



Tulare County Employees' Retirement Association

Pension Progress

Phone: (559) 713-2900

www.tcera.org

Keeping Members Informed

December 2022

A Word from your Retirement Administrator...

I Don't Know What I Don't Know...



When we meet with members, we often hear something like “I had no idea!” or “I never knew that!” which shows that it’s hard to figure out what questions to ask if you don’t know what you don’t know. TCERA tries very hard to ensure that members are well-informed. Newsletters like this are one of the ways we seek to get the word out. TCERA’s Plan Summary and other important information are available on our website and active members have the opportunity to participate in seminars offered throughout the year. For now, let’s review a few important things to keep in mind:

Benefit Estimates – TCERA will calculate retirement benefit estimates for a member to assist in retirement planning. This includes disability benefit estimates for members who believe they are permanently incapacitated from their duties and would like information regarding eligibility.

Service Purchases – If a member worked Extra Help prior to becoming a TCERA member, experienced a personal unpaid medical leave of absence or elected a refund for a previous period of TCERA service, active members may be eligible to purchase that service back, which will enhance future retirement benefit.

Reciprocity – If a member has service with another government pension plan in California and there was less than a six-month break in service, the member may be able to link the plans through reciprocity. Reciprocity may help the member achieve eligibility for benefits more quickly, reduce contributions due to a reduced entry age, and enhance the retirement benefit due to shared salary information.

Divorce – A member’s TCERA account is considered community property and must be considered in any divorce proceedings. TCERA cannot pay out benefits if divorce documentation is pending and the documentation that is acceptable is very specific. Contact TCERA immediately if this applies to you!

Death Benefits – The TCERA plan includes death benefits for both active and retired members. Do you know what your beneficiaries can expect?

Beneficiaries – Please keep your beneficiary information up to date! If the unforeseen should happen, it is important that active and retired members have provided us with current beneficiary information to ensure that we can distribute benefits correctly in accordance with retirement law.

Termination – If a member is considering terminating employment, it is important to get information regarding the options for the TCERA retirement account. TCERA will contact you after you terminate, but getting information in advance may help you better plan for your transition.

MyTCERA – TCERA has an online portal called MyTCERA that allows you to access your member information and process certain changes and estimates. Contact TCERA for more details.

Don’t wait until the last minute to find out that you don’t know what you don’t know. Take advantage of the resources available to you from TCERA or give us a call!

Leanne Malison
Retirement Administrator

Investment Performance Update

I'm sure you are all aware of the roller coaster experience in the markets recently. Unfortunately, that ride has been more down than up. The results for TCERA's fiscal year end June 30, 2022 are in and TCERA's investments experienced a loss due to those market conditions. The plan returned -5.9% for the fiscal year with longer term results reflecting a more positive outlook. The return for three years was 5.4%, five years was 5.9%, and 10 years was 6.8%. The fiscal year return put TCERA in the 35th percentile compared to its peers. That means the plan fared better than 65% of other public pension plans used by TCERA's investment consultant for peer rankings. The full performance report from Verus is available on TCERA's website if you want to check out the details. In addition, TCERA's Annual Comprehensive Financial Report (ACFR) will be published by calendar year end. The ACFR contains a thorough analysis of TCERA's investment results. I encourage you to take a look.

What does this mean for the plan? The first thing to remember is that TCERA will not recognize the loss for the fiscal year all at once for purposes of determining funding status. The Board of Retirement has implemented a smoothing process that recognizes gains and losses over a ten-year period. That ensures that investment return volatility doesn't result in a short-term whiplash effect for contribution rates and funded status. As the gains and losses are accounted for over time, the volatility is smoothed so that the gains recognized over time can offset any losses that have occurred in the past or may occur in the future. That means that the funding status of the plan as calculated by TCERA's actuary remains stable at 89.9%. In fact, that is actually a very slight increase over last year's funded ratio of 89.8%. This is because TCERA had deferred investment gains due to the smoothing process. Please refer to the actuarial valuation for June 30, 2022 that is available on TCERA's website for more details.



TCERA Trustee Elections Update



The Results are in! TCERA members in active and retired status participated in trustee elections this year for new 3-year terms beginning January 1, 2023 for the Seat 3 General Member Trustee, as well as the Seat 8 Retired Member Trustee and Alternate Retired Member Trustee. As previously reported, the incumbent for Seat 3, **Laura Hernandez Rangel**, and the incumbent for alternate Seat 8, **George Finney**, were the only qualified candidates and they have been certified as elected. There were two qualified candidates for the Seat 8 election, Roland Hill and David Winters. **Roland Hill** received a majority of the votes in the election held December 6, 2022. He has been certified as the trustee for the Seat 8 Retired Member Seat. Information regarding the election is available on the Elections Website at www.tularecoelections.org. Many of you will recall that Mr. Hill was an elected General Member Trustee for a number of years. He will bring that experience back to the Board as he takes on his new role representing the retired members of TCERA.

Congratulations to our new and returning trustees!

An important notice to our pension payees:

**Annual Notice of Right to Elect or Revoke
Federal Tax Withholding**

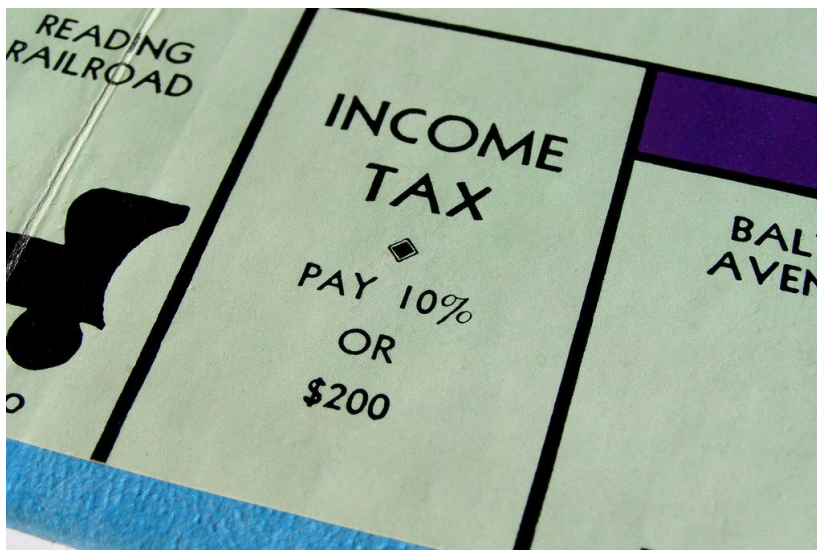
TCERA is required to notify you annually of your right not to have withholding apply to your periodic payment. Your current withholding instructions will stay in effect until you change or revoke them. You have the right to change your election at any time by providing notice to us.

Generally, pension and annuity payments are subject to federal income tax withholding. The withholding rules apply to the taxable part of payments from an employer pension or annuity. The recipients of these payments can choose not to have withholding apply to their pension. However, if you elect not to have withholding apply to your pension or annuity payments, or if you do not have enough federal income tax withheld from your pension or annuity payments, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if the withholding and estimated tax payments are not sufficient.

If you do not want to make a change to your federal tax withholding instructions, no action is necessary.

If you would like to revoke or change your current withholding, please complete federal income tax withholding form W-4P. The form is available in the Forms section of TCERA's website (www.tcera.org). You may also request a form by calling TCERA at 559-713-2900 or writing to us at TCERA, 136 N. Akers Street, Visalia, CA 93291. **Please note that the IRS has released a completely revised form W-4P. Plan ahead for your changes so that you have time to properly review and complete the form.**

Withholding decisions can be complicated. The Internal Revenue Service provides a withholding calculator to assist taxpayers in estimating their withholding for federal income taxes. The calculator is available on the IRS Website (www.irs.gov). We recommend that you consult with your tax advisor if you have questions regarding whether or not to have federal income tax withheld from your pension or annuity payment.



“MyTCERA” Member Web Access

If you haven't already done so, now would be a great time to enroll in TCERA's member web access tool called "MyTCERA". As you're making New Year's resolutions, one of them can be to learn more about your TCERA retirement benefit and do some research on what retirement might look like for you, whether that's next year or a few decades away. Through MyTCERA you can calculate benefit estimates, access forms, sign up for seminars, and review your beneficiary information. You will also have access to a comprehensive retirement income projection feature that will help you plan for your retirement, taking all of your future income sources into account, including your best forecast for the effects of cost of living increases. Have your Social Security estimate, 457 Plan information, TCERA estimates, and savings balances handy and you'll be ready to create some "what-if" scenarios for your retirement years. It's easy to enroll. Just give us a call at 559-713-2900 and we'll get you an enrollment form. Make 2023 the year you work on retirement planning. Regardless of your age, it's a good idea!



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. Social distancing is requested with masking optional. You can also send public comments to BORPublicComment@tularecounty.ca.gov any time before the meeting. Board of Retirement agendas and backup materials are posted on TCERA's website 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 is open to the public but **we greatly encourage you to use the phone, mail, and email whenever possible due to the COVID-19 pandemic**. All critical functions and processes can be handled by TCERA staff via U.S. mail and electronic communications. An appointment is required for any in-person contact with staff. This should be for critical purposes only. Social distancing is requested with cloth face coverings optional. 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:
(559) 713-2900
info@tcera.org