

**FRESNO COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**



**RETIRED MEMBER RETIREMENT  
HANDBOOK**

As amended by the Board of Retirement  
January 21, 2009

## ***BOARD OF RETIREMENT***

**FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
1111 H Street, FRESNO CA 93721**

January 21, 2009

Dear Member:

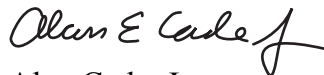
This Retiree Handbook has been prepared by the Retirement Office to give you an overview of some important aspects of your Retirement Association. The purpose of the Fresno County Employees' Retirement Association (FCERA) is to provide retirement and disability benefits to members and survivor benefits to members' beneficiaries.

The County Employees Retirement Law of 1937 and cases decided under that law govern the operations of FCERA. The information provided here has been extracted from the law and is believed to be current as of the publication date of this Retiree Handbook. Since the law is subject to periodic change, you should consult the Retirement Office for more detailed and up-to-date information. **If any statement in this Retiree Handbook is in conflict with the law, the law prevails.**

You may contact the Retirement Office at any time for general information, retirement counseling or specific retirement questions. The Retirement Office is located at 1111 H Street, Fresno CA. You may reach the Retirement Office by phone at 559.457.0681, by mail, or via the website at [www.fcera.org](http://www.fcera.org) using the World Wide Web. FCERA's website is also accessible to Active County employees via e-Services under Department Sites, Retirement Association. Written requests for information should include your name, your home address, your signature and the last four digits of your Social Security Number.

On behalf of the Board of Retirement, we would like to take this opportunity to thank you for your service and congratulate you on your retirement.

Sincerely yours,



Alan Cade, Jr.  
Chair, Board of Retirement  
Fresno County Employees' Retirement Association

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## 1.0 INTRODUCTION

The Fresno County Employees' Retirement Association (FCERA or Association) is an independent public agency governed by the California Constitution and the County Employees Retirement Law of 1937 and is subject to the laws generally governing fiduciaries. FCERA is a cost-sharing, multiple-employer, defined benefit plan that provides retirement benefits for eligible employees of the County of Fresno and participant agencies (Special Districts) including the Fresno-Madera Area Agency on Aging, Clovis Memorial District, and Fresno Mosquito and Vector Control District. Although the Superior Court of California, County of Fresno (Courts) is a separate legal entity from the County of Fresno, its employees are considered County employees for retirement purposes under state law and contractual agreement.

FCERA staff is responsible for collecting and accounting for contributions and investment income, as well as paying benefits to members and their beneficiaries, under the direction of the Board of Retirement. FCERA staff also offers individual counseling to help members better understand their personal retirement benefits.

This Retiree Handbook generally summarizes the terms and conditions of FCERA membership and of retirement, disability, and death benefits available to FCERA members. It is designed to provide this information as simply and accurately as possible. **Since the California Constitution and the County Employees Retirement Law of 1937 govern FCERA, the law prevails if any statement in this Retiree Handbook is in conflict with the law.** Decisions by FCERA's Board and staff will be made based on the applicable statutes and regulations governing the administration of FCERA. If you have specific questions relating to your personal retirement benefits, you should consult FCERA's staff or legal counsel of your choosing, and not rely on this Retiree Handbook exclusively.

## 2.0 DEFINITIONS

Compensation - the remuneration paid in cash out of County or district funds, plus any amount deducted from a member's wages for participation in a deferred compensation plan ... but does not include the monetary value of board, lodging, fuel, laundry, or other "in kind" advantages furnished to a member

Compensation Earnable - means the average compensation as determined by the Board of Retirement, for the "final compensation" period, upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay; excluding most kinds of "overtime" pay. *(Please refer to the Board's "Pensionable Earn Code Resolution" and related materials on FCERA's website for further information about what constitutes "compensation earnable")*

Deferred Retirement – the decision by a member who leaves county or district service to leave accumulated contributions in the retirement fund and retire at some future date

Experience Study – study completed by an actuary every three years that looks at the actual mortality, terminations, retirements, salary history, etc. of the system and compares it to previous estimates, in order to determine if changes need to be made to these assumptions, which impact the system's funding status, employer contributions and member contributions

Final Compensation – for Tiers I and II, this means the member's highest annual "compensation earnable." For Tier III, this means the average of the member's highest three one-year periods of "compensation earnable"

