



RETIRED MEMBER HANDBOOK

As amended by the Board of Retirement
March 18, 2020

BOARD OF RETIREMENT

**FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
7772 N Palm Ave, FRESNO, CA 93711**

"To provide secure retirement benefits to our members and beneficiaries while investing the assets of the plan within prudent levels of risk."

Dear Retired Member:

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

FCERA is governed by the California Constitution, California Government Code, the federal Internal Revenue Code, related regulations, and court cases decided under those laws. The information provided here has been extracted from the law and is believed to be current as of the publication date of this Active Member Handbook. Since the law is subject to periodic change, you should consult FCERA for more detailed and up-to-date information. **If any statement in this Retired Member Handbook is in conflict with the law, the law prevails.**

You may contact FCERA for general information or specific retirement questions. Office hours are 9 am to 12 pm and 1 pm to 5 pm Monday through Friday, excluding County holidays. FCERA is located at 7772 N Palm Ave, Fresno, CA. You may reach FCERA by phone at (559) 457-0681, by mail, or via email at FCERA@FresnoCountyCA.gov. FCERA has a website at FresnoCountyRetirement.org. 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, I would like to take this opportunity to thank you for your service and welcome you as a member of the Fresno County Employees' Retirement Association.

Sincerely yours,

Nathan Magsig
Chair, Board of Retirement
Fresno County Employees' Retirement Association

At FCERA our value lies in our commitment to deliver service in an accurate, courteous, prompt and professional manner. Our goal is to provide the highest level of service to our members, to the public, our co-workers and the Board of Retirement.

Excellence

We hold ourselves to high standards of performance demonstrating a value for learning and continuous improvement. We take pride in the work we do, continuously striving to exceed our goals. We encourage an open and diverse environment and a “CAN DO” attitude.

Professionalism

We encourage a professional environment, maintaining confidentiality and performing job functions in an ethical and objective manner. As professionals we understand the importance of listening to and respecting others’ ideas and perspectives open-mindedly. Professionalism is necessary to keep all employees motivated.

Teamwork

We are committed to a team-oriented approach to provide the highest level of service to our members. We value open communication, sharing knowledge, resources and ideas. Working together to reach common goals is the essence of success. Together we achieve more.

Integrity

We at FCERA act ethically and honestly, honoring our commitments, abiding by policies, and building trust with our members and co-workers. Integrity guides all of our work relationships.

Accountability

We take ownership of our work to provide accurate, complete and timely results. We accept the responsibility to communicate and interact openly with all FCERA staff to develop the tools and training necessary to complete our assignments. We will take the initiative to be a part of the success of the FCERA team.

Innovation

We promote a resourceful environment where new ideas and approaches are implemented to help our daily tasks flow smoothly and efficiently. Our focus is on proactively communicating and implementing activities to encourage and energize staff to create a positive environment and seek new ways to educate and inform members about the retirement process. It is our goal to plan strategically for the future.

***A TRUSTED AND STABLE PARTNER IN THE FINANCIAL SECURITY OF FCERA’S
SPONSORS MEMBERS, AND BENEFICIARIES***

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Introduction

Contacting FCERA

Mailing Address

7772 N Palm Ave Fresno CA, 93711

Email

FCERA@FresnoCountyCA.gov

Website

FresnoCountyRetirement.org

Phone Numbers

p. 559-457-0681

f. 559-457-0318

Hours of Operation

Monday – Friday from 9:00 am – 12:00 pm and 1:00 pm – 5:00 pm

Closed on weekends and County of Fresno Holidays

About FCERA

This Retiree Handbook summarizes the information that a FCERA Retiree may need. It is designed to provide this information as simply and accurately as possible. **Since the California Constitution, the County Employees Retirement Law of 1937, and the Public Employees’ Pension Reform Act of 2013 (PEPRA) govern FCERA, the law prevails if any statement in this 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 Handbook exclusively.

FCERA is a multiple employer, defined benefit, pension plan serving approximately 17,600 employees and retirees of five participating government agency employers. Located in Fresno, California, FCERA is established and governed under applicable federal law, the provisions of the County Employees’ Retirement Law of 1937 (the ’37 Act, California Government Code, §§ 31450-31898), the California Pension Protection Act of 1992 (California Constitution, Article 16, § 17), and the California Public Employees’ Pension Reform Act of 2013 (PEPRA, California Government Code, §§ 7522-7522.74). FCERA manages pension benefits for 5 employer agencies: County of Fresno (County), Superior Court of California, County of Fresno (Courts) and participating agencies (Special Districts) including the Fresno-Madera Area Agency on Aging, Clovis Veterans Memorial District, and Fresno Mosquito and Vector Control District.

