

Merced County Employees' Retirement Association

Established in 1950

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Mission Statement

- **The Merced County Employees' Retirement Association (MercedCERA) is a retirement system, organized under the County Employees' Retirement Law of 1937**
- **MercedCERA's mission is to provide benefits to its members, to manage assets prudently in accordance with plan provisions and to provide competent and efficient services to our members.**
- **The Board of Retirement is responsible for all policies and investment decisions for the system.**

MercedCERA Overview

- **MercedCERA provides:**
 - **Retirement benefits**
 - **Disability benefits - both Service Connected and Non-Service Connected**
 - **Death benefits – Either in service death which may include a survivor benefit or post retirement death.**
- **Pension plan employers - County of Merced, Merced Superior Court, and Merced Cemetery District**
- **All full time employees become members of the system on the first day of employment**

Type of Benefit

- **Life time benefit ... Defined Benefit Plan**
- **Benefit is paid for by member contributions, employer contributions and investment earnings**
- **Benefits determined on basis of formula NOT on individuals' account balance. There are 3 points to the formula**
 - **Members age at retirement**
 - **Total years of service**
 - **Highest final average salary (FAS)**
- **Member must have five years of service to vest benefit**
- **Social Security Benefits are separate from MercedCERA's Benefit and are not reduced**

Tier / Plan Type

- **Tier I: Hired before 6/13/1994 or level A Manager hired/appointed on or before 9/30/2012**
- **Tier II: Anyone Hired between 6/14/1994 & 9/30/2012**
- **Tier III: Anyone Hired between 10/1/2012 & 12/31/2012 or anyone hired thereafter who established reciprocity (hire date with reciprocal system before 1/1/2013)**
- **Tier IV: Anyone Hired on or after 1/1/2013**

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- **Plan types:**

Safety Members: Sworn Law Enforcement & Probation Officers

General Members: Everyone else

Tier I

Minimum age to retire:

- Safety members: 50 years old with ten years of service, any age with 20 years of service or 70 years old regardless of years of service

- General members (miscellaneous): 50 years old with ten years of service, any age with 30 years of service or 70 years old regardless of years of service

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Final Average Salary (FAS) - Highest average of 26 consecutive pay periods

Cost living allowance each year, 3% maximum

Tier II & III

Minimum age to retire:

- **Safety members: 50 years old with 10 years of service, any age with 20 years of service or 70 years old regardless of years of service**
- **General members (miscellaneous): 55 years old with 10 years of service or 70 years old regardless of years of service**

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Final Compensation

- **Highest average of 78 consecutive pay periods**
- **NO cost of living allowance**

Tier IV

Minimum age to retire:

- **Safety members: 50 years old with 5 years of service**
- **General members (miscellaneous): 52 years old with 5 years of service**

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Final Compensation

- **Highest average of 78 consecutive pay periods**
- **NO cost of living allowance**

Age Factor / Formula Maximum

- **Formula Maximum Tier I & II:**
 - **3% at 50 for safety members**
 - **3% at age 60 for miscellaneous members**
- **Formula Maximum Tier III:**
 - 2.62% at 55 for safety members**
 - 2.43% at age 65 for miscellaneous members**
- **Formula Maximum Tier IV:**
 - **2.7% at 57 for safety members**
 - **2.5% at age 67 for miscellaneous members**

Service Credit-

How do I earn service credit?

- **Every hour of service that member works and that MercedCERA receives a contribution on are counted towards retirement eligibility**
 - **Excludes overtime**
- **Variable shift is only credited for the hours worked**
- **Purchase any extra help time**
- **Purchase any employee medical leave of absence or 4850 time. MercedCERA will not allow purchase of time due to a suspension, leave without pay, or unauthorized leave**
- **Redeposit of prior membership – the benefit of a redeposit is the place of Tier**

Service Credit- Con't

- **Military leaves (if taken while working for Merced County, may be purchased within one year of returning from leave and member must return from leave to purchase)**

Payment for purchases:

- **Lump-sum check**
- **Rollover from a 401K, 403b, or an IRA**
- **Payroll deduction payments**
- **Combination of the above**

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Important to note - The earlier you decide to purchase any of the above time the cheaper the cost. MercedCERA will charge contributions plus interest.

Contributions / Interest Posting

A member's contribution is based on:

- age and salary for Tiers I – III**
- Tier IV is set at 6.92% for miscellaneous members and 10.68% for safety members (July 2020 flat rate)**
- it is deducted from your pay check on a bi-weekly basis**
- deductions are pre-tax**

Various items are pensionable – Regular hours, bilingual pay, uniform allowance, and certain certifications that may be required for your position.

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Interest :

- is paid on member contributions as determined by the Board of Retirement and is posted twice a year (June/December). Members will receive a yearly statement of contributions on deposit.**

Loans and Withdrawals

Loan:

- a member may not borrow from a retirement account and may not withdraw funds unless employment is terminated

Forfeiture of benefit:

- a member forfeits any retirement benefits if contributions are withdrawn

Reciprocity

- **may be established if an employee comes in from or goes to work for another 1937 Act County, the State of California , or any other reciprocal system within 6 months between systems**

Benefits include:

- **earliest entry age used for contribution rates (Tiers I, II & III)**
- **highest salary from either system will be used for final compensation (All Tiers)**

Domestic Relations Order-DRO or QDRO

- A joinder must be filed with the Court and served on MercedCERA notifying the pension system of a pending divorce.
- Pension benefits are considered a community property asset and must be addressed in the DRO.
- Sample DRO's can be located on the MercedCERA website.
- Feel free to submit a draft copy of a DRO at any time for counsel review.
- Retirement benefits cannot be paid out unless the member pension portion of community property is properly addressed and the final signed copy is provided to MercedCERA.

Our website address is www.mcera.merced.ca.us

Available on our website are forms for:

-change of name, beneficiary, address or other changes

-information on reciprocity and contribution withdrawals.

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Also available is a retirement calculator. However, these are UNOFFICIAL estimates.