

WELCOME
WE'RE GLAD YOU'RE HERE!




PLANNING YOUR RETIREMENT



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PRESENTATION TOPICS

- Purchasing Service Credit
 - Reciprocity
 - Retirement Eligibility
 - Your Pension Benefit
 - Retirement Allowance Options
 - Death Benefits
 - Benefit Estimates
 - Divorce and Your Retirement
 - Getting Your Ducks In A Row
 - Retirement Application Packet
 - Final Details
 - Items To Keep In Mind
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WHAT IS 'KCERA'?

- Kern County Employees' Retirement Association (KCERA)
- KCERA is a *defined benefit plan* not a *defined contribution plan*
 - Benefit is based on specific factors, not the amount of money in your account
- LIFETIME pension (after certain eligibility requirements are met)



PURCHASING SERVICE CREDIT

➤ Prior County Service

- Extra help
- Waiting Period
- Redeposit (prior permanent service)
- Medical leaves (employee only)
 - Personal and Family leaves are not purchasable
 - Layoffs



➤ Counts toward vesting & retirement eligibility

PURCHASING SERVICE CREDIT (CONT.)

➤ Prior Public Service

- State of California
- Public agency in State of California
- Federal government
- Active military and Reserve time

➤ Does not count toward vesting or retirement eligibility

Purchasing service credit does not enhance any other County benefits, only retirement

PURCHASING SERVICE CREDIT (CONT.)

➤ Process

- FAQ
- Estimate via Member Portal
- Submit official request to KCERA
- Advise if you are 6 months or less from retirement

➤ **Don't procrastinate! Interest accrues every six (6) months**

RECIPROCALITY

- “Link” between most California governmental agencies
- No more than 6 months from the time you terminate in one system and begin in the other; no overlap
- Can establish regardless of years of service
- Must leave or have left your contributions on deposit
- Benefits of establishing:
 - Combined service goes towards vesting
 - Shared salaries at retirement – highest salary used



WHEN CAN I RETIRE?!

➤ General Members:

- 10 years of service eligibility AND minimum age 50
- Or 30 years of service, regardless of age
- Or age 70, regardless of service

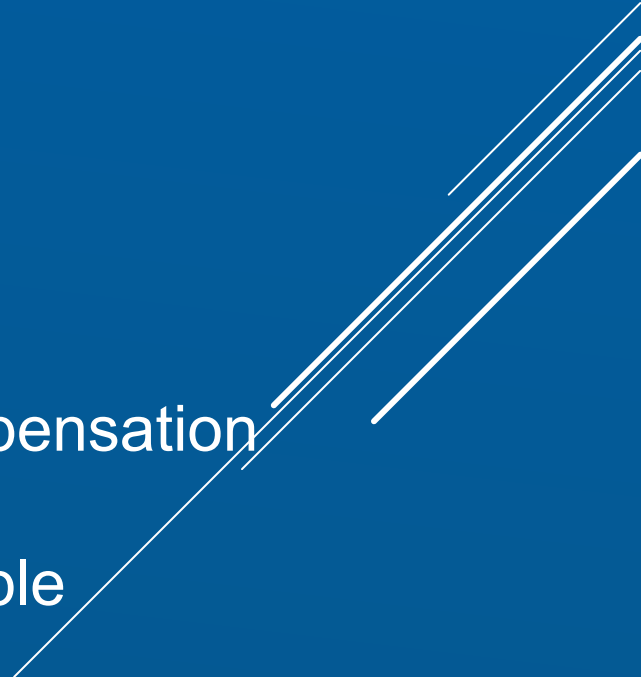
➤ Safety Members:

- 10 years of service eligibility AND minimum age 50
- Or 20 years of service, regardless of age

❖ Service 'Credit' = earned service, reciprocal service and purchased County service



HOW IS MY PENSION CALCULATED?

