



Tulare County Employees' Retirement Association

Pension Progress

Phone: (559) 713-2900

www.tcera.org

Keeping Members Informed

June 2022

A Word from your Retirement Administrator...

It's Summer and Things are Heating Up!



A lot is happening in your retirement plan these days. This is my chance to make you aware of some hot topics at TCERA!

Active Member Contribution Rates – Remember that new rates go into effect for active members as of pay period 14 (payroll ending July 2, 2022). The good news is that the change to your contributions, if any, will be very small. Please refer to the March 2022 newsletter for details.

Retiree Cost of Living Increases – Cost of Living increases were successfully applied to pension payments effective April 1st. The increases were 3% for Tier 1 and 2% for Tiers 2, 3, and 4. Please contact TCERA if you have any questions regarding the changes to your payment.

Investment Portfolio Changes – You may recall that the Board of Retirement made some changes to the strategic asset allocation for TCERA investments last year to increase diversification and return while maintaining an acceptable level of risk. TCERA is moving forward with those changes and has entered into a contract with IFM for Infrastructure investments. Verus, TCERA's discretionary consultant for direct private equity investments, is preparing to enter into the first agreement under the new program. Opportunistic Real Estate will be coming soon. TCERA expects these changes to have a long- term positive impact on the portfolio.



Volatile Markets – Watching the news and seeing the impact of inflation, global conflicts, and market instability on investments can be a bit depressing and perhaps a little scary. TCERA is keeping a careful watch on these issues. Please remember that the TCERA investment portfolio is structured for long-term results. Shorter term fluctuations may be of concern but these storms will be weathered as they have been in the past. Fortunately, the 10-year smoothing process in place for the recognition of investment gains and losses has allowed TCERA to set aside some previously earned gains. Drawing upon those gains will help mitigate the volatility we're experiencing with the current markets.

Here's hoping you stay cool!

Leanne Malison

Upcoming Board of Retirement Elections

The Board of Retirement will be holding elections later this year for three trustee positions for three-year terms beginning January 1, 2023. Formal election notices will be distributed to voting members sometime in August. These elections are important because Board trustees are charged with significant responsibility for the governance and oversight of your TCERA retirement plan. The elections will be held on December 6, 2022. The following are the trustee seats up for election this year:

- *Third Member (General Member Representative) – elected to represent the general membership.*
- *Eighth Member (Retired Member Representative) – elected to represent the retiree membership.*
- *Eighth Member Alternate (Retired Alternate Member Representative) – elected to represent the retired membership in the absence of the Retired Member Representative and other elected trustees under certain circumstances.*



ACTIVE MEMBERS – Please note that ballots are mailed to your home address as recorded with your employer. **Please make sure your address is current with your payroll clerk!**

The makeup of the nine member Board of Retirement is determined by law as follows:

- **General Member Representation** – Two trustee seats elected by active general members of TCERA.
- **Safety Member Representation** – One trustee seat elected by safety members of TCERA.
- **Community Representation** – Three trustee seats appointed by the Board of Supervisors.
- **Board of Supervisors Representation** – One trustee seat appointed by the Board of Supervisors.
- **Retired Member Representation** – One trustee seat elected by the members of the Tulare County Retired Employees Association (TCREA).
- **Auditor/Treasurer/Tax Collector Representation** – One ex-officio trustee seat filled by the incumbent of this position with the County of Tulare.

Retirement law and other governance also allow for alternate trustees to vote in the absence of specific trustees under certain circumstances:

- **Safety Member Alternate** – The safety member alternate is determined in conjunction with the safety member election. Retirement law assigns two broad categories of safety membership for trustee election purposes – law enforcement and fire suppression. The candidate receiving the largest number of votes from all votes cast from both classifications is elected as the Safety member trustee. The candidate receiving the largest number of votes from the classification not associated with the winner of the election becomes the safety member alternate trustee for the same term.
- **Retiree Member Alternate** – The retiree member alternate election is handled as a separate election with its own candidate pool. Candidates must specifically designate that they are running for the alternate position. The retiree member and the retiree alternate elections are held at the same time and serve the same three year term.
- **Auditor/Treasurer/Tax Collector Alternate** – The Auditor/Treasurer/Tax Collector has the authority to appoint an alternate trustee. No election is required for this position.

The trustee seats on the Board of Retirement, excluding the ex-officio positions for the Auditor/Treasurer/Tax Collector trustee and alternate, are subject to staggered three year terms.

Keep your eyes open for election information and materials that will be made available in August!

A Few Frequently Asked Questions...

Why is having a “Defined Benefit” retirement plan important to me?

Under a Defined Benefit Plan (like TCERA), a formula is used to calculate the plan member's retirement allowances. The more generous the formula, the higher the retirement benefits for plan members. A Defined Benefit retirement program is designed to pay the pension benefit for the life of the retiree – another important feature of the TCERA plan. In addition, the TCERA plan provides cost-of-living adjustments (COLA's) to retirees in order to help protect the purchasing power of their pensions. Pre-retirement and post-retirement death benefits are also provided under the plan which may include lifetime benefits to qualified beneficiaries. Finally, disability retirement benefits are also available from the TCERA plan for those qualified active members who become permanently disabled from performing the essential duties of their job classifications. Contact the Retirement office for more information.



How does the balance in my TCERA retirement account affect my retirement benefit?

Your account balance is not part of the calculation of your retirement benefit with TCERA. The benefit is calculated using a formula based upon your membership type (General or Safety and Tier), your age at retirement, your years of retirement service credit with TCERA, and your final average salary. Your contributions are important in that they help to fund the monthly pension benefit you will receive, but your contributions DO NOT play a role in determining the amount of your monthly retirement allowance.

Can I take out a loan on the amount I have in my TCERA account?

No, loans are not allowed. The provisions of the California Government Code sections governing the TCERA plan do not permit us to make loans from the amount a member holds in her/his retirement account. While loans are permissible to employees who participate in the County's Defined Contribution program, the same is NOT true for TCERA.

Can I use funds from my defined contribution (Empower) account or other deferred compensation plans to buy-back service time for Retirement?

Yes. Rollovers from your Defined Contribution plan, IRA, 403B, and 401K programs can be accepted by TCERA for the purchase of qualified years of service under the Retirement Association. Other acceptable methods of payment include lump-sum payments and post-tax biweekly deductions from your pay. For more details regarding service purchases, please contact the Retirement office.

I am divorced and my ex-spouse received community property from my retirement account. If my ex-spouse withdraws it, can I purchase my service back?

When TCERA receives Court approved instructions for how your contributions and years of service are to be divided between you and your ex-spouse, the account will be divided (both contributions and years of service) as instructed. If the ex-spouse elects to take a withdrawal, you will be notified and will be given the option of redepositing the amount withdrawn (plus interest) and having the years of service restored into your retirement account. You will have up to a maximum of five (5) years from the date of the notice to complete the redeposit. If the ex-spouse does not withdraw, the community property cannot be restored.

Can my benefit change after retirement?

Your basic retirement benefit will not change after you retire. The basic benefit is determined based on your membership type and tier, age, years of service, and final average salary at the time of your retirement. There are currently two additional components of retirement compensation that can increase or decrease after retirement. The first is the Cost of Living amount paid to you as determined each year by the Board of Retirement. The Cost of Living amount can increase or decrease based on the change in CPI for the year. The second component is any eligible non-vested compensation paid from the Supplemental Retiree Benