

MCERA PENSION NOTES

VACATION PAYOFF EARNINGS

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On July 1, 2018 MCERA began considering additional vacation payout earnings as pensionable for Tier 1, 2 and 3 member retirement calculations. For members that retired after July 12, 2014 and through June 30, 2018, retirement benefits have been recalculated with the addition of up to 160 hours of vacation payout hours by MCERA’s actuary to determine any increased benefit amounts and one time lumps payments with interest, with consideration of the employee’s contributions owed to MCERA.

For retiring Tier 1, 2 and 3 members, the adoption of both resolutions means that up to an additional 160 hours of vacation payout earnings may be included in calculating members’ final average compensation for retirement purposes. A maximum of 160 hours of vacation leave, a maximum of one year’s vacation leave accrual, or the number of vacation hours actually included in the member’s vacation payoff, whichever is less will be added to such retiree’s final average compensation.

Prior to the passing of the California Public Employees’ Pension Reform Act (PEPRA) in 2013, legacy MCERA members were allowed to use up to 160 hours of additional vacation payout hours when terminating employment and have this amount considered pensionable. But on July 12, 2014, MCERA ceased including these additional vacation payout earnings as pensionable compensation.

To understand the impact of these two resolutions on vacation payout earnings, member are encouraged to review the adopted resolutions which can be found on MCERA’s website at <http://www.co.merced.ca.us/Ventura>. If you have a question, please feel free to contact MCERA at 209-726-2724 or email MCERA@co.merced.ca.us.

NEW APPOINTMENT

Mark Harman was appointed as the Fiscal Manager for MCERA. Mark has been MCERA’s Accountant for several years and was recently promoted. Mark has years of expertise in the area of investments and general accounting. Mark has a Bachelors of Science in Business Administration with a concentration in Accounting and a Masters of Business Administration and has been with MCERA since August of 2014.

On February 8, 2018, the MCERA Board of Retirement adopted Resolution 2018 -1, which once again made vacation payout earnings pensionable for MCERA Tiers 1, 2 and 3 members, with a 160 hour limit. The Board voted to adopt this Resolution based on First District Court of Appeal’s decision in the case of *Alameda County Deputy Sheriff’s Assn. et al v. Alameda County Employees’ Retirement Assn., et al. (2018) 19 Cal.App.5th 61* and subsequently adopted Resolution 2018-3 to clarify how the additional vacation payoff earnings are to be implemented into retirement benefits calculations.

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Upcoming MCERA
Pre-Retirement Seminar
scheduled for
August 29, 2018
8:00 to 12:30
at Merced County
Human Services Agency
(HSA) Cafeteria
See information page 2

PRE-RETIREMENT PLANNING MEETING

MCERA is hosting its second annual pre-retirement planning seminar for August 29, 2018, 8:00—12:30, at the Merced County Human Services Agency cafeteria, located at 2115 Wardrobe Avenue, in Merced. The seminar is being offered in association with the **Social Security Administration, Merced County Risk Management and Nationwide Financial Services**. Topics will include MCERA retirement benefits, saving for retirement with Nationwide, Social Security and Medicare Benefits, deferred compensation and post-employment health insurance options. The information provided will assist you in making better financial planning decisions as you plan for your retirement.

Information about this seminar will be distributed soon. The previous seminar was filled the day after registration became available so stay tuned for event and registration information. Registration is on a first come first serve basis. More events will be provided in the future.

Content and speakers are designed specifically for those whose retirement is on the horizon or within 3 to 5 years. We ask that you please obtain permission from your supervisor or manager to attend this seminar – County employees will be given four hours of approved time off to attend. Those attending will find a morning full of useful information with lots of opportunities for questions and answers. Priority will be given to those who sign up first in the event registration/facility capacity is met.

If you have specific questions on Social Security and your situation, you are strongly encouraged to sign up in advance for a MySocialSecurity account at www.SSA.GOV to obtain a current statement. Social Security Staff will be available on site to answer questions.

And of course if you have a MCERA related question now, feel free to contact MCERA at 209-726-2724 or email MCERA@co.merced.ca.us.

Retirement Board

- Darlene Ingersoll,
Chair
- Ryan Paskin,
Vice Chair
- Alfonse Peterson,
Secretary
- Janey Cabral
- Karen Adams
- Jason Goins
- David Ness
- Jerry O’Banion
- Michael Rhodes
- Sam Spangler
- Sandy Teague

LEGAL UPDATE INFORMATION

The issue of whether some earnings such as on-call earnings, should be considered pensionable is still to be decided by the California Supreme Court. The Court has accepted review of *Alameda County Deputy Sheriff’s Assn. et al v. Alameda County Employees’ Retirement Assn., et al. (2018) 19 Cal.App.5th 61* and a decision is expected within the next two years.

Have You Moved Recently?

It’s important to keep MCERA up to date with your current address. MCERA sends out important financial information each year to its members and your correct address is required. Such information may include tax documents, member statements and important updates on pending litigation. Active member should update their address through their employer and retirees should submit changes directly to MCERA.



MCERA Board Meetings:

- August 9
- August 23
- September 13
- September 14*
- September 27
- October 11
- October 25
- November 8
- December 13
- December 27

Meetings are held on the second and fourth Thursday of every month, with some exceptions.

* Board Education Day Public Meeting