tirement plan within 60 days of withdrawal. Currently, KCERA is required to withhold 20% for federal taxes and 2% for state taxes on all withdrawals.

Further, you may incur an early withdrawal penalty if you do not reinvest the funds in a qualified retirement plan. You may avoid all taxes and penalties on your withdrawal by instructing KCERA to directly roll over your funds into another qualified plan. Please consult your tax advisor on the tax consequences of withdrawing contributions.

Note: By withdrawing your contributions, you not only terminate your KCERA membership, you also forfeit all KCERA benefits previously entitled to you. Please carefully consider the consequences of withdrawing your retirement funds.

Do I have to withdraw my contributions if I leave employment?

No. You may choose to leave your contributions on deposit with KCERA. If you have at least five years of retirement service credit at the time you terminate employment with the County or a Special District, you may choose to leave your contributions on deposit with KCERA and elect a deferred retirement. Your contributions will earn interest, and you will be eligible to apply for retirement when you have met all age and service eligibility requirements.

If you leave County or District service and within six months become a member of a reciprocal retirement system, you may leave your funds on deposit and elect a reciprocal retirement. There is no minimum service requirement to establish reciprocity. When you retire, all systems with which you have reciprocity will use your highest average salary at any of the systems to compute your retirement benefits. You must retire from all reciprocal systems on the same day.

Finally, you may choose to leave your contributions on deposit, even if you are not eligible to elect a deferred or reciprocal retirement. Your contributions will continue to earn interest, and you may choose to withdraw your contributions and interest at any time, as long as you have not returned to work for a KCERA-covered employer (including an extra-help position) or a reciprocal agency.

Can I contribute additional funds to enhance my retirement benefit?

No. You are unable to contribute to the KCERA retirement plan anything beyond the employee contribution rates set forth in the County Employees Retirement Law of 1937. However, if you are a County employee and would like to increase your retirement savings, please contact the Kern County 457 Deferred Compensation Plan representative at (661) 868-3467.

Where can I get more information on KCERA benefits?

More information is available at the KCERA office, on its website (www.kcera.org), or by calling (661) 381-7700 or (877) 733-6831.

If there is any difference between this pamphlet and the Retirement Law of 1937, the provisions of the law will apply.

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Your Retirement. Your KCERA.

Your Retirement Contributions

KCERA
PRUDENT INVESTMENT • QUALITY SERVICE

Kern County Employees' Retirement Association

This pamphlet is designed to assist KCERA members with questions they may have about contributions into the retirement system.

If you have additional questions or need further assistance, please contact the KCERA office at (661) 381-7700. You may also reach us by email at servicerep@kcera.org.

How are retirement contributions determined?

For General members, your contribution rate will be determined by the age at which you become a KCERA member *and* your benefit tier. Employees hired under General Tier I ("3% at 60") will typically pay higher contributions than employees hired under General Tier II ("1.62% at 65").

Employees hired under Safety Tier I ("3% at 50") will typically pay higher rates than employees hired under Safety Tier II ("2% at 50"). Safety contribution rates are determined by each Safety-represented bargaining unit. Some Safety member rates are based on age of entry, while other Safety members may contribute at a flat "average" rate.

Contributions are based on a percentage of your biweekly salary plus any includable special pays. (Note: Overtime is not includable.) Therefore, any increase in your salary will result in an increase in your contributions. If you receive special pays or an increment, your total retirement contribution will increase, *not* your contribution rate.

How are contribution rates calculated?

Retirement contributions are calculated by multiplying your biweekly salary by a percentage, which is determined by your benefit tier and entry age into KCERA. If your entry age is ## years and 6+ months, KCERA will round your age to the next year (e.g., 20 years and 6 months becomes age 21). Also, if you are employed in a position that is integrated with Social Security, a lower percentage is applied to the first $161 of your biweekly salary.

For example, a 21-year-old, General Tier I member making $1,200 per biweekly would have contributions calculated as follows:

$161 x 4.18% = $6.73
$1,039 x 6.26% = $65.04
Total Contribution = $71.77

How long do I have to pay retirement contributions?

Effective in 2013, all County employees will pay retirement contributions throughout their careers, with contribution percentages and effective dates set forth in their respective MOUs. Effective in 2011, all new Court employees pay retirement contributions throughout their careers. District employees have varying contribution requirements.

For additional information about paying retirement contributions, please consult your bargaining unit's most recent MOU or contact the KCERA office.

How are contribution rates determined?

Contribution rates are determined by an actuarial study. The KCERA Board of Retirement hires a professional actuary to determine how much money is presently needed in order to provide future retirement benefits. Both employee and employer contribution rates are determined from this study.

How often are actuarial studies performed?

Actuarial studies are performed every year. The study may indicate that member rates need to be adjusted. Unlike employer rates of contribution, member rates change only when certain actuarial assumptions change or when the Plan is amended.

When unexpected changes in the Plan occur, a special actuarial study may be performed. An example of an unexpected change would be if an employee union negotiated a retirement benefit enhancement. In this scenario, a special actuarial study would determine if higher contribution rates were needed to fund the enhanced benefits.

Does my employer pay a matching contribution?

The County and all Special District employers pay contributions. However, employer contributions do not match employee contributions. Rather, your employer pays a percentage of the total payroll, an amount that is higher than member contributions.

Do my contributions earn interest?

Interest can be credited to your contribution balance twice a year. Generally, the interest credited is up to KCERA's actuarial assumption rate of 7.75%, which is the rate of return that the actuary expects KCERA will earn on its investments over the long term. This means that on June 30 and December 31, KCERA could credit member accounts with interest, compounded semiannually. If the actual investment rate earned by the Plan is higher than the actuarial assumption rate, KCERA could pay additional interest once all reserve accounts have been funded, as required by law.

Can I withdraw or borrow against my retirement contributions?

You may not borrow from, use as collateral or withdraw your contributions during your employment. KCERA can provide information about your account to lenders, upon request. Either you or your lender must provide KCERA with a release form signed by you before any confidential information will be released.

If I leave employment, can I withdraw my contribution balance?

Yes. Your retirement contributions and the interest earned on those contributions can be withdrawn if you leave employment without retiring or establishing reciprocity. However, you may not withdraw any contributions made by your employer.

You may face tax penalties for withdrawing your contributions and interest if you do not reinvest your entire balance in a qualified re-