

Ventura County Employees' Retirement Association

RETIREMENT PLANNING WORKSHOP



VCERA
VENTURA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

VCERA Overview

What is VCERA?

- A multi-employer, defined benefit public pension plan that provides service retirement, disability retirement and survivor benefits to members and their eligible beneficiaries



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Defined Benefit (DB) Plan

Advantages of a DB plan:

- “Pension promise” (lifetime retirement income)
- Annual COLAs (Safety, General Tier 1, County SEIU, CNA)
- Disability retirements
- Survivor/Death benefits
- Professional management of investments

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

Membership

Membership types:

- Safety
- General

Legacy or PEPRA member:

- Depends on original membership date
- Different benefit tiers/formulas

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 Tier 1 members
and County SEIU & CNA-represented members***



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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



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When Can You Retire?

Legacy members:

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

PEPRA members:

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



Benefit Calculation Factors

Monthly benefit based on 4 factors:

- Age at retirement
- Years of retirement service credit
- Final average compensation (FAC): 12 or 36 months*
- Benefit tier

Example of General Tier 2 retiree:

- Age 60, 20 years of service, FAC of \$7,500
- \$2,830 benefit + \$108.44 supplemental benefit (+ COLA if eligible)

* Alameda Decision could impact your FAC and retirement benefit.



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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 and CNA): fixed 2%
 - SEIU: 3/16/2003 forward
 - CNA: 6/25/2023 forward



Retirement Options

Unmodified Option (most popular):

- Highest monthly benefit to retiree
- 60% continuance to eligible spouse/partner/minor child
- Ability to name new beneficiary after retiring

Option 1:

- Slightly reduced monthly benefit to retiree
- No continuance
- Uses contributions at slower rate
- Ability to name new beneficiary after retiring



Retirement Options

Option 2:

- Reduced monthly benefit
- Up to 100% continuance to beneficiary

Option 3:

- Reduced monthly benefit
- 50% continuance to beneficiary

Option 4:

- Reduced monthly benefit
- Up to 100% continuance to multiple beneficiaries
- Cannot change assigned percentages

**Options 2, 3, 4: Cannot change
"continuance beneficiary(ies)"
after retirement.**



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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



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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
- Post-graduate residency

Cannot be entitled to another pension for service

Payment options



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Reciprocity

Linking eligible retirement systems in California

Advantages of reciprocity:

- Vesting and retirement eligibilities continue
- Possibly eligible for better benefit tier (Legacy)
- All systems use highest earnings

Rules of reciprocity:

- Join new system within 6 months without concurrent service
- Leave contributions on deposit
- Submit request form to establish
- Retire from all systems on same day



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Community Property (Divorce)

VCERA benefit is a “community property” asset

No benefit payable until claim is resolved:

- Judgment and draft DRO review by VCERA counsel
- Use VCERA’s sample Domestic Relations Order (DRO)
- Separate account vs. shared benefit

Contact VCERA to discuss situation and request a community property valuation



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Pre-Retirement Checklist

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, Change Form, Direct Deposit, Election of Tax Withholding

Notify department



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Post-Retirement Checklist

First check issued in 30-60 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



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Other Member Resources

More information at www.vcera.org:

- Pension calculators
- Member Portal
- Publications
- Forms
- Alameda Decision: www.vcera.org/alameda

VCERA Benefits Specialists are here to help:

- (805) 339-4250
- vcera.info@ventura.org



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QUESTIONS?



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