



# 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 members & their eligible beneficiaries







### **“Pension promise”**

Lifetime retirement income



### **Annual COLAs**

Safety, General Tier 1,  
County SEIU, & CNA



### **Disability retirement**



### **Survivor & death benefits**



### **Professionally managed investments**

# **Advantages of a DB plan:**

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

# Membership

Immediate membership  
for regular employees  
scheduled for 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



An aerial photograph of a coastal town, likely San Diego, showing a mix of residential and commercial buildings, palm trees, and a bridge in the distance. The image is partially obscured by a large, solid blue rectangular overlay box in the center. The text is centered within this blue box.

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

# 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



A photograph of a beach scene with a large blue rectangular overlay in the center. The overlay contains white text. In the background, there is a sandy beach, a wooden structure, and palm trees under a clear blue sky.

**COLAs apply to both  
Safety tiers**

# 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.

<https://www.vcera.org/alameda>

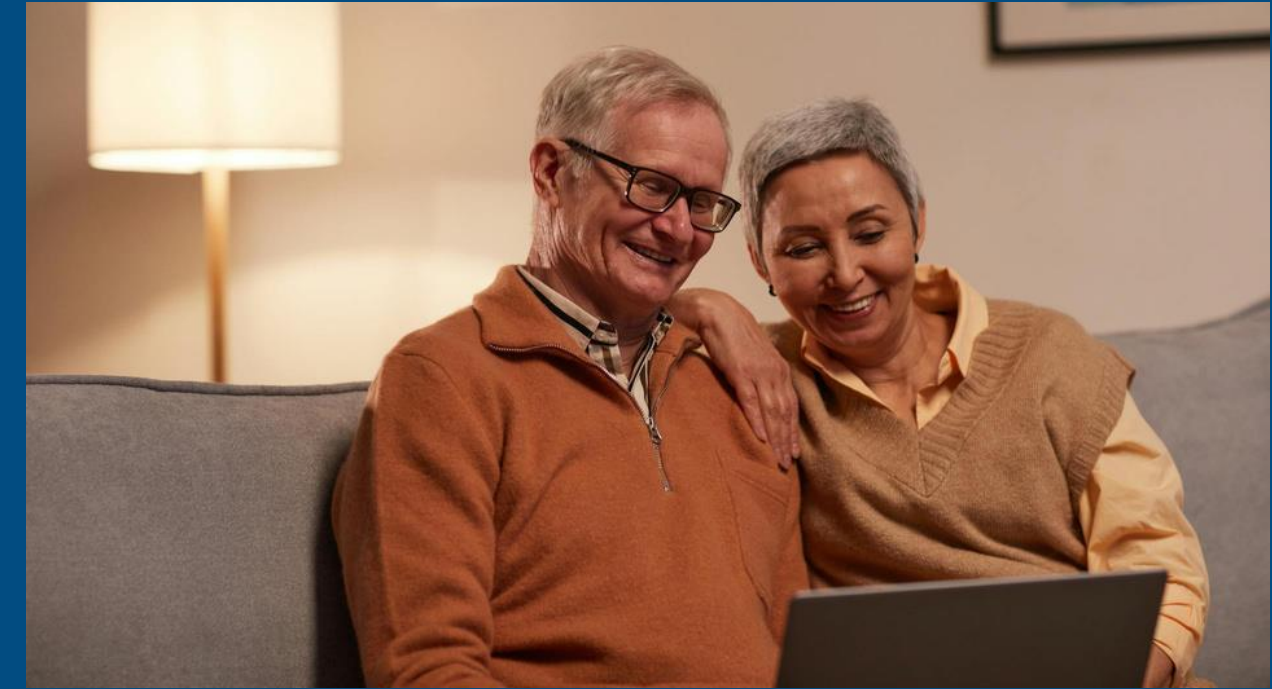


# When can you retire?



## 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



## 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



# 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)

# Purchasing Service Credit

## Purchasable service:

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

*\* Not to include overlapping or concurrent service*





# 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**



# Community Property (Divorce)

**VCERA benefit is a “community property” asset**

## **Claims process:**

- Judgment and draft DRO review by VCERA counsel
- Use VCERA’s sample Domestic Relations Order (DRO)
- Separate account vs. shared benefit
- Benefit not payable until claim is resolved