Board of Retirement

FCERA is governed by the Board of Retirement (Board). The Board is comprised of the following members:

1. County Treasurer (1st member)
2. Two members of FCERA elected by active General members (2nd and 3rd members)
3. One member of FCERA elected by active Safety members (7th member)
4. One Retired member of FCERA elected by the Retired members (8th member)
5. Four members appointed by the Board of Supervisors (4th, 5th, 6th and 9th members). 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.

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 during Board meetings only when one of the General members or the Safety member is absent or when both the Retired member and the Alternate Retired member are absent.

The Retired Alternate member has the same rights and obligations as the Retired member but may sit as a voting member when the Retired member or two of the three members elected by the active membership are 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 are typically held at the Board chambers located in the FCERA offices at 7772 N Palm Ave, 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. FCERA publishes each meeting agenda at least 72 hours before each regular meeting or 24 hours for a special meeting. FCERA generally broadcasts live audio webcasts of its meetings, audio records all meetings, and publishes written meeting minutes. Agendas, minutes and the recorded broadcast are available on FCERA's website.

Members of the public are welcome to attend the Board meetings and may address the Board during the discussion of any open agenda item and during the "public comment" session of each Board meeting.

How to make changes after retirement

It is important that you keep your information up to date with FCERA after retirement. See the sections below for information on how to make common changes.

Changes that impact payroll that are received by the 10th of the month will be in effect for that month's payroll.

Name or Address Change

In order to update your name or address in our system, we will need you to fill out the Name and Address Change Request. This form is available in our office or on our website at fresnocountyretirement.org/forms/. You can also call or email us to have a form mailed to you. When you submit this form, please do so by mail or drop off. We need your original signature in order to process the form.

Tax Change and tax information

Subject to some limited exceptions discussed below, your retirement benefit is 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.

We will withhold federal and state taxes per your instructions. FCERA can only accept one set of withholding instructions per person (one federal and one state instruction or form) even if you are receiving more than one benefit, for example as both a member and a beneficiary continuance. Where the tax election includes a flat amount, the withholding will be applied to each benefit based on a ratio of the taxable benefit in each benefit calculation. 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. This "credit" will be reflected on the annual Form 1099R statement you receive for tax filing purposes each January. You should retain the documents that you received at retirement to assist you with your income tax filing.

The federal form for tax withholding of pension benefits is the W4-P form. The State of California form is the DE-4P. These forms change every year, and are available in our office or on our website at fresnocountyretirement.org/forms/. You can also call or email us to have a form mailed to you. We also have a State Withholding form – Other States available for out of state withholding.

FCERA staff cannot provide tax advice. We are not tax experts. Please consult with a tax professional if you have questions regarding your tax withholding.

Bank change

You can have your FCERA benefit direct deposited into the bank account of your choosing. Simply fill out the Direct Deposit form, attach a voided check or other slip with routing and account information. The Direct Deposit form is available in our office or on our website at fresnocountyretirement.org/forms/. You can also call or email us to have a form mailed to you.

Please be careful when changing banks that you do not close out an old account prior to receiving your last payment.

FCERA is only able to deposit your benefit into a bank based in the United States.

Beneficiary Change

In addition to your lifetime benefit from FCERA, you may be able to leave a continuing lifetime benefit to a beneficiary(ies). This means that upon your passing, another individual could receive a monthly benefit for the rest of their life.

The Beneficiary Designation form is available in our office or on our website at fresnocountyretirement.org/forms/. Please see the information under “Option Breakdown, what did I choose” to determine if you have the ability to change a beneficiary for a continuing lifetime benefit and what criteria you need to meet for them to be eligible for a lifetime benefit. If you have chosen a retirement option where you cannot change your beneficiary, even if they predecease you, then we will still accept a beneficiary change form for what is called your “final day’s payment”. Your final day’s payment is made up of any benefit that was earned but not yet paid to the member. For example, if a member dies on the 7th of January and we are notified by the 10th of January, we will stop payment on the January benefit check. The prorated benefit for January 1-7 will be paid to the beneficiary.

