

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (FCERA)
OPTIONAL SETTLEMENT 4

I. Purpose of the Policy:

- 1) At retirement, members may elect to take either (a) the unmodified retirement benefit (which is the maximum benefit available to the member and a 60% continuance to a spouse or minor child), or (b) choose from one of three optional retirement benefits which provide reduced benefits to the member and higher benefits to a single beneficiary.

Additionally, Government Code Section 31764 offers a reduced benefit to the member with continuing benefits to more than one beneficiary, or a continuing benefit to a single beneficiary in percentages different than those established by the other statutes. A member's request under Section 31764 must be approved by the Board of Retirement, upon the advice of the actuary. In addition, Section 31764 requires that the benefit structure must not place any additional financial burden upon the retirement system.

Optional Settlement 4 typically is elected by members who request a benefit structure that is necessary to implement a court-approved Domestic Relations Order to provide benefits to a former spouse (without reversion if the former spouse predeceases any remaining beneficiaries), or to provide equal continuing benefits to multiple beneficiaries (without reversion to any remaining beneficiaries upon the death of any beneficiary). For the purposes of this policy, such requests shall be considered to be for the "Basic" Optional Settlement 4. The Board has determined that all requests for "Basic" Optional Settlement 4 benefits should be approved, upon the actuary's determination of a benefit structure that will not place any additional financial burden upon the retirement system. In order to reduce administrative expense and burden, the Board has determined the requests for the "Basic" Optional Settlement 4 need not, and should not, be reviewed by the Board on a case-by-case basis.

II. Policy:

- 1) The Board of Retirement hereby pre-approves all requests for the "Basic" Optional Settlement 4, as defined above, provided that the actuary has determined that the benefit structure does not place any additional financial burden upon the retirement system
- 2) Upon written request by the member, FCERA will provide one "Basic" Optional Settlement 4 calculation no earlier than one year prior to the member's retirement eligibility date at no cost to the member. A member's first request for the "Basic" Optional Settlement 4 calculation will be made in writing on the form approved by FCERA Administration and signed by the member, which will include an acknowledgement that the member is entitled to only one calculation of the "Basic"

Optional Settlement 4 benefit, without cost to the member, and that the full cost of any subsequent calculations will be charged to the member.

- 3) The estimated cost of any additional "Basic" Optional Settlement 4 calculations must be paid, in full, by the member before FCERA requests that the actuary make the calculation. Any outstanding balance owing to the actuary for the cost of the calculation must be paid by the member before the calculation is provided to the member.
- 4) The Board of Retirement will consider requests for Optional Settlement 4 benefit structures that are different from the "Basic" Optional Settlement 4 on a case-by case basis. Requests for Optional Settlement 4 calculations will be made in writing on the form approved by FCERA Administration, signed by the member, and clearly describe the desired benefit structure. The member must pay the entire cost of calculations for such benefit structures. The estimated cost of calculations of any such non-"Basic" Optional Settlement 4 benefit structures must be paid by the member before FCERA requests that the actuary make the calculation. Any outstanding balance owing to the actuary for the cost of the calculation must be paid by the member before the calculation is provided to the member.

III. Policy Review

- 1) This policy will be reviewed at least every three years.

IV. Policy History

- 1) This policy was adopted by the Board on April 19, 2006.
- 2) The Board of Retirement reviewed this policy on October 19, 2016 and December 21, 2016.

V. Secretary's Certificate

I, Donald Kendig, the duly appointed Secretary of the Fresno County Employees' Retirement Association, hereby certify the adoption of this Policy.

December 21, 2016

Date of Action:



By: Retirement Administrator



FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Donald C. Kendig, CPA
Retirement Administrator

Request for Optional Settlement 4 Calculation

Member Name: _____

Employee Number: _____

I request that FCERA provide an Optional Settlement 4 calculation for a benefit allowance method described herein. I understand and agree to the payment in advance of the fee assessed for the calculation request. I understand upon submitting this request along with payment of the \$_____ fee, that the fee is non-refundable and that I will be responsible for paying any additional amounts due for multiple or more complex calculations. Therefore, I request that FCERA obtain an estimate for an Optional Settlement 4 calculation with the following benefits:

_____ BASIC Optional Settlement 4 (all provision listed below apply)

- one beneficiary with continuance other than 50 or 100%, or multiple beneficiaries,
- each beneficiary receives equal shares, and
- no reversion among beneficiaries

_____ NON-BASIC (select all that apply) - provide additional sheet with description, if needed.

_____ Reversion should a beneficiary predecease other beneficiary(ies)

_____ Unequal percentages to each beneficiary

_____ Other – see attached description

BENEFIT CONTINUANCE DATA

Name	Gender (m/f)	Date of Birth (mm/dd/yyyy)	Relationship* ¹	Percentage of Continuing Benefit to be provided* ¹

*Continuance is limited to my community property share if my retirement benefit is subject to community property.

¹ Use "Alternate payee" for former spouses awarded permanent benefit, along with community property percentage in last column