Non-Service Connected Disability - member is found by the Board of Retirement to be permanently physically or mentally incapacitated for the performance of his or her duties, not caused by the member's employment

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

Reciprocity – the method of linking service between certain public agencies to enhance your retirement rights when you move between such public agencies

Service Connected Disability – member is found by the Board of Retirement to be permanently physically or mentally incapacitated for the performance of job duties as a result of injury or disease arising out of and in the course of his or her employment

Social Security Adjustment – actuarially determined reduction to final monthly compensation applied to those members whose benefit is integrated with Social Security

Social Security Integration – member establishes retirement eligibility in both the retirement system and the Social Security system during working by paying lower contributions on a portion of compensation as established by statute and receiving a slightly lower benefit at retirement on those earnings

Temporary Annuity Option – an increase in benefits from FCERA before you begin receiving Social Security benefits at age 62, followed by a decrease in benefits from FCERA after you begin receiving Social Security benefits

Valuation – study completed by an actuary that uses estimates/assumptions adopted by the Board of Retirement to determine the contribution rates to be charged

Vesting – establishes the right to receive a retirement benefit. Vesting occurs with five years of service credit.

FCERA's mailing address - FCERA, 1111 H Street, Fresno CA 93721

FCERA's Web Address – [www.fcera.org](http://www.fcera.org)

FCERA's County Intranet Address – e-Services under Departments – Retirement Association

FCERA's Phone number – 559.457.0681

### 3.0 BOARD OF RETIREMENT

The management of FCERA is vested in the Board of Retirement, which is comprised of the following members:

1. County Treasurer (1<sup>st</sup> member)
2. Two members of FCERA elected by active General members (2<sup>nd</sup> and 3<sup>rd</sup> members)
3. One member of FCERA elected by active Safety members (7<sup>th</sup> member)
4. One Retired member of FCERA elected by the Retired members (8<sup>th</sup> member)
5. Four members appointed by the Board of Supervisors. These members shall be qualified electors of the County who are not connected with county government in any capacity, except one may be a County Supervisor (4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup> and 9<sup>th</sup> members).

In addition, there may be two alternate Board members -- one elected by the active Safety members of FCERA (the "Alternate") and one elected by the Retired members of FCERA (the "Retired Alternate").

The Alternate member is the candidate from the opposite safety service (law enforcement or fire suppression) as the Safety member who receives the most votes of any candidate from that service in the election of the Safety member. Where there is only one eligible Safety candidate for the open position, or where all candidates are from the same service, there cannot be an Alternate member. The Alternate member may sit as a voting member only when one of the General members or the Safety member is absent or when both the Retired members are absent.

The Alternate Retired member has the same rights and obligations as the Retired member but may sit as a voting member only when the Retired member is absent.

All board members, except the County Treasurer, serve three-year terms. The County Treasurer serves *ex officio* during his/her term of elected office.

The Board generally meets on the first and third Wednesday of each month, unless conflicting commitments necessitate a change, and at such other times as deemed necessary for special meetings. Meetings typically are held at the Board chambers located in the FCERA offices at 1111 H Street, Fresno CA. Board meetings generally are open to the public, although some matters may be discussed in "closed session," as permitted by law, at which time only the Board, staff and appropriate consultants will be permitted in the meeting room. Members of the public are welcome to attend the Board meetings and may address the Board during the "public comment" session of each Board meeting. Absent emergency circumstances, FCERA publishes each meeting agenda at least 72 hours before the meeting. FCERA broadcasts live audio webcasts of its meetings, audio records all meetings, and publishes written meeting minutes. Agendas, minutes and the live broadcast are available on FCERA's website. Meeting recordings are available upon request.

### **3.1 CONTACTING FCERA**

Mailing Address:

FCERA  
1111 H Street  
Fresno CA 93721

County Stop Mail:

Stop Number 40

Phone:

559.457.0681 (voice)  
559.457.0318 (fax)

E-mail:

[fceraemail@co.fresno.ca.us](mailto:fceraemail@co.fresno.ca.us)

Website:

[www.fcera.org](http://www.fcera.org)

County of Fresno Intranet:

e-Services (Active County employees only), select Department Sites, Retirement Association

Written requests for information should include your name, your home address, your signature and the last four digits of your Social Security Number.