Divorce, Death, and Power of Attorney

What happens when a member dies

When a member of Fresno County Employees' Retirement Association dies, whether before or after retirement, there may be benefits available to a surviving spouse, domestic partner, minor child, or designated beneficiary(ies). If you are a survivor of a FCERA member, it is important that you report the death to us as soon as practical. The sooner we receive this information, the sooner we can begin the process of paying out potential benefits.

You can report a death to us by email, mail, or by phone (see "Contacting FCERA" at the beginning of the handbook.). Regardless of the method of notification, we will need to receive a certified copy of the member death certificate. You are not required to wait for the death certificate to notify us of a member's death; in fact, we recommend that you notify us as soon as possible to prevent overpayment of benefits to a member's account after death.

What happens next?

Once we receive a report of a member's death, we will stop the next payment that the member was to receive. We will then send a letter to the surviving spouse, beneficiary(ies) or estate of the deceased member outlining what we will need to move forward with a continuing benefit or lump sum payment. In that letter we may ask for the original death certificate or a certified copy.

Anyone can report a member or retiree death, but we can only provide information about death benefits, continuing benefits, and member account information to named beneficiaries or their certified representatives.

When a retired member dies, we will stop the payment of any outgoing pension benefits. Survivors should be aware that any uncashed pension checks in a deceased member's name must be returned to us. We will attempt to automatically reclaim any direct deposit payments or portions of payments that went out after a member's death.

Divorce in Retirement

Divorce can play a significant role in your retirement. Upon a divorce or divorce filing, it is essential that all retired members notify FCERA as soon as possible. Pursuant to the laws of California, if you are a member of FCERA while you are married, your retirement benefits are considered community property and your spouse may be entitled to an interest in the community property portion of your retirement benefit.

Notify FCERA: When a legal separation or divorce dissolution has been filed and the former spouse is asserting a claim for a community property interest in your retirement benefit, the member and/or the other parties involved is advised to notify FCERA in writing of the proceedings. However, if you are already retired and earning a monthly benefit, your former spouse has the option to file a Notice of Adverse Interest to protect his or her interest in the undecided community property portion of your FCERA benefit. If no claim is asserted, Judgment should reflect "sole and separate property".

It is best if the judgment specifically mentions FCERA and clearly states that you are either entitled to 100 percent of your retirement benefit or that your former spouse is entitled to an interest in the community property portion of your FCERA retirement benefit.

File a Joinder: If the court awards an interest in the community property portion of your retirement benefit to your former spouse, you will be required to “join” FCERA as a third party to your divorce proceedings.

Inform FCERA of All Divorces and Any Other Orders: Each divorce case is different. For any additional questions, please contact us.

FCERA staff cannot provide legal advice regarding your divorce. Therefore, it is advised that you seek competent legal advice if you have any further questions or concerns regarding the division, if any, of your FCERA retirement benefit.

For more information about FCERA’s Policy on Divorce and Division of Community Property Please visit our website at <https://fresnocountyretirement.org/board-of-retirement/governance-and-policies/>

Power of Attorney Information

A power of attorney (POA) is a legal document that provides another person (often a relative or a friend) the authority to make decisions and act on your behalf. The person you identify is called an “agent” or “attorney-in-fact.” In the POA you are called the “principal.”

The POA does not strip you of your own power or authority to act on your own behalf. Instead, it just means that another person can also act for you. For example, you may want to create a POA to handle just your health care matters, or real estate and financial matters as well. Alternatively, you can create a general POA to handle all your matters. Although you can revoke, change, or terminate the POA, you should be careful to identify an agent you trust whenever you sign a POA. You may want to consult an attorney before creating a POA.

Fresno County Employees' Retirement Association is required to have a valid POA on file before discussing any aspect of your benefit with another party.

Benefit Information After Retirement

Option Breakdown/What did I choose?

You can find what option you chose on your Option Election Form, which you completed after signing your Retirement Application. You can also find this information in the Member Portal under "Retirement Summary". Below is a summary of each option and what it means for your benefit and your beneficiaries.

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 at the time of your death, you were married for at least 2 years after retirement and your spouse or registered domestic partner is at least 55 years of age at the time of your death.
3. If you are granted a service connected disability retirement, a 100% continuing monthly benefit to your spouse or registered domestic partner, if you were married for at least one year preceding your retirement date or at the time of your death, you were married for at least 2 years after retirement **and** your spouse or registered domestic partner is at least 55 years of age at the time of your death. For a non-service-connected disability retirement, the process follows the same rules as a service retirement.
4. If you do not have a surviving spouse or registered domestic partner, or if your surviving spouse or registered domestic partner predeceases you, the continuing monthly benefit will be paid collectively to your eligible children until your last child marries, reaches age 18 (or 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 eligible children, 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 and interest less the total monthly retirement payments, including any cost-of-living adjustments granted to such payments, received by you before your death.
6. An opportunity to change your beneficiary after you retire. In order to a new beneficiary to be eligible for the benefits listed above, they must meet the eligibility requirements above.

