

NOTICE

TO ALL PERSONS WHO FIRST BECAME A MEMBER OF THE FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION PRIOR TO JANUARY 1, 1990:

Limitations of Retirement Benefits (Internal Revenue Code Section 415)

This Notice affects your retirement rights and benefits. Please read the entire Notice carefully and acknowledge as the undersigned below.

By virtue of your employment with the County of Fresno or one of the special districts that participates in the Fresno County Employees' Retirement Association (FCERA), you became a member of the FCERA and are eligible to receive retirement benefits from FCERA pursuant to the provisions of the County Employees Retirement Law of 1937, as amended. (Government Code § 31450, et seq.). The United States congress has enacted legislation that limits the benefits that FCERA can pay and retain its status as a tax-qualified pension plan. Such limitations only apply to persons who first become members of the public retirement system on or after January 1, 1990 or to **benefit enhancements enacted after October 14, 1987**.

Notwithstanding any other provision of law, if you first become a member of the FCERA before January 1, 1990, the following limitations apply to benefit enhancements that are enacted after October 14, 1987:

- (1) The retirement rights conferred on you through participation in the FCERA plan shall be subject to the limitations on benefits contained in section 415 of the Internal Revenue Code, as amended and in effect from time to time (IRC 415);
- (2) You shall have no retirement right or benefits under the FCERA plan that exceed the limitations on such benefits set forth in IRC 415; and
- (3) No retirement rights or benefits under the FCERA plan shall accrue to or vest in you that shall exceed the limitations set forth in IRC 415.

These limitations, which only impact any enhanced benefits provided after October 14, 1987, are set forth in Section 415 of the Internal Revenue Code and are adjusted annually to reflect any changes in the cost of living. During 2021, the limitation for a person who retires between the ages of 62 and 65 is \$230,000 per year. The limitation in pension benefits is reduced for persons who retire before age 62 and is increased for persons who retire after age 65. However, employees who are defined as "safety" for federal tax purposes and who meet certain requirements identified in IRC 415 (generally, only those employed in fire and sheriff departments with at least 15 years of service in that department and in FCERA) are not subject to a lower dollar limit if they retire prior to attaining age 62.

In response to Section 415 of the Internal Revenue Code, the California Legislature has enacted legislation which applies the Internal Revenue Code limitations to any person who first becomes a member of the FCERA on or after January 1, 1990. Therefore, as you accrue a right or entitlement to retirement benefits under this Retirement System, in no event will such right or entitlement exceed the limitations contained in Section 415 of the Internal Revenue Code, or any other limitations imposed on public retirement systems by the Internal Revenue Code.

The limitations of IRC 415 may operate to reduce or restrict the rights and benefits which might otherwise have been payable to you by the FCERA. Your employer may establish a Replacement Benefits Plan in order to provide the full retirement benefits to which you would be entitled if benefits were not limited by IRC 415. If you have any questions regarding these limitations or the content of this Notice, please contact the FCERA office as soon as possible at (559) 457-0681.

I HAVE RECEIVED A COPY OF THIS NOTICE

Signature: _____ Date: _____

Print Name: _____ SSN: _____

WITNESS:

Date: _____ Name: _____ Title: _____