



# VCERA

VENTURA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION

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Retirement Planning Workshop

# What is VCERA?

A multi-employer, defined benefit (DB) pension plan

Provides:

- Service retirement
- Disability retirement
- Survivor benefits to eligible beneficiaries



# Advantages of a DB plan:

*Note - VCERA is not a savings plan: 401(k), 457, etc.*



## “Pension promise”

Lifetime retirement income



## Annual COLAs

Safety, General Tier 1,  
County SEIU, & CNA



**Professionally  
managed investments**



**Disability retirement**



**Survivor & death benefits**

# Membership

Immediate membership  
for regular employees  
scheduled to work  
64+ hours biweekly



## Membership type

- Safety
- General



## Legacy v. PEPRA member

- Tiers and formulas depend on:
- Original membership date
  - Reciprocity status

# Benefit Calculation Factors



**Benefit Tier**



**Years of Retirement  
Service Credit**



**Final Average  
Compensation (FAC)**

*12 or 36 months*



**Age at Retirement**

# Benefit Tiers - General



**General Tier 1:**  
**“2.35% at 62”**

Hired prior to 6/30/1979

**General Tier 2:**  
**“2.1% at 62”**

Hired 6/30/1979 -  
12/31/2012

**General Tiers 6 & 8 (PEPRA):**  
**“2% at 62”**

Hired on or after 1/1/2013

# **COLAs apply to all General Tier 1 members, and County SEIU & CNA represented members**

**(General Tier 1 = Up to 3%, Other Tiers = Fixed 2% on eligible COLA service;  
SEIU: 3/16/2003 forward, CNA: 6/25/2023 forward)**

# Benefit Tiers - Safety



**Safety Tier 1:**

**“2% at 50”**

Hired prior to 1/1/2013

**Safety Tier 7 (PEPRA):**

**“2.7% at 57”**

Hired on or after 1/1/2013



**COLAs apply to both  
Safety Tiers 1 & 7**

**(Up to 3%)**

# Example: General Tier 6 (PEPRA) retiree:

- Age 60
  - 20 years of service
  - Monthly FAC of \$7,500
- =
- \$2,700 benefit +  
\$108.44 supplemental benefit +  
COLA (if eligible)