OPTION 1

1. A reduced retirement allowance.
2. A lump sum payment to your beneficiary of any balance remaining from your accumulated contributions and interest, less the portion of the total monthly benefits funded by your contributions, including Regular and Settlement annuity payments, and cost-of-living adjustments granted to such payments, received by you before your death.
3. An opportunity to change your beneficiary after you retire.

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. (As per Internal Revenue Code, this continuance may be reduced for non-spouse beneficiaries who are more than 10 years younger than the member).
3. No opportunity to change your named beneficiary for your continuing benefit after you retire (including if your beneficiary predeceases you).

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.
4. No opportunity to change your named beneficiary for your continuing benefit after you retire (including if your beneficiary predeceases you).

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 that provides equal continuing benefits to more than one beneficiary or is required in order to implement a court-approved Domestic Relations Order. No reversion to the remaining beneficiaries even if they predecease one another.
3. Election of the Basic Option 4 benefit as defined above does not require additional approval by the Board of Retirement; however, a Non Basic Option 4 must be approved by the Board of Retirement.
4. A Non Basic Option 4 as defined by the Board of Retirement is one that provides for non-equal continuing benefits to more than one beneficiary or reversion to remaining beneficiaries if they predecease one another.
5. No opportunity to change your named beneficiary(ies) for your continuing benefit after you retire (including if your beneficiary(ies) predeceases you).

Working after retirement

If you decide to work for anyone other than a FCERA plan sponsor (County of Fresno, Superior Courts of Fresno County, Fresno-Madera Area Agency on Aging, Clovis Veterans Memorial District, and Fresno Mosquito Vector Control District), then there are no rules regarding your return to work.

Many members will decide to return to work while receiving a FCERA pension benefit. If you choose to work for anyone other than a FCERA Plan Sponsor, that employment will have no effect on your FCERA pension benefit.

If you would like to return to work after retirement for a FCERA Plan Sponsor:

- You may work a maximum of 960 hour per year
- You cannot return as a full-time employee, you must work in an extra-help, contractual, or temporary service position
- There is a mandatory 180 day break between retirement and date of rehire
- You may not have received unemployment benefits within one year prior to returning to work in these capacities

Benefit Limits

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 to account for inflation. Under age 62, the limit is lower for General members and for some Safety members not meeting the IRC definition of "Safety."

The County of Fresno 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 at the beginning of the next year. The County of Fresno is the only FCERA plan sponsor that has established a Replacement Benefit Program for its retired employees. The Replacement Benefit Plan is not available to any members enrolled in Tier V.

Health Benefits

Fresno County Employees' Retirement Association does not manage health benefits for retirees. Currently, the only Plan Sponsor that provides health insurance options to retirees is the County of Fresno. If you were an employee of the County of Fresno, you can find more information about health benefits on the County of Fresno Human Resources Website:

<http://www.co.fresno.ca.us/departments/human-resources/employee-benefits/health-plans>

Cost of Living Adjustment (COLA)

FCERA retirees in Tiers I, II and III are entitled to a Cost of Living Adjustment (COLA) of up to 3% annually. Each year, the Board of Retirement will grant the COLA based on the previous year's Consumer Price Index (CPI) for the Western Region.

The COLA is generally granted at a mid-February meeting. COLA Announcements are posted to the front page of the website and sent out in the Spring Newsletter.

The maximum COLA that can be granted in any given year is 3.0%, and any excess will be tracked on a retirement year basis, creating a "COLA bank." The COLA bank is then available to increase the COLA granted to the maximum of 3% in subsequent years, if the change in cost-of-living is less than the maximum adjustment.

Members in Tiers IV and V are not eligible for any COLA.

Member Portal

The Member Portal is your online access to your retirement account information. As a retiree, you will be able to view your personal information, beneficiaries, retirement payment summaries, and tax and bank information. You will also be able to update your phone number, email address, and contact FCERA through the messaging option.

If you have not yet registered, you will need your Unique Identifier. You can receive your Unique Identifier by phone or in person. If you have questions, trouble registering, or need a password reset, please call our office at (559) 457-0681. .