### **4.0 CONFIDENTIALITY OF RECORDS**

FCERA is required to protect the confidentiality of certain member records. It is FCERA's policy to disclose your confidential information only with your written consent, pursuant to court order or as necessary for the administration of the Retirement System. For specifics on FCERA's policy regarding responses to Public Records Act requests for member information, please refer to the Public Records Act Policy on FCERA's website. Please note that the amount of your public salary and the amount of your retirement benefit generally are not considered confidential information under law and therefore may be disclosed to any person who requests that information.

### **5.0 ANNUAL REPORTS**

The annual report of FCERA, known as the Comprehensive Annual Financial Report, or "CAFR," will be made available after the completion of the annual audit. This report provides general, statistical and financial information concerning FCERA, as of the close of business on the last day of the preceding fiscal year (June 30th). Additionally, each year FCERA publishes an Actuarial Valuation, which establishes member and employer contribution rates.



## 6.0 MAXIMUM BENEFIT FROM FCERA

The Internal Revenue Code (IRC) Section 415 imposes a ceiling on benefits that can be paid by a state or local government defined benefit plan such as FCERA. Benefits are limited to an absolute dollar amount that is indexed annually for inflation. For 2008, the dollar limit is \$185,000 at age 62. Under age 62, the limit is lower for General members and for some Safety members not meeting the IRC definition of “Safety.”

The County has created a Replacement Benefit Program for County employees who are subject to the limitations of IRC §415. Under the Replacement Benefit Program, your retirement benefit check will be issued by the County of Fresno once the annual maximum payable by FCERA is reached. Payment by FCERA resumes upon the beginning of the next year. As of the date of publication of this Retiree Handbook, the County of Fresno is the only FCERA plan sponsor that has established a Replacement Benefit Program for its retired employees.

## 7.0 BENEFIT TIERS

The County of Fresno and some Special Districts have established multiple retirement “tiers.” There are three tiers for General members: General Tier I, General Tier II and General Tier III. There are two tiers for Safety members: Safety Tier 1 and Safety Tier II. The tier applicable to each member is determined by the member’s employment agreement with his/her employer. In some cases, a particular tier is mandatory, but in other cases a member may have the ability to make a one time election from among multiple tiers. Questions regarding your retirement tier, or whether you may have the ability to elect from more than one tier, should be directed to the Employee Benefits Division at Fresno County Personnel (at 559.488.3069), or to your Personnel or Payroll Department, if you work for a Special District.

A “tier” generally is defined by three variables:

(1) The applicable period of employment for calculating a member’s “final compensation.” For Tiers I and II, a member’s “final compensation” is based on his/her highest one-year (365 consecutive days) of “compensation earnable.” For Tier III, a member’s “final compensation” is based on the average of his/her highest three one-year periods (each one-year period being 365 consecutive days) of “compensation earnable.” Please see the “Definitions” section of this Retiree Handbook for a further description of “compensation earnable.”

(2) The applicable benefit formula table. A benefit formula table shows the percentage of a member’s “final compensation” that will be multiplied by the member’s years of credited service, in order to calculate his/her retirement allowance. The percentage generally increases as the age at retirement gets higher. Please refer to “Estimating your Retirement Allowance” and the “Tables” in this Retiree Handbook to learn more about the benefit formula tables for each tier. You may also wish to use the benefit calculator on FCERA’s website.

(3) The applicable retirement contribution formula. Each retirement tier has a particular member contribution formula associated with it.

A member may have some service credit that is subject to one tier, but other service credit that is subject to a different tier. In that case, retirement benefit amounts are calculated under each tier and are then added together to compute a total retirement benefit.

### **7.1 TIER I BENEFIT LEVELS**

Tier I offers a retirement benefit that is approximately 2.5% of final compensation (See Definitions beginning on page 4) per year of service credit at age 55 for General members and 2.5% of final compensation per year of service credit at age 50 for Safety members. Tier I provides a maximum benefit of 3.273% of final compensation per year of service credit at age 60 for General members and a maximum benefit of 3.275% of final compensation per year of service credit at age 55 for Safety members.

### **7.2 TIER II BENEFIT LEVELS**

Tier II provides a retirement benefit of 2.0% of final compensation (See Definitions beginning on page 4) per year of service credit at age 55 for General members with a maximum benefit of 2.42% of final compensation per year of service credit at age 63. Tier II provides a retirement benefit of 2.29% of final compensation per year of service at age 50 and a maximum benefit of 3.0% of final compensation per year of service credit at age 55 for Safety members.