# Reciprocity

Linking eligible retirement systems in California

# Advantages of Reciprocity



Vesting & retirement  
eligibility continues



Lower entry age,  
benefit tier, contribution rate



All systems use highest earnings

# Rules of Reciprocity



**Join new system  
within 6 months**

*No overlap/concurrent  
service*



**Leave contributions  
on deposit**



**Submit request  
form to establish**



**Retire from all  
systems on  
same day**

# Alameda Decision

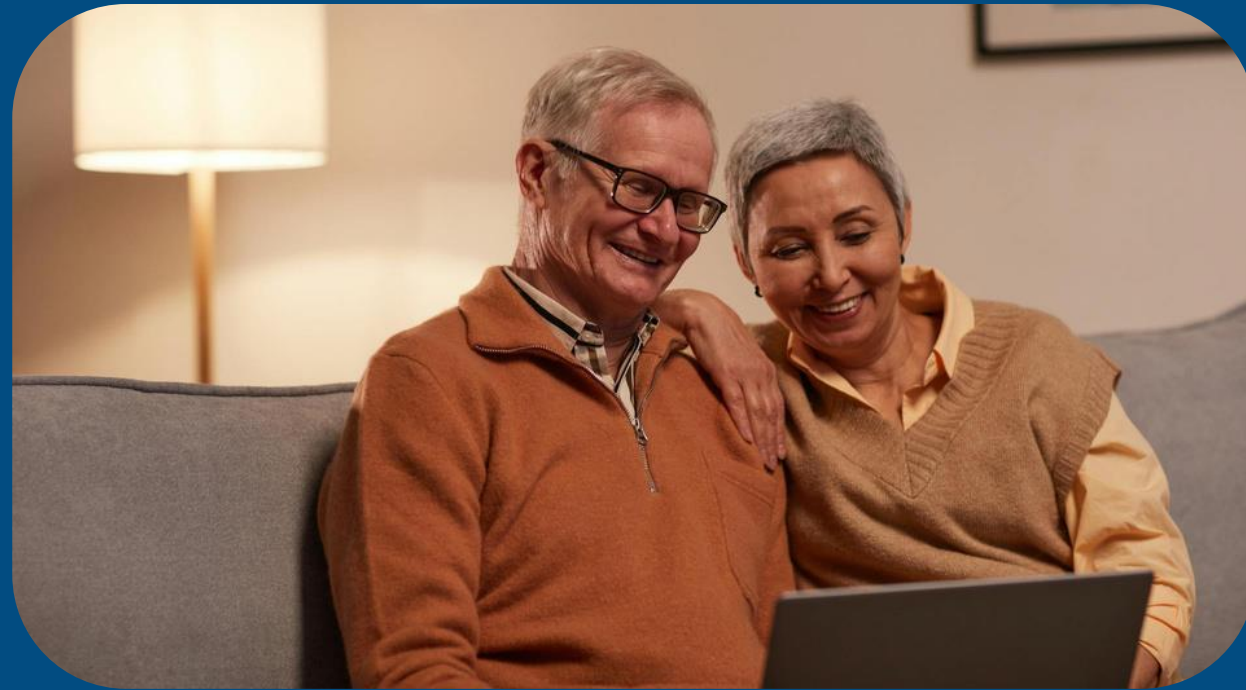


Concluded that all amendments to the definition of **compensation earnable** in Government Code section 31461, enacted as a result of PEPRA, were constitutional.

This court decision may impact members by changing the retirement eligible wages on which contributions and benefits are calculated.

[www.vcera.org/alameda](http://www.vcera.org/alameda)

# When can you retire?



## Legacy members:

- Age 50 w/ 10 years of service credit, or
- General: 30 years of service credit, or
- Safety: 20 years of service credit, or
- Age 70, regardless of service credit



## PEPRA members:

- General: Age 52 w/ 5 years of service credit, or
- Safety: Age 50 w/ 5 years of service credit, or
- Age 70, regardless of service credit

# Choosing a Retirement Date

## Maximize calculation factors:

- Age: target next quarter-year
- Service credit: complete purchases
- FAC (12 or 36 months): buydowns and pay increases

## COLA eligibility:

- Retire by April 1 to receive that year's COLA:
- Safety & General Tier 1: up to 3%
- General Tiers 2 & 8 (County SEIU & CNA): fixed 2%  
(SEIU: 3/16/2003 forward, CNA: 6/25/2023 forward)

# Deferred Members

Your years of “eligible service” will continue to **increase**.

Benefit will be based on **service credit** you earned and purchased.

You must file a **Retirement Application** to begin receiving retirement benefits.



# Mandatory Retirement Age

Deferred members must retire no later than **April 1** of the year after they reach **age 73**.\*

*\* Unless actively employed by a government entity that has reciprocity with VCERA.*



# Purchasing Service Credit

## Purchasable service:

- Unpaid personal medical leaves
- Previously refunded County service (“redeposit”)
- Prior public service\*: active military, U.S. government, California government, local public agency
- Pre-membership period: prior to July 1999
- Extra-help or part-time service before/after 1992

*\* Not to include overlapping or concurrent service*

# Purchasing Service Credit

Extra-help or part-time work AFTER 1992:

- Must not have contributions on deposit in the Safe Harbor Plan, or
- Must have rolled over Safe Harbor contributions into the SRP plan at the time of conversion, or
- Must complete a Safe Harbor contribution rollover to a 457 Plan after terminating from County Service\*

*\* This will likely impact your retirement eligibility date.*

# Purchasing Service Credit

## Safe Harbor Process:

1. **Submit request form to VCERA** for your Safe Harbor time **up to 60 days prior** to retirement
2. VCERA notifies you of the cost and service credit amount
3. **Contact Safe Harbor** to complete rollover paperwork
4. After confirming your termination, Safe Harbor processes the Rollover and notifies VCERA
5. VCERA contacts you to sign a Service Credit Purchase Election document and provide payment\*

*\*Retirement date is generally the day after the payment is received.*



# Purchasing Service Credit

Cannot be entitled to another  
pension for service

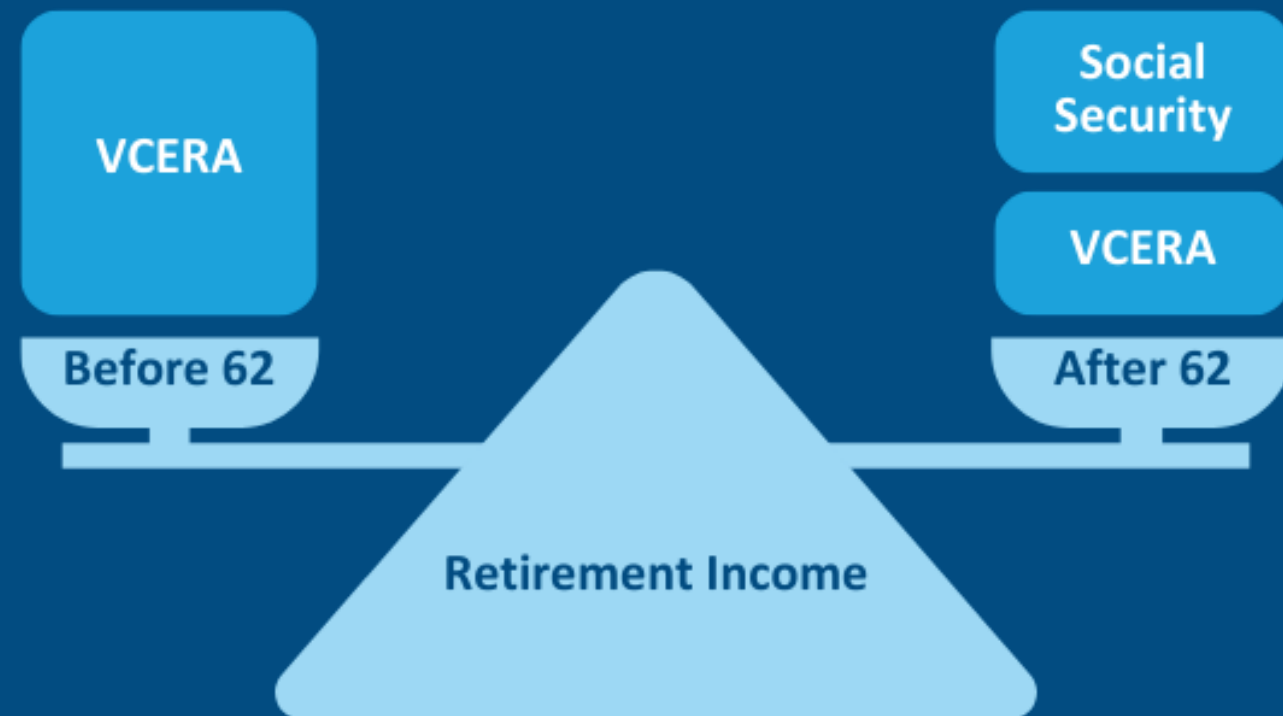
Payment options for purchases  
(payroll deductions, rollover, cash)

# Retirement Options



	Unmodified (most common)	Option 1	Option 2	Option 3	Option 4
<i>Benefit Amount</i>	Highest monthly benefit to retiree	Slightly reduced monthly benefit to retiree (Uses contributions at slower rate)	Reduced monthly benefit to retiree		
<i>Continuance</i>	60% continuance to eligible spouse/partner/minor child	No continuance	Up to 100% continuance to beneficiary	50% continuance to beneficiary	Up to 100% continuance to multiple beneficiaries (Cannot change assigned percentages)
<i>Beneficiary</i>	Ability to name new beneficiary after retirement		Cannot change continuance beneficiary(ies) after retirement		

