirees & Certain Safety Members General member retirees, regardless of the retiree's age at retirement, cannot return to work for a SamCERA employer as extra help or under a contract for a period of 180 days following retirement, unless one of the two exceptions listed below applies, and no retirement incentive was given to the retiree. This requirement applies to safety retirees, unless they are providing services regularly performed by a safety officer. (See Safety Member Retirees below.)

Exceptions to the Required Break In Service

- If the services are needed to respond to an emergency declared by a government agency or to an emergency that may cause the stoppage of public business, all retirees can work regardless of age at retirement or length of their break in service.
- The Board of Supervisors (District Board) has adopted a resolution as an action item listed on the regular agenda (not consent), certifying that the reemployment is necessary to fill a critically needed position sooner than 180 days.
 - If the employee retired younger than age 60, the break in service can be reduced to 90-days. (Age 53 for safety members.)
 - If the employee retired at age 60 or above, the employee can return immediately after the resolution is approved. (Age 53 for safety members.)

For County retirees requiring a Board of Supervisor resolution, the County's "**Request to Rehire a SamCERA Retiree Before the 180-Day Break in Service**" form must be completed. Contact the Human Resources Department for more information.

Safety Member Retirees For safety officers who will be providing services regularly performed by a safety officer, the following applies: If the safety member retired at an age younger than 53, they **cannot return to work within 90 days of retirement**, except under special circumstances. If they retired at an age 53 or over, there is no need for a break in service.

Retirement Incentives If the safety or general member retiree took advantage of an employer incentive to retire, then the retiree must wait 180 days after retirement to begin working. The Board of Supervisors cannot approve the rehire until after 180 days has expired.

Step Two: Complete & Return the Certification of Compliance for Post-Retirement Employment

Certification of Compliance for Post-Retirement Employment Regardless if the retiree will be working under a contract or as extra help, a “**Certification of Compliance for Post-Retirement Employment**” form completed by both the employer and the retiree must submitted to SamCERA prior to commencing services.

Step Three - Pay the Correct Rate of Pay & Limit Work Hours to 960-Hours Per Fiscal Year

Rate of Pay Regardless if services are provided by contract or extra help, the hourly rate of pay must be within the salary range of employees performing comparable duties.

960 Hour Limit Regardless if services are provided by contract or extra help, retirees cannot work more than 960 hours during each fiscal year, ending with the closest pay day prior to June 30th.



- **Your responsibility**

The employer and employee are responsible for making sure that the 960 hour limit is not surpassed.

- **Reminders**

Once a retiree has reached 700 hours, SamCERA will notify you and the retiree as a courtesy. SamCERA will continue the notifications after every bi-weekly pay period updating how many total hours have been worked.

- **Retiree Must Stop Work or be Rehired into Regular Employment**

Once the 960-hour limit has been reached, the retiree must stop working immediately. If not, you must rehire the retiree into a position of regular employment. See page the next page for more information.

SUBMITTING THE CERTIFICATION OF COMPLIANCE FOR POST-RETIREMENT EMPLOYMENT FORM

► Download the Form

The form is on our website under the “Forms and Publications” tab under “Employer Forms.” Note that there are separate forms for general and safety retirees and a separate form for the District.

► Make Sure the Form is Completed by You and the Retiree

The form has areas for both you and the retiree to complete.

► Return the Completed Form

A copy of the completed form must be received by SamCERA prior to the first date of post-retirement employment. For extra help employees, SamCERA must process the form before the employee’s first pay period. Send the form to samcera@samcera.org. Keep the original for your files.

► Questions About the Form

Please contact us, we are happy to help.

REINSTATEMENT FROM RETIREMENT

If you are rehiring a SamCERA retiree in a capacity other than contract or extra help (e.g. in a permanent full time or part-time position) then the retiree must become an active employee member of SamCERA. Their pension will be suspended during the time period that they are an active employee. No specific break in service is required, however, by statute, before the reemployment can commence, a doctor’s note is required and the Board of Retirement needs to approve the reinstatement. Contact SamCERA for more information about this reemployment process and how to plan ahead.

Retirees cannot be hired as a Limited Term employee because the Board of Retirement regulations exclude Limited Term employees from active membership.

7

EMPLOYEES CONVICTED OF FELONIES

IN THIS SECTION:

- Felony Forfeiture Process & Your Responsibilities

OVERVIEW

State law requires the forfeiture, as of the earliest date of the crime, of “all accrued rights and benefits in any public retirement system” for any public employee convicted of a felony for conduct:

- Arising out of or in the performance of his or her official duties; or
- In pursuit of the office or appointment; or
- In connection with obtaining salary, disability retirement, service retirement, or other benefits.

State law requires an employer to notify SamCERA within 90 days of their employee’s felony conviction.

Below is a high-level summary of the “Procedure for Felony Forfeiture,” which can be found on our website under “Board of Retirement,” “Governance,” “Administrative Policies and Procedures.”

FELONY FORFEITURE PROCESS

Summary of the Procedures for Felony Forfeiture

Contact SamCERA Within 90 Days

The employer is required by law to notify SamCERA within 90 days of an employee’s conviction. Upon notifying SamCERA of the felony conviction, the employer will need to provide the following information, with a copy sent to the member:

1. Name of Member and Social Security number and/or employee ID.
2. Date of conviction which is the date that the employee pleads guilty, or when the judge (or jury) decides the case.
3. Date of the earliest of the commission of the felony as reflected in the court proceeding.
4. Name of the court(s) in which the case was heard.
5. Name and contact information for the prosecuting attorney.
6. Description of the felony charges for which the employee was convicted.

7. Copy of court documents related to the employee's conviction/guilty plea.
8. Information relating to whether the felony offense for which the conviction was entered was committed during the conduct or performance of the employee's job duties.

Initial Determination

SamCERA will review the charges and determine what additional information is needed from you, the employee and /or the prosecuting agency. After staff's initial review, staff will send a Notice of Initial Determination to you and your employee as to the applicability of the felony forfeiture law to the facts. Both you and your employee will be able to provide additional input at that point.

Chief Executive Officer Determination

After all the submitted information has been reviewed, the Chief Executive Officer will render a decision.

Board of Retirement Determination

If your employee wishes to challenge the Chief Executive Officer's decision, the matter will be placed on the Board's public meeting agenda for its review and decision. If the Chief Executive Officer's decision is not timely challenged, it will be deemed final.

Writ of Mandate

If your employee wishes to challenge the Board's decision, a Writ of Mandate must be timely filed in San Mateo Superior Court. If the Board's decision is not timely challenged, it will be deemed final.

Questions About the Process

Each case is unique. SamCERA encourages you and your employee to contact staff with any questions that they may have.