**Contact VCERA’s Community Property Division to discuss and request a community property valuation.**

# Pre-Retirement Checklist

- ✓ Request an Estimate & Schedule Counseling
- ✓ Submit divorce documentation
- ✓ Complete service purchases early
- ✓ Contact reciprocal systems early
- ✓ Retirement application packet:
  - ✓ Submit within 60 days of retirement date
  - ✓ Application for Retirement, Beneficiary Designation, Direct Deposit, Election of Tax Withholding, \* *Name Change Form*
- ✓ Notify your Agency/Department



# 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)

**Community Property Division**





# Member Resources

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

Pension calculators

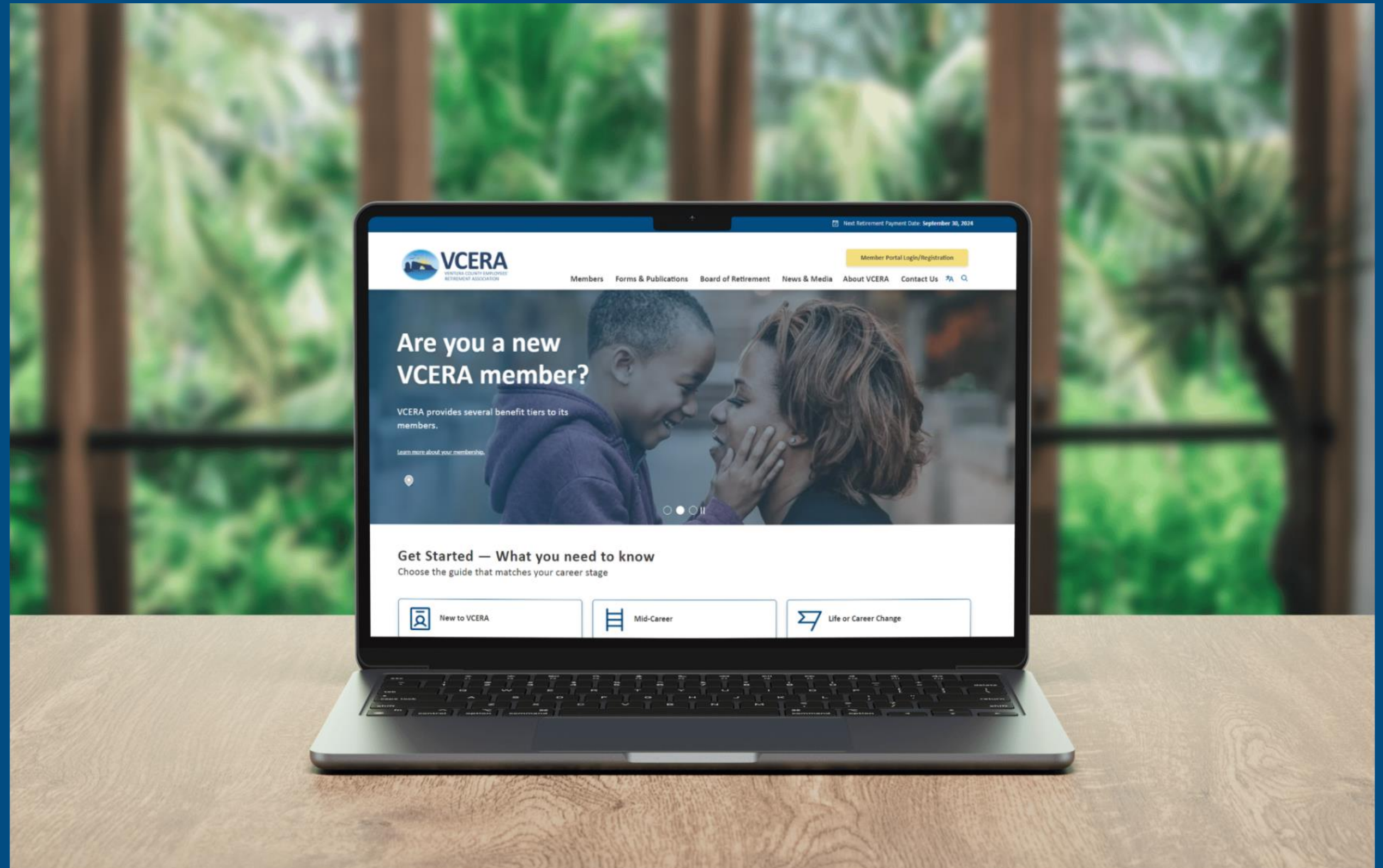
Forms

- Beneficiary
- Reciprocity
- Benefit estimates

Publications

- Newsletters
- Brochures
- Handbook

Member portal





# Questions?



**Email:**

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