# Level Income Option



Optional “pension advance program”

Integrates VCERA and Social Security benefits to provide steady income throughout retirement

- Increase in VCERA benefit until age 62
- Reduction in VCERA benefit at age 62
- Apply for SS benefit by age 62 for “level” income

Irrevocable election, so consider implications

# Optional Deductions

You may request the following optional deductions be taken from your monthly VCERA benefit:

- Federal and California income tax withholding
- Medical, dental, and vision insurance premiums
- CalPERS Long-Term Care Insurance
- Membership dues in SEIU or REAVC (separate from VCERA)
- Charitable contributions approved by the Board of Retirement
- Any other deduction approved by the Board of Retirement

VCERA does not deduct out of state income tax or payroll taxes, such as FICA.



# Community Property (Divorce)

VCERA benefit is a “community property” asset

Process can vary:

- Provide VCERA copy of the complete Judgment, including any associated documents, such as a Marital Settlement Agreement
- A DRO is needed only if the assets are being divided

Reference VCERA’s Divorce & Community Property booklet on our website, which includes a checklist and sample DROs:

[www.vcera.org/members/life-events/](http://www.vcera.org/members/life-events/)

# Community Property (Divorce)

## Separate Account

- Nearly all active members & former spouses choose this option
- May provide lifetime benefit to the former spouse
- The percentage of contributions and service specified in the court documents is placed into a separate account for the former spouse

## Shared Benefit

- Former spouse's benefit is linked to the member's benefit
- Former spouse can only receive a VCERA benefit when the member elects to retire or withdraw funds
- Benefit only payable during the lifetime of the member (and eligible beneficiary)

# Community Property (Divorce)

If a community property division is required by the Court, the VCERA benefit is **NOT** payable until a conformed DRO is on file.

Contact VCERA's Community Property Division **early**. VCERA can:

- Provide information about options and required documentation
- Calculate a Community Property Valuation to determine the service credit and accumulated contributions during the community property period
- Provide DRO Templates
- Review a draft of your DRO

Community Property Valuation Form: [www.vcera.org/forms-publications/forms](http://www.vcera.org/forms-publications/forms)

# Pre-Retirement Checklist

- ✓ Request an Estimate & Schedule Counseling
- ✓ Complete service purchases early
- ✓ Contact reciprocal systems early
- ✓ Submit Retirement Application packet within 60 days of retirement date
- ✓ Notify your Agency/Department

# Pre-Retirement Checklist

- ✓ **Retirement application packet and documentation\*:**
  - Application for Retirement, Beneficiary Designation, Direct Deposit, Election of Tax Withholding, *Name Change Form*
  - Divorce documentation
  - Proof of your birth (copy of birth certificate or passport)
  - Official certificate of marriage or Declaration of Domestic Partnership registration
  - Proof of birth for your spouse or registered domestic partner, or your Option 1/2/3/4 beneficiary

*\*Locate documentation early*

A person is relaxing in a blue hammock strung between two wooden posts of a pier structure over the ocean. The pier is made of weathered wood and extends into the water. The scene is captured in a rounded rectangular frame on a blue background.