### **7.3 TIER III BENEFIT LEVELS**

Tier III provides a retirement benefit of 2.0% of final compensation (See Definitions beginning on page 4) per year of service credit at age 55 and a maximum of 3.1336% of final compensation per year of service credit at age 65 for General members. General Tier III uses a three year final compensation period whereas both General Tier I and General Tier II use a one year final compensation period.

## **8.0 BENEFICIARY DESIGNATION**

A valid beneficiary designation on file with FCERA, with the beneficiary's current address and phone number, will eliminate the need for a lengthy search for potential beneficiaries and reduce the amount of time required to process and distribute funds payable upon the death of the member.

Your beneficiary designation should be reviewed anytime you have a life changing event (marriage, divorce, birth of a child, death of beneficiary, etc.). A Beneficiary Change Form may be requested from the Retirement Office or obtained from FCERA's website. Please note that state law will supersede any beneficiary designation that is in conflict with the law.

Your designation of a beneficiary for retirement benefits is separate from the designation for any employer-provided life insurance benefits, although the beneficiary may be the same person.

## **9.0 INTEGRATION WITH SOCIAL SECURITY**

Membership in FCERA was integrated with Social Security effective January 1, 1956, subject to approval by the governing boards of Special Districts. Currently, the Fresno-Madera Area Agency on Aging is the only FCERA employer that does not participate in Social Security. Members who work for agencies that participate in Social Security pay for and accrue social security benefits, and also pay a lower retirement contribution rate on a portion of their earnings. Questions concerning eligibility for Old Age, Survivor, and Disability benefits provided by Social Security should be directed to the Social Security Administration. Social Security benefits are independent from your FCERA benefits.

## **10.0 CORRECTION OF ERRORS**

From time to time, errors are made in the administration of FCERA with respect to member contributions, payment of benefits or other administrative actions. Consistent with its fiduciary obligations to lawfully administer FCERA (and in compliance with tax law) the Board and staff will make all reasonable efforts to correct errors to put all impacted parties in the position in which they would have been had the error never occurred. When that cannot be accomplished, the Board and staff will implement a reasonable correction process under the circumstances, which is consistent with the Board's fiduciary duties and other applicable law.

## **11.0 VERIFICATION OF AGE, MARRIAGE AND REGISTRATION OF DOMESTIC PARTNERSHIP**

FCERA is required to verify the birth date of any beneficiary that you select to receive a continuing benefit upon your death. If your beneficiary is your eligible spouse or registered domestic partner, a marriage certificate or notarized State of California "Declaration of Domestic Partnership" or valid "Certificate of Domestic Partnership," is also required. Copies of the documents are acceptable. If the name has been changed from the name on the record of birth, a copy of the marriage certificate or court order documenting the change is required.

A domestic partner is qualified to receive continuing benefits if you and your partner meet the requirements established in Family Code Section 297 et seq. The minimum requirements are:

- The partnership must be registered with the Office of the Secretary of State, State of California;
- Both partners must have a common residence;
- Neither partner is married or a member of another current domestic partnership;
- Both partners must be at least 18 years old;
- Partners are of the same gender, or if partners are of opposite genders, at least one of the partners is over the age of 62;
- Both partners must be capable of consenting to the domestic partnership

Final benefit calculations cannot be prepared until the appropriate documents are submitted. If you are unable to secure the required documents, contact FCERA to identify other acceptable documentation.

Note: Because the IRS does not recognize California Registered Domestic Partnerships or same-sex marriages, the federal tax treatment of certain retirement benefits received by registered domestic partners or same-sex spouses may be different from opposite-sex spouses.

### **11.1 DOMESTIC RELATIONS ORDER (DISSOLUTION OF MARRIAGE)**

Retirement benefits earned during marriage are considered community property in the State of California. An order or judgment in dissolution or other family law proceeding is not enforceable against a pension plan unless the plan has been joined as a party to the proceeding. Therefore, FCERA requires that the Retirement Association be joined as a party to marital dissolution proceedings. Upon request, FCERA will provide sample language that will assist parties in obtaining a domestic relations order. FCERA strongly recommends that all domestic relations orders be submitted to FCERA for review before submission to court. Failure to do so may result in delays in obtaining your retirement benefits.

FCERA must receive a court-approved order specifying how the member's benefit is to be apportioned before FCERA will pay any benefits. If you are retired when FCERA becomes aware of your dissolution or pending dissolution, FCERA is required to withhold 50% of your retirement benefit pending receipt of an executed domestic relations order that includes a description of the allocation of the community property interest of your retirement benefit. If you are going through dissolution at the time of your retirement, payment of your benefits will be delayed until FCERA receives an executed domestic relations order that includes a description of the allocation of the community property interest of your retirement benefit.

FCERA does not establish separate accounts for members who go through marital dissolution. No community property benefits will be paid to the non-member spouse until the member applies for and begins receiving retirement benefits. We recommend that you contact FCERA 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.

### **12.0 SURVIVOR BENEFITS**

In addition to retirement and disability benefits for which you are eligible as a member of FCERA, survivor benefits are available to your beneficiary in the event of your death after you retire. Your surviving spouse, registered domestic partner, dependent child(ren) or other beneficiary may have important and substantial benefits due them. These survivor benefits will depend upon specific circumstances and can only be accurately calculated based upon the facts of each case.

A dependent child eligible to receive a survivor benefit is an unmarried child (natural or adopted child of the deceased member, or a stepchild living or domiciled with the deceased member at the time of his or her death) under the age of 18. The benefit can be extended to the child through age 21 (until the child turns 22) provided the child remains unmarried and is regularly enrolled as a full-time student in an accredited school, as determined by the Board.

Effective January 1, 2004, persons meeting the requirements established under Family Code Section 297 et seq. (Registered Domestic Partners) of the California statutes are provided the same benefits as a spouse. Thus, anytime the word "spouse" is used it also means "registered domestic partner."

The following is a general description of these survivor benefits.

## **12.1 DEATH AFTER RETIREMENT**

The amounts of your retirement and survivor benefits depend upon the option you choose during your retirement processing. The specific amounts for the options available to you are calculated to be actuarially equivalent. You will be required to choose one of the following options before final processing of your retirement is completed.

## **13.0 RETIREMENT BENEFIT OPTIONS**

Retirement benefit options cannot be changed after receipt of the first benefit check. Under certain circumstances, as explained below, the beneficiary eligible for a continuing benefit can be changed after retirement.

### **13.1 UNMODIFIED OPTION**

1. Full retirement allowance.
2. A 60% continuing monthly benefit to your spouse or registered domestic partner, if you were married for at least one year immediately preceding your retirement date or married for at least 2 years after retirement and your spouse or registered domestic partner is at least 55 years of age.
3. A 100% continuing monthly benefit to your spouse or registered domestic partner, if you are receiving a service connected disability retirement allowance and you were married when you became disabled.
4. If you do not have a surviving spouse or registered domestic partner, or if your surviving spouse or registered domestic partner dies, the continuing monthly benefit will be paid collectively to your dependent children until your last child marries, reaches age 18 (age 22 if a full-time student in an accredited school) or dies, whichever comes first.
5. If your spouse or registered domestic partner dies before you or if you do not have a spouse, registered domestic partner or dependent child (ren), a continuing monthly benefit is not available. This option then provides for a lump sum payment to your beneficiary or your estate of any balance remaining from your accumulated contributions less the sum of monthly annuity payments received by you before your death.

### **13.2 OPTION 1**

1. A reduced retirement allowance.
2. A lump sum payment to your beneficiary of any balance remaining from your accumulated contributions less the sum of monthly retirement payments received by you before your death.
3. An opportunity to change your beneficiary after you retire.

### **13.3 OPTION 2**

1. A reduced retirement allowance based upon the difference in age between you and your beneficiary. The younger your beneficiary is in relation to you, the larger the reduction to your benefit will be.
2. A 100% continuing monthly benefit to your beneficiary.
3. No opportunity to change your named beneficiary after your retirement should your beneficiary die before you.

### **13.4 OPTION 3**

1. A reduced retirement allowance based upon the difference in age between you and your beneficiary. The younger your beneficiary is in relation to you, the larger the reduction to your benefit will be.
2. A 50% continuing monthly benefit to your beneficiary.
3. No opportunity to change your named beneficiary after your retirement should your beneficiary die before you.

### **13.5 OPTION 4**

1. An actuarial equivalent retirement benefit paid out in a method approved by the Board of Retirement.
2. "Basic Option 4" as defined by the Board of Retirement is one which provides equal continuing benefits to more than one beneficiary or is required in order to implement a court-approved Domestic Relations Order.
3. No reversion to the remaining beneficiaries should they predecease one another.
4. Election of the "Basic Option 4" benefit as defined above does not require additional approval by the Board of Retirement; however, any other retirement benefit option must be approved by the Board of Retirement.

5. No opportunity to change your named beneficiaries after your retirement should your beneficiaries die before you.

Option 4 provides the most flexibility for receiving your retirement benefits and will take more time to calculate.

## **14.0 HEALTH BENEFITS**

### **14.1 RETIREE (NON-VESTED) HEALTH BENEFIT**

“Retiree health benefits” are non-vested benefits paid by FCERA in the form of an additional cash benefit, with the expectation (but not the requirement) that the funds be used to offset the cost of retiree health insurance.

In addition to your monthly retirement benefit, you may receive a non-vested health benefit. **This non-vested benefit is subject to adoption and funding by the Board of Retirement and may be modified or eliminated by the Board of Retirement at any time.** As of July 1, 2008, the benefit is a maximum of \$150 per month for members with 30 years of qualifying service. The benefit is calculated as follows: (a) Date of membership with FCERA prior to January 1, 1990 - \$45.00 per month base, plus \$3.50 for every completed full year of service, to a maximum of thirty years of service (excluding any public service credit purchased or golden handshakes granted by your employer); (b) Date of membership with FCERA is January 1, 1990 or after your benefit is \$5.00 for every completed full year of service to a maximum of thirty years of service (excluding any public service credit purchased or golden handshakes granted by your employer). Please contact FCERA or check the website for updates on the reserve levels.

### **14.2 SETTLEMENT HEALTH BENEFIT**

Effective with the Settlement Agreement signed in December 2000, an additional health benefit is provided as established by the Agreement. As of the date of publication of this Retiree Handbook, the benefit is set at \$3.00 per full year of service (excluding any public service credit purchased or golden handshakes granted by your employer), up to a maximum of 30 years of service or \$90 per month. Future increases to the benefit amount, if any, are tied to the amount of the system’s future undistributed earnings.

## **15.0 COST OF LIVING (COL) ADJUSTMENTS**

### **15.1 COST OF LIVING**

A cost of living (COL) benefit is added to your basic retirement benefit (excluding the non-vested health benefit, settlement health benefit, and supplemental cost of living) and previous accumulated COL benefits, effective April 1 of each year after your retirement, in accordance with changes in the Consumer Price Index (CPI) for the Western Region of the United States. The current maximum increase in any year is 3%. Any change in the CPI in excess of 3% is held in a “bank” and applied to your COL benefit in a future year when the annual CPI change is less than 3%.

## **15.2 SUPPLEMENTAL COST OF LIVING**

Certain supplemental cost of living benefits are also available and can be granted by the Board of Supervisors, the Board of Retirement or both. **These supplemental increases are non-vested benefits, do not become part of your regular retirement allowance for purposes of future cost of living increases and are subject to re-adoption or discontinuance by the adopting Board.**

Supplemental Cost of Living benefits are funded through undistributed earnings of the retirement system. However, as a result of both market conditions and the Settlement Agreement, there have been no undistributed earnings available to the Board to provide additional funds to this benefit in several years. In an effort to extend the benefits over a greater length of time to the retirees most in need (i.e., those who have lost the most purchasing power to inflation), the Board of Retirement modified the Supplemental Cost of Living program in 2005. The modification caps the benefit levels at the amount that they were as of April 2005. The benefit will not be increased as a result of the normal application of the cost of living benefit or a result of the effects of the assumptions and the market results. No additional retirees will be added to the group eligible to receive the benefit under FCERA's current policy.

## **16.0 SUPPLEMENTAL BENEFIT for PRE-2001 RETIREES**

Members with retirement dates prior to January 1, 2001 received an additional monthly benefit of \$15 per full year of service completed with FCERA as their part of the Settlement Agreement mentioned previously. This benefit will be provided to beneficiaries with continuances in the same proportion as the continuance election. For example, an eligible spouse of a retiree who took the unmodified option would receive 60% of the supplemental benefit; while an eligible beneficiary of a retiree who elected an option 2 or 3 modified allowance would receive 100% or 50%, respectively, depending on the election taken by the retiree. This supplemental benefit has a \$450 per month (i.e., 30 years of service) maximum.

## **17.0 DEDUCTIONS FROM RETIREMENT BENEFITS**

You may authorize deductions from your retirement benefits for Federal and State Income tax, health insurance under a County plan, dues for membership in the Fresno County Retired Employees Association and repayment of overpaid benefits. No other voluntary deductions are authorized from your retirement benefits at this time.

## **18.0 HEALTH INSURANCE**

Access to Retiree Health Insurance for you and your beneficiaries is currently provided through the County of Fresno. Coverage and premiums are negotiated by the County and, thus, any questions on coverage, plans and premiums should be directed to the County of Fresno Employee Benefits office at 559.488.3069.

It takes one to two months to begin deducting the health insurance premium from your monthly retirement benefit. You will be responsible for paying the premium to Employee Benefits until such time as the benefit deduction is processed.



Health insurance is available to beneficiaries who are receiving continuing benefits. Changes to plans may be made during the annual open enrollment period or when a life-changing event occurs, such as death, divorce or marriage.

## **19.0 FEDERAL AND STATE INCOME TAX**

Your retirement benefit is generally taxable and subject to Federal and State Income Tax laws. You may choose to have no taxes withheld from your retirement benefit. However, you may then owe taxes to the Federal and State taxing authorities. FCERA staff is not qualified to provide tax assistance. The tax laws are extremely complex and vary among the states. States have various rules regarding withholding. For example, some states require state withholding when federal withholding is elected, others do not. There are additional tax requirements for retirees living in foreign countries.

Questions about the tax status of your retirement benefit should be addressed to your tax advisor and/or the appropriate taxing agency.

If you made contributions to the plan prior to July 1, 1985, your contributions were made on an after-tax basis. Also, you may have purchased additional service credit on an after-tax basis. Because those contributions were already taxed, you were given a letter at retirement explaining the portion of your monthly retirement benefit that was not subject to incomes taxes and the time period that this tax-free portion will continue. You should retain the documents that you received at retirement to assist you with your income tax filing.

## **20.0 DIRECT DEPOSIT**

The Board of Retirement strongly recommends that you select direct deposit of your retirement benefits into your designated bank account because it is the fastest, safest and most convenient method of receiving your payment. With direct deposit, your money will be credited electronically to your bank account on the last FCERA business day of the month. A Direct Deposit Advice will be sent to your mailing address. Please note that federal law limits direct deposit to U.S. financial institutions. Funds may be deposited into a checking or savings account in any U.S. financial institution you choose, provided it agrees to immediately return any funds deposited in error or deposited after your death and it does not charge FCERA for the deposit. Agreement is indicated by the completion of the Direct Deposit form. A Direct Deposit form is provided in your retirement packet or can be requested from the Retirement Office, and is available on FCERA's website at any time.

### **20.1 RETIREE PAYROLL DATE**

Retirement Benefits are payable on the last FCERA business day in the month. Check advices (in lieu of paper check when direct deposit is requested) and paper checks are mailed on the fifth day preceding the payable date. If you have not received your check advice or paper check by the fifth business day following the payable date, please contact FCERA immediately.

## **21.0 FCERA HOLIDAYS**

FCERA will be closed on the following days in recognition of the holiday celebrated on that date. If the last day of the month falls on one of the holidays recognized by FCERA, the retiree payroll date will be moved up to the day preceding the holiday.

- January 1 (New Year's Day) (preceding Friday if holiday falls on Saturday, following Monday if holiday falls on Sunday)
- Third Monday in January (Martin Luther King Day)
- Third Monday in February (President's Day)
- March 31 (Cesar Chavez Day) (preceding Friday if holiday falls on Saturday, following Monday if holiday falls on Sunday)
- Fourth Monday In May (Memorial Day)
- July 4 (Independence Day) (preceding Friday if holiday falls on Saturday, following Monday if holiday falls on Sunday)
- First Monday in September (Labor Day)
- November 11 (Veteran's Day) (preceding Friday if holiday falls on Saturday, following Monday if holiday falls on Sunday)
- Fourth Thursday and Friday in November (Thanksgiving Day)
- December 25 (Christmas Day) (preceding Friday if holiday falls on Saturday, following Monday if holiday falls on Sunday)

## 22.0 FORMS

Forms are available on-line ([www.fcera.org](http://www.fcera.org)) or by request (559.457.0681) to perform the following changes:

Address  
Banking Institution  
Name  
Tax Withholding

Please note that changing your name or address with FCERA will not change your address with the Fresno County Retired Employees Association, with County Personnel or with your County sponsored health insurance. Please contact each of these agencies separately to request the proper form or procedure to complete your name or address change.