- Benefit tier
 - Age at retirement
 - Each $\frac{1}{4}$ year of age increases age factor
 - Total years of retirement service credit
 - Earned + purchased service credit
 - No service credit for partial bi-weeklies
 - Final average monthly compensation
 - Non-PEPRA: Highest consecutive 12 months of “compensation earnable”
 - PEPRA: Highest consecutive 36 months of “pensionable compensation”
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**PERCENTAGE OF FINAL COMPENSATION
GENERAL MEMBERS - TIER I
Section 31676.17 "3% @ age 60"**

Years of Service *	50	51	52	53	54	55	56	57	58	59	60 and greater
10	20.00	21.00	22.00	23.00	24.00	25.00	26.00	27.00	28.00	29.00	30.00
11	22.00	23.10	24.20	25.30	26.40	27.50	28.60	29.70	30.80	31.90	33.00
12	24.00	25.20	26.40	27.60	28.80	30.00	31.20	32.40	33.60	34.80	36.00
13	26.00	27.30	28.60	29.90	31.20	32.50	33.80	35.10	36.40	37.70	39.00
14	28.00	29.40	30.80	32.20	33.60	35.00	36.40	37.80	39.20	40.60	42.00
15	30.00	31.50	33.00	34.50	36.00	37.50	39.00	40.50	42.00	43.50	45.00
16	32.00	33.60	35.20	36.80	38.40	40.00	41.60	43.20	44.80	46.40	48.00
17	34.00	35.70	37.40	39.10	40.80	42.50	44.20	45.90	47.60	49.30	51.00
18	36.00	37.80	39.60	41.40	43.20	45.00	46.80	48.60	50.40	52.20	54.00
19	38.00	39.90	41.80	43.70	45.60	47.50	49.40	51.30	53.20	55.10	57.00
20	40.00	42.00	44.00	46.00	48.00	50.00	52.00	54.00	56.00	58.00	60.00
21	42.00	44.10	46.20	48.30	50.40	52.50	54.60	56.70	58.80	60.90	63.00
22	44.00	46.20	48.40	50.60	52.80	55.00	57.20	59.40	61.60	63.80	66.00
23	46.00	48.30	50.60	52.90	55.20	57.50	59.80	62.10	64.40	66.70	69.00
24	48.00	50.40	52.80	55.20	57.60	60.00	62.40	64.80	67.20	69.60	72.00
25	50.00	52.50	55.00	57.50	60.00	62.50	65.00	67.50	70.00	72.50	75.00
26	52.00	54.60	57.20	59.80	62.40	65.00	67.60	70.20	72.80	75.40	78.00
27	54.00	56.70	59.40	62.10	64.80	67.50	70.20	72.90	75.60	78.30	81.00
28	56.00	58.80	61.60	64.40	67.20	70.00	72.80	75.60	78.40	81.20	84.00
29	58.00	60.90	63.80	66.70	69.60	72.50	75.40	78.30	81.20	84.10	87.00
30	60.00	63.00	66.00	69.00	72.00	75.00	78.00	81.00	84.00	87.00	90.00
31	62.00	65.10	68.20	71.30	74.40	77.50	80.60	83.70	86.80	89.90	93.00
32	64.00	67.20	70.40	73.60	76.80	80.00	83.20	86.40	89.60	92.80	96.00
33		69.30	72.60	75.90	79.20	82.50	85.80	89.10	92.40	95.70	99.00
34			74.80	78.20	81.60	85.00	88.40	91.80	95.20	98.60	100.00
35				80.50	84.00	87.50	91.00	94.50	98.00	100.00	
36					86.40	90.00	93.60	97.20	100.00		
37						92.50	96.20	99.90			
38							98.80	100.00			

* Five (5) years of service credit is required to be vested. Benefit payments may begin after 10 years have elapsed from a member's date of entry into the system and after reaching age 50. This table is for reference only. The reduction for Social Security has not been included in the determination of percentage of final compensation.

PERCENTAGE OF FINAL COMPENSATION

GENERAL MEMBERS - TIER I

Section 31676.17 "3% @ age 60"

Years of Service *	50	51	52	53	54	55	56
10	20.00	21.00	22.00	23.00	24.00	25.00	26.00
11	22.00	23.10	24.20	25.30	26.40	27.50	28.60
12	24.00	25.20	26.40	27.60	28.80	30.00	31.20
13	26.00	27.30	28.60	29.90	31.20	32.50	33.80
14	28.00	29.40	30.80	32.20	33.60	35.00	36.40
15	30.00	31.50	33.00	34.50	36.00	37.50	39.00
16	32.00	33.60	35.20	36.80	38.40	40.00	41.60

RETIREMENT ALLOWANCE OPTIONS

- Unmodified Option
- Option #1
- Option #2
- Option #3
- Option #4
- Enhancement: Temporary Annuity Option (TAO)




UNMODIFIED OPTION

- Highest monthly benefit available to you
- 60% continuance to an eligible spouse, registered domestic partner or minor children*
 - Spouse/domestic partner must be named as sole primary beneficiary
 - Married/registered for 1 year prior to retirement; no age restriction
 - If you marry/register after retirement, you must be married/partners for 2 years and spouse/partner must be minimum age 55+ at the time of your death

*Continuance to a minor child(ren) is only applicable to non-married/registered members. Child must be under the age of 18 at the time of member's death

OPTION #1


- No survivor continuance
 - Slightly reduced monthly benefit
 - Uses your actual contributions at slower rate
 - Upon death, beneficiary receives lump-sum payment of remaining contributions & interest, if applicable
 - Only option that allows your estate to be named as beneficiary
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OPTION #2

- Lower monthly benefit to you
 - Benefit is based on age of beneficiary
- *Up to 100%* continuance to beneficiary*
 - Does not have to be an “eligible” spouse
 - Must have insurable interest in your life
- Cannot change beneficiary for any reason
- Unused contributions cannot be returned

* Total benefit will be *less* for a non-spouse beneficiary with an “adjusted age difference” of 10+ years (Options 2 & 4)

OPTION #3


- Lower monthly benefit to you
 - Benefit is based on age of beneficiary
 - 50% continuance to beneficiary
 - Does not have to be an “eligible” spouse
 - Must have insurable interest in your life
 - Cannot change beneficiary for any reason
 - Unused contributions cannot be returned
- 

OPTION #4


- Lower monthly benefit to you
 - Benefit is based on age of youngest beneficiary
- *Up to* 100% continuance divided among beneficiaries*
 - Must have insurable interest in your life
- Cannot change beneficiaries for any reason
- Unused contributions cannot be returned

* Total benefit will be *less* for a non-spouse beneficiary with an “adjusted age difference” of 10+ years (Options 2 & 4)

TEMPORARY ANNUITY

- Provides “level” monthly retirement income
 - If elected, KCERA will provide you with an additional payment amount based on a percentage of your Social Security benefit at age 62
 - At age 62, KCERA permanently reduces your benefit by the full amount you will receive from Social Security
 - Does not affect future SS benefits
 - Does not affect survivor continuance
 - Only available for service retirement
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DEATH BENEFIT

- Retired members only
 - One-time \$5,000 death benefit to named beneficiary(s)
 - Paid by the last California County Retirement System you retired from
 - Continuance is dependent on the option elected at retirement and beneficiary designation
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ESTIMATE REVIEW

Options General Service Earnings

Options

Option No	Benefit Amount	Death Benefit Amount	Benefit Description
1. John Doe			
1.	\$2,539.19	\$1,523.51	UNMODIFIED BENEFIT OPTION This option provides the maximum monthly lifetime benefit. Upon your death, if you have a surviving spouse/registered domestic partner to whom you were married/registered for at least one year prior to your death and your spouse attained age 55 on or prior to the date of your death, your spouse/partner will receive 60% of your basic monthly retirement benefit for life. Upon your death, if you have no surviving spouse/registered domestic partner but have unmarried children under age 18 (or under age 22 if unmarried and regularly enrolled as full-time students in an accredited school), your minor children collectively will receive 60% of your basic monthly retirement benefits. Upon your death, if you have no surviving spouse/registered partner or unmarried minor children, your designated beneficiary will receive a refund of your KCERA member contributions plus interest, less the sum of the monthly benefits paid to you during your lifetime.
2.	\$2,394.90	\$2,394.90	OPTION 2 - 100% JOINT AND SURVIVOR This option provides you with a reduced monthly lifetime benefit. Upon your death, 100% of the monthly retirement benefit is payable for life to your beneficiary having an insurable interest in your life. The amount of your benefit reduction is based on the age of your beneficiary. The younger your beneficiary, the greater the reduction.

DIVORCE AND YOUR RETIREMENT

- If you have been divorced or have terminated a registered domestic partnership:
 - KCERA must have a complete copy of your judgment ASAP
 - KCERA's Legal team will provide a full review and confirm if there is any applicable community property
 - Additional Court signed documents may be required



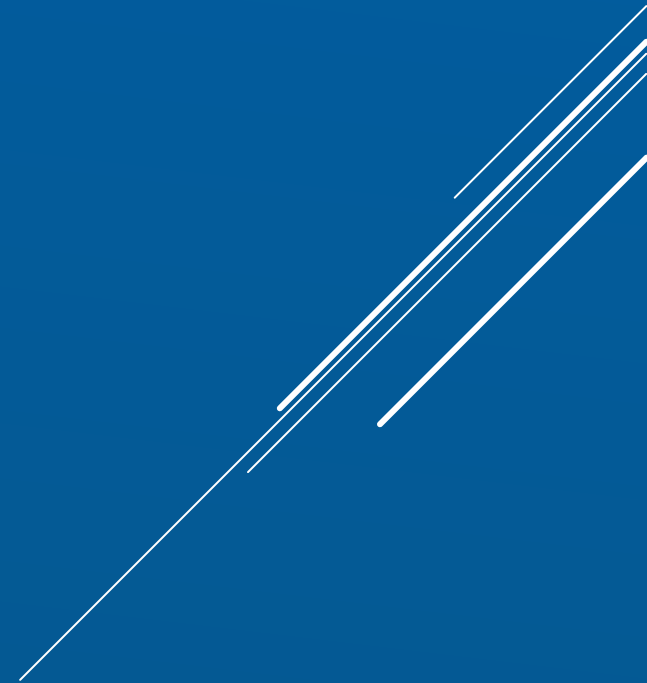
DIVORCE AND YOUR RETIREMENT (CONT.)

- If you are planning to retire:
 - KCERA cannot place you on retirement payroll until all required documents have been received
 - Advisable to have KCERA review draft prior to submission to Court
- Online information at www.kcera.org

**IF YOU HAVE BEEN DIVORCED OR CONSIDERING
DIVORCE, PLEASE CONTACT KCERA'S LEGAL TEAM AT
LEGAL@KCERA.ORG**

WHAT SHOULD YOU DO ...

... **Approximately 6 months** before your estimated retirement date?



GET YOUR DUCKS IN A ROW



- Run an estimate on the Portal
- Contact KCERA if you have additional questions such as:
 - Confirming service credit for eligibility requirements
 - Unanswered questions regarding retirement options, including the TAO
 - Service credit purchases, including payoff amounts



DUCKS (CONT.)

- Make a decision on what you will do with your accrual balances
 - Sick leave hours will be paid at a percentage based on years of continuous service
 - Refer to your MOU or speak with your HR department in regard to the percentage you will be entitled to
 - Vacation and CTO paid at 100%

DUCKS (CONT.)



➤ Payout vs. rollover

- Auditor's will apply a supplemental tax of approximately 40-42%
- Rollover is tax deferred
- "Terminal vacation"
 - Allows you to run out your vacation hours at a regular tax rate
 - You remain on your employer's payroll and Health Benefits
 - You will continue to accrue vacation, sick leave and retirement service credit



DUCKS (CONT.)

- Retire at the end of the vacation
 - You do not have to return to work
 - Contact your Payroll Clerk approximately 4-6 weeks prior to your estimated start date of vacation
 - KCERA cannot calculate the terminal vacation
- If you have reciprocity:
- Contact the reciprocal agency
 - Estimate, application/options, time-lines, etc
 - Must retire concurrently

WHAT SHOULD YOU DO ...

... **Approximately 6-8 weeks** before your retirement date?



RETIREMENT APPLICATION PACKET

➤ Packet will contain:

- Application for Service Retirement
- Beneficiary Designation Form
- Address/Direct Deposit Request/Change Form
- KCERA requires a voided check or a printed account verification form from your bank
- Pension is subject to Federal & State taxes
 - KCERA will only withhold for California



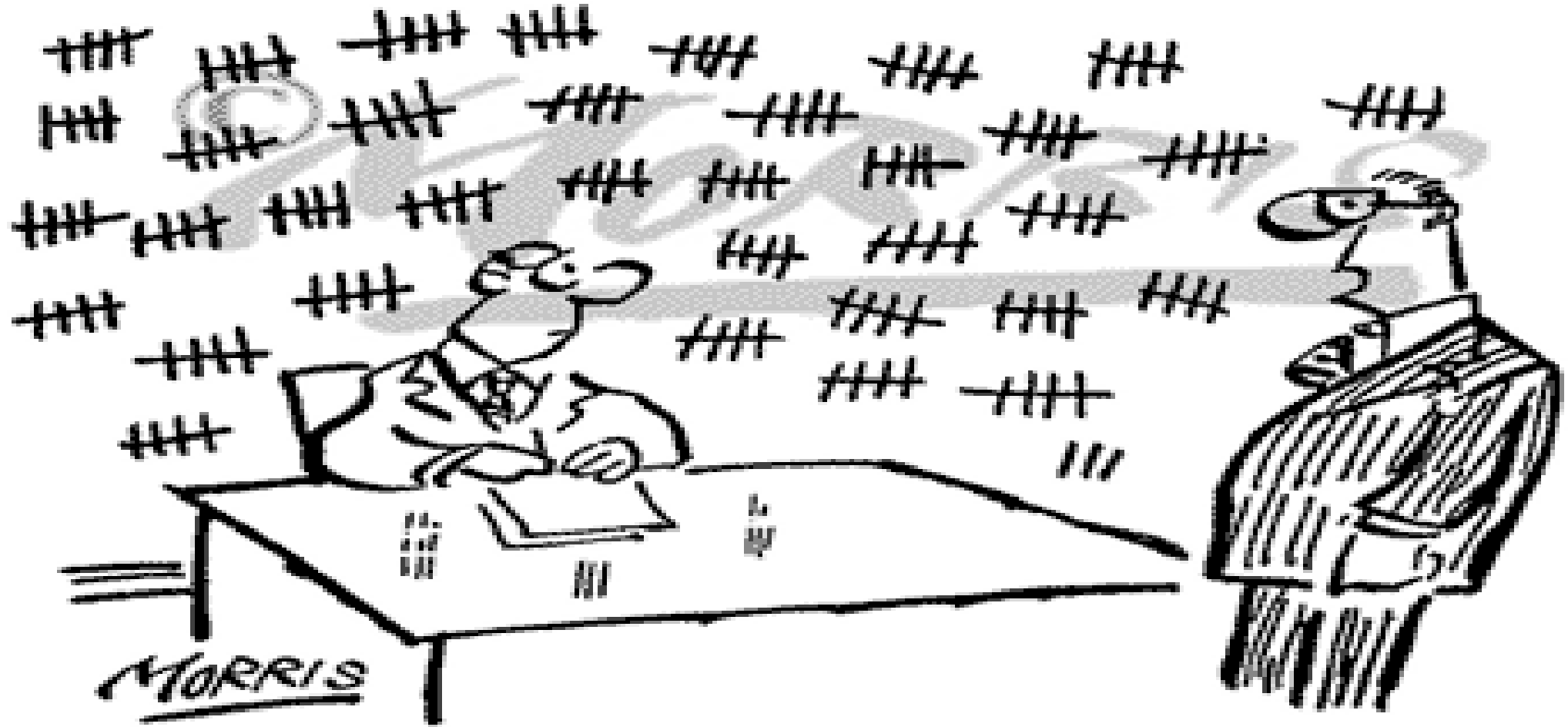
RETIREMENT APPLICATION PACKET (CONT.)

- KCERA cannot accept any sooner than 120 days (4 months) prior to your elected retirement date
- Online packet is interactive (cannot submit electronically)
- Required documentation:
 - A copy of your current driver's license or state-issued ID
 - A copy of your marriage license or state registration for domestic partners, if applicable
 - A complete copy of your divorce documents, if applicable

RETIREMENT APPLICATION PACKET (CONT.)

➤ After submitting the packet:

- KCERA will provide a 'TimeLine'
 - Your final day on payroll
 - Your first day of retirement
 - Date of your final employment paycheck
 - The month you will be on KCERA payroll
 - Missing required documentation
- REOKC packet will be mailed to you



"How long is it now to your retirement, Potter?"

CONTACTS AND FINAL DETAILS

- Your Department
- Health Benefits
 - Court Employees must contact the Courts HR division
- Deferred Compensation (Voya)
- Strata, American Fidelity, Union
- Reciprocal agency(s)
 - Must retire concurrently
 - Submit packet & documents timely





ITEMS TO KEEP IN MIND...

- We cannot provide a verification of income prior to you going on retirement payroll
- You can safely rescind your retirement up to the day prior to your elected retirement date
 - With the exception of Terminal Vacation
- Cost of Living Adjustment (COLA) is applied April 1st of each year (if applicable)



CONTACT US!

- Phone: (661) 381-7700
- Member Portal
- Website: www.kcera.org
- memberservices@kcera.org
- legal@kcera.org
- Visit us at: 11125 River Run Blvd., 93311
- Check out our YouTube Channel!



QUESTIONS?



On your
Retirement

For the dedication
and hard work,
you deserve
the best retirement ever.

Enjoy this new journey of your life.
Cherish every moment and have fun!