# Post-Retirement Checklist

## First check issued in 30-90 days:

- First month + retroactive payment

## Inform VCERA of life changes:

- Name, address, marital status, beneficiary, direct deposit

## Returning to work:

- If non-VCERA employer, no problem
- If VCERA employer, rules apply  
(Contact VCERA for more information)

# Member Resources

Pension calculators

Forms

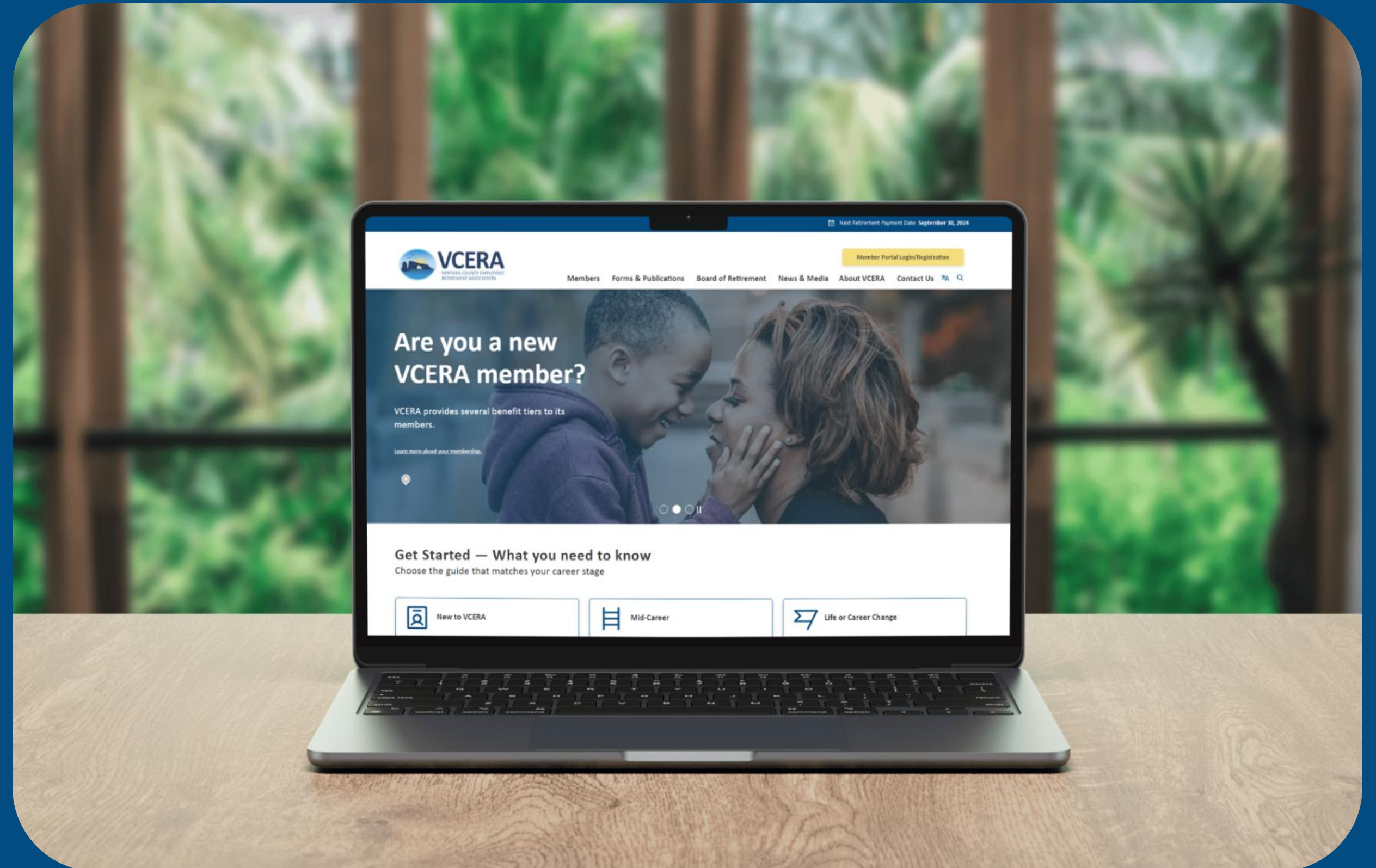
- Beneficiary
- Reciprocity
- Benefit estimates

Publications

- Newsletters
- Brochures
- Handbook

Member portal

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



# Questions?



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