Frequently Asked Questions
Termination

Q. How long will FCERA keep my employment and retirement information on file?
A. FCERA will maintain the information necessary to calculate your retirement benefit and information regarding your retirement option until ten years after the last payment is made to you and your beneficiary.

Q. Is it possible to withdraw (or borrow against) my retirement contributions without terminating employment with the County of Fresno or one of the Special Districts?
A. No. There are no provisions for withdrawing or borrowing funds from FCERA while still employed for a participating employer, or a different employer who offers reciprocity. Internal Revenue Service regulations and FCERA plan provisions prohibit the withdrawal of funds except when a member terminates plan membership.

Q. **If I withdraw my contributions and interest, will I have to pay taxes on them?**
A. Federal income taxes are currently withheld at the rate of 20% from the taxable portion of your distribution unless you elect a direct rollover into an IRA or other qualified retirement plan. However, the amount may not be sufficient to meet your tax liability. FCERA does not deduct state taxes unless requested to do so by the member. For tax advice, consult your tax accountant or financial advisor. FCERA staff is not qualified to provide tax advice.

Q. What is a direct rollover?
A. A direct rollover is a tax free transfer of your retirement contributions and interest from FCERA to an IRA or another qualified retirement plan that accepts rollovers. For tax advice, consult your tax accountant or financial advisor. FCERA staff is not qualified to provide tax advice.

Q. Am I still a member of FCERA if my employment is terminated and I take all my money out?
A. No. Once you withdraw your contributions as either a refund (paid directly to you) or a rollover, you terminate your rights to membership (including disability and subsequent retirement benefits) in FCERA and you are not entitled to any FCERA benefits.

Q. What happens if I terminate employment prior to being eligible to retire?
A. If you leave your job before you are eligible for retirement you have several options available to you.

a. Deferred Retirement – leave your contributions on deposit until you meet the criteria for retirement at some point in the future.
b. Deferred Retirement with Reciprocity – leave your contributions on deposit and establish reciprocity with an eligible public employer.
c. Rollover – transfer your tax-deferred contributions directly into an IRA or other eligible retirement plan.

d. Lump Sum Refund – take payment for all of your contributions, less 20% Federal withholding and State withholding taxes. Contact your tax accountant or financial advisor. FCERA staff is not qualified to provide tax advice.
e. Rollover and Lump Sum Refund - transfer your tax-deferred contributions directly into an IRA or other eligible retirement plan and a lump sum refund of any already taxed contributions.

Q. Can my employer access the Retirement Association funds to use for other purposes?

A. No. All assets of the Retirement Association are trust funds and, as such, are protected by the California Constitution. The contributions and investment earnings coming into the Retirement Association are considered to be placed in trust with the Board of Retirement. The Board has a fiduciary responsibility to safeguard these assets in order to provide benefits.

Q. How long does it take to get a refund of my contributions?

A. Most refund checks are issued within 90 days of receipt of paperwork requesting refund of contributions, although federal law does allow up to six months to process a refund of contributions.

Q. How much time do I have after termination to establish reciprocity?

A. You must join the retirement system of your new employer within six months after your termination date. If your entry into that system happens after the six months has lapsed you are not eligible to establish reciprocity.

Q. Can I withdraw my contributions later?

A. Yes, as long as you have not returned to work for a plan sponsor or established reciprocity, you may withdraw your contributions at any time. Please keep in mind that if you choose to withdraw your contributions you forfeit any rights to a service or disability retirement at a later date.

Q. Can I withdraw my contributions after establishing reciprocity?

A. No. If you choose to defer your retirement with reciprocity, you have established a contractual link between the two systems allowing you to obtain the benefits from both systems calculated on the highest compensation earnable from either system.

Q. If I choose a deferred retirement when can I retire?

A. You may retire when you have met the minimum requirements for retirement. In most cases, that is age 50 with at least 10 years of service..

Q. What happens if a terminated member is re-hired by the County or other plan sponsor?

A. Members who received a lump sum refund while terminated and then return to permanent, regular employment will re-join FCERA as active members. As with other members, they will then earn new service credit for all periods in which they work and contribute to FCERA. The member may choose to repay or “redeposit” the prior refund with interest; these members will then have their prior service credit restored by FCERA and may be eligible to participate in a different retirement tier.

Q. Do members need to notify FCERA when they terminate employment?

A. No, members do not need to notify FCERA when they terminate employment because FCERA is officially notified of changes in employment status via the payroll process. When FCERA receives this information, staff reviews the contribution history and service credit accrual for the affected members and provides them with a Distribution Request form. This form provides more detail on the options described above.

Q. What happens to service purchase or redeposit agreements when members terminate employment?

A. Service purchase agreements being paid via payroll deduction or redeposit agreements may be paid in full at termination of employment either by personal check or by a direct rollover from another eligible retirement plan. FCERA recommends that you contact us if you are contemplating termination and have an outstanding service credit contract. If a person elects not to pay the outstanding balance on a service purchase, the amount of service acquired may be prorated based on the amount paid. If the member elects not to deposit the balance owed, prior service credit will not be restored.