



Tulare County Employees' Retirement Association

# Pension Progress

Phone: (559) 713-2900

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

Keeping Members Informed

March 2021

## *A Word from your Retirement Administrator...*

### **TCERA Board of Retirement in Action**



The Board of Retirement has had full agendas in recent months. There is no slow time for retirement issues. The Board is always in action...

In addition to the regular review of the investment portfolio and administrative matters, some additional items of interest to TCERA members include analysis of recent legislative changes to County Employees Retirement Law, the determination of the 6-month interest posting rate for active member accounts and other reserves and the approval of the April 1, 2021 Cost of Living Adjustment for pension payees.

**Legislative Changes** – California Assembly Bill 2101 offered the Board of Retirement some options under County Employees Retirement Law (CERL) regarding several pension administration issues. The Board of Retirement adopted two of those options:

**Retirement Advance Application Window** – Up until now, CERL set a requirement that retirement applications be submitted to TCERA no earlier than 60 days prior to the member's retirement date. The Board has approved a new option under CERL that allows the Board to increase the application window. Effective February 10, 2021, the application window is increased to 90 days prior to the member's retirement date. This change gives members more flexibility in applying for retirement and allows staff extra time for gathering and reviewing necessary retirement documentation prior to the retirement date.

**Board Approval of Retirements** – CERL requires that the Board of Retirement approve all retirement applications. Effective February 10, 2021, the Board has approved a new option under CERL that allows the Board to delegate the approval authority to the Retirement Administrator or his or her designee. This change ensures that retirement application approvals as required by CERL occur in a timely manner. The Board will continue to review new retirements and ratify the Retirement Administrator's actions.

**Interest Posting** – Interest is posted to active member accounts and other reserves every six months (June 30<sup>th</sup> and December 31<sup>st</sup>). The rate is determined by the Board of Retirement based on TCERA's investment returns, net of administrative expenses, smoothed over a ten-year period. This ensures that rates remain very stable in both up and down markets. The Board approved December 31, 2021 rates of interest of 2.8536% for Tiers 1, 2 and 3 and 2.7021% for Tier 4.

# TCERA Board of Retirement in Action (Continued)

**April 1, 2021 Cost of Living Adjustment (COLA)** – Pension payees receive COLA as determined by the change in Consumer Price Index (CPI) rounded to the nearest half of a percent, not to exceed 3% for Tier 1 and 2% for Tiers 2, 3, and 4. COLA may be positive, negative, or zero for any given year. The percentage increase to the Riverside-San Bernardino-Ontario CPI, applicable to TCERA, was 1.93%. The Board of Retirement approved the rounded COLA of 2.0% to be applied to payments effective April 1, 2021. Some Tier 1 members who have accrued a COLA bank, due to previous COLA percentages that did not meet the tier maximum, will be able to draw from that bank for a higher percentage. Pension payees will see this year’s COLA beginning with the April 30, 2021 payment. The actual COLA to be applied is as follows:

- Tier 1**            Initial retirement date on or before 4/1/1982 = 3.0%  
                         Initial retirement date on or before 4/1/2018 = 2.5%  
                         Initial retirement date on or after 4/2/2018 = 2.0%
  
- Tiers 2-4**        Initial retirement date on or before 4/1/2021 = 2.0%



The Board of Retirement continues to work in your best interests on a wide range of important issues so shout out a thank you the next time you see a trustee.

Leanne Malison  
Retirement Administrator

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## Board of Retirement Leadership

At the January 13, 2021 Board of Retirement meeting, Roland Hill stepped down as Board Chair after an extensive history of Board leadership. The Board elected Wayne Ross, appointed trustee, to fill the role of Board Chair and Pete Vander Poel, Board of Supervisors representative on the Board, as Vice Chair. Both Mr. Ross and Mr. Vander Poel are long-time Board members that bring years of experience to the positions. A big thank you to Roland Hill for his service as Board Chair and congratulations to the new Board of Retirement Chair and Vice Chair!

### Board of Retirement Trustees:

- Wayne Ross, Chair (appointed trustee)
- Pete Vander Poel, Vice Chair (appointed trustee)
- Roland Hill, elected general member trustee
- Laura Hernandez, elected general member trustee
- Nathan Polk, elected safety member trustee
- David Kehler, retiree elected trustee
- Gary Reed, appointed trustee
- Jim Young, appointed trustee
- Cass Cook, Treasurer-Tax Collector, ex-officio trustee
- Paul Sampietro, ex-officio alternate trustee
- George Finney, retiree alternate trustee
- David Vasquez, safety member alternate trustee



## Increase to Member Contribution Rates

As discussed in last quarter's newsletter, member contribution rates will increase by approximately 1% of payroll effective July 1, 2021. Actual changes to contributions will depend on your entry age and pensionable compensation. The change is primarily a result of the decision to reduce the expected investment rate of return for the retirement plan from 7.25% to 7.0%. To assist in your financial planning, the following is a sample comparison of the contribution changes for the next fiscal year.

### TCERA EMPLOYEE SAMPLE CONTRIBUTION AMOUNT COMPARISON 2020/2021

GENERAL						
TIER	YEAR BEGINNING JULY 1	ENTRY AGE	SAMPLE PENSIONABLE COMPENSATION	RATE ON 1st \$162 of COMP	RATE ON COMP OVER \$162	TOTAL CONTRIBUTION
2/3	2021	25	\$2,500.00	5.23%	7.84%	\$191.77
	2020	25	\$2,500.00	4.79%	7.18%	\$175.63
2/3	2021	35	\$2,500.00	6.41%	9.61%	\$235.07
	2020	35	\$2,500.00	5.95%	8.93%	\$218.42
2/3	2021	45	\$2,500.00	7.85%	11.77%	\$287.90
	2020	45	\$2,500.00	7.16%	10.74%	\$262.70
2/3	2021	55	\$2,500.00	9.12%	13.68%	\$334.61
	2020	55	\$2,500.00	8.43%	12.65%	\$309.41
4	2021	25	\$2,500.00	5.69%	5.69%	\$142.25
	2020	25	\$2,500.00	5.16%	5.16%	\$129.00
4	2021	35	\$2,500.00	7.89%	7.89%	\$197.25
	2020	35	\$2,500.00	7.33%	7.33%	\$183.25
4	2021	45	\$2,500.00	10.68%	10.68%	\$267.00
	2020	45	\$2,500.00	10.00%	10.00%	\$250.00
4	2021	55	\$2,500.00	14.05%	14.05%	\$351.25
	2020	55	\$2,500.00	12.90%	12.90%	\$322.50
SAFETY						
2/3	2021	25	\$2,500.00	7.55%	11.33%	\$277.13
	2020	25	\$2,500.00	6.69%	10.04%	\$245.57
2/3	2021	35	\$2,500.00	8.95%	13.43%	\$328.49
	2020	35	\$2,500.00	8.46%	12.69%	\$310.40
2/3	2021	45	\$2,500.00	10.37%	15.56%	\$380.59
	2020	45	\$2,500.00	9.61%	14.42%	\$352.71
2/3	2021	55	\$2,500.00	10.87%	16.31%	\$398.94
	2020	55	\$2,500.00	10.13%	15.20%	\$371.79
4	2021	25	\$2,500.00	11.53%	11.53%	\$288.25
	2020	25	\$2,500.00	10.76%	10.76%	\$269.00
4	2021	35	\$2,500.00	15.22%	15.22%	\$380.50
	2020	35	\$2,500.00	14.57%	14.57%	\$364.25
4	2021	45	\$2,500.00	19.26%	19.26%	\$481.50
	2020	45	\$2,500.00	18.58%	18.58%	\$464.50
4	2021	55	\$2,500.00	20.91%	20.91%	\$522.75
	2020	55	\$2,500.00	20.05%	20.05%	\$501.25

## TCERA Seminars Move to Zoom

TCERA seminars have moved to Zoom in order to provide you with access to important retirement information during the pandemic. Why should you participate in a seminar? Because it is important to stay informed regarding your benefits. TCERA seminars offer the opportunity to hear and ask questions about the follow topics:

**Plan Governance** – What is TCERA?

**Pension Benefits** – How are my benefits calculated?

**Retirement Eligibility** – When am I eligible to retire?

**Contributions** – How are they determined and where do they go?

**Death Benefits** – What is available to my beneficiaries?

**Disability Benefits** – How is disability eligibility determined?

**Termination** – What happens if I no longer work for a TCERA employer?

**Reciprocity** – Can I link my retirement with another eligible plan?

**Divorce** – How do community property rules apply to my TCERA account and benefits?

**Service Purchases** – What types of service can be purchased to restore service credit?



TCERA wants you to be fully informed regarding all of your retirement benefits. Watch for notices from TCERA regarding registration and Zoom access for future seminars so that you can take advantage of this convenient way to learn more about your TCERA retirement plan.

***Remember to check with your supervisor before enrolling!***

### TCERA Office Update

TCERA Board meetings remain open to the public to ensure that you have access to the decision-making process related to your TCERA pension plan. Attendance is limited and social distancing and cloth face coverings are required. Public comments can be sent to [BORPublicComment@tcera.org](mailto:BORPublicComment@tcera.org) any time before the meeting. Access via Zoom is also available. Contact the Retirement office 48 hours prior to the meeting to obtain the access link. Board of Retirement agendas and backup materials are posted on TCERA's website [www.tcera.org](http://www.tcera.org) prior to the meetings. Board approved meeting minutes are also posted. Please take advantage of these communications to stay informed regarding Board of Retirement activity.

TCERA's lobby continues to be closed to the public due to the COVID-19 pandemic. All critical functions and processes are handled by TCERA staff via U.S. mail and electronic communications. Any in-person contact with staff for a critical purpose is by appointment only. Social distancing and cloth face coverings are required. To date, all processes and transactions have been completed on time. It is our goal to continue to provide quality service in spite of the limitations imposed by the current emergency. The Board of Retirement and TCERA staff are grateful to all of you for your patience and consideration during these challenging times. We sincerely hope that you are all able to stay safe and well!

Contact TCERA at:  
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