

MCERA PENSION NOTES

MCERA ELECTIONS

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**Merced County
Employees' Retirement
Association**

3199 M Street
Merced, CA 95348
[209-726-2724](tel:209-726-2724) Phone
[209-725-3637](tel:209-725-3637) Fax

mcera@co.merced.ca.us
Email

www.mcera.merced.ca.us

The next MCERA
Brown Bag Lunch is
February 15, 2017
12:00 PM at
MCERA
3199 M Street, Merced
Be sure to RSVP.

This month, MCERA will be working with the Merced County Registrar of Voters Office to hold an election for two vacant seats on the MCERA Board of Retirement. The vacant seats are for a safety representative and an alternate safety representative. Both seats must be filled by active safety employees employed by the county and each of these two seats may be filled by an active safety MCERA member from different departments (one representative from Sheriff, one representative from Probation, etc...). Terms for these seats will end December 31, 2019. The final date to turn in your ballot is February 14, 2017.

The MCERA Board of Retirement

Oversight of MCERA is provided by a nine member Board with two alternate members. Trustees include the County Treasurer, four members appointed by the Board of Supervisors, two members elected by general members, one member elected by safety members (currently vacant), and one member elected by retired members. The two alternate members represent a safety alternate (also vacant) and a retired member alternate. All Board members, except the County Treasurer, serve for a term of three years.

The MCERA Board of Retirement has fiduciary and oversight responsibilities of the MCERA trust and Association. They provide strategic direction for the MCERA staff and are the ultimate decision makers for the association. The Board of Retirement is a separate entity from Merced County and is governed by the County Employees Retirement Law, other applicable provisions of the California Government Code, and the bylaws and policies of MCERA. The MCERA Board of Retirement is a very important position with oversight of nearly \$700 million dollars in assets.

Retirement Board Trustee requirements include attending at least two MCERA Board meetings a month, attending continuing education conferences, and being engaged in the oversight of MCERA.

If you are interested in learning more about MCERA and the two vacant Board of Retirement seats, you are encouraged to call MCERA at 209-726-2724. If you are an active safety member with the County of Merced, please look for mailings detailing the election process by the County of Merced's Registrar of Voters Office.

HAPPY NEW YEAR!

UPDATING YOUR INFORMATION

2017 marks a new year and an opportunity to do a quick review to ensure that MCERA has your updated information. If you have a change in your marital status, mailing address, or phone number, please contact the MCERA office to update your record.

Having updated information is very important in January. For our retired members, 1099Rs will be mailed out in January. For our active or deferred members, annual statements showing member service, beneficiary, and contribution information will also be mailed out in January.

WHAT'S NEW?

MCERA Board of Retirement has oversight of nearly \$700 million dollars invested on behalf of employers, members, and retirees. These assets are invested by investment professionals in private investments (known as private equity), the stock market, and bonds.

In an effort to assist the Board of Retirement with investments made in private equity, MCERA will be releasing a Request for Proposal (RFP) for a Private Equity Consultant. This expert will assist the Board in navigating the world of private equity investments. The RFP is targeted to go out in January of 2017.

MAXIMIZING RETIREMENT BENEFITS

It is vital to understand that the MCERA retirement formula consists of 3 factors:

1. Member's age at retirement
2. Total years of service
3. Final average salary (Tier 1 – highest 1 yr or 26 consecutive pay periods) (Tier II, III & IV – highest 3 yrs or 78 consecutive pay periods).

Deciding on the appropriate date of retirement is key. There are incremental increases in benefits for each quarter of a year for members who are under the maximum age of retirement. When a member (who is under the maximum age of the formula) is considering retirement, the member should consider a retirement date using this information.

MCERA tracks retirement eligibility hours for which retirement contributions are collected. Retirement contributions are **not** collected when a member works extra-help, or overtime or is on 4850 time (Safety members). Partial retirement contributions are collected when a member's time is coordinated with State Disability, Workers Comp, or on an

approved medical leave of absence that is not covered by vacation/sick leave hours. Subsequently, members may purchase the time difference to get credit for service. Total years of service is based on the hours that MCERA receives a retirement contribution.

The final average salary (FAS) is based on the member's salary and designated pensionable wage differentials. This also includes any sick leave hours sold back during the 25th pay period. Management units are also able to sell back vacation hours during the 25th pay period that is included in the FAS. The sellbacks of sick leave or vacation have limit requirements depending on the member's specific bargaining unit.

With this understanding, a member may maximize their retirement benefit. It should be noted that Tier 1 is the only tier that includes a cost of living adjustment in retirement. Tiers 2, 3, & 4 do not.

Retirement Board

Darlene Ingersoll,
Chair

Michael Rhodes,
Vice Chair

Alfonse Peterson,
Secretary

Karen Adams

Ronald Kinchloe

David Ness

Jerry O'Banion

Ryan Paskin

Scott Johnston

MCERA Board Meetings

January 12

January 26

February 9

February 23

March 9

March 28

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

Meetings begin at 8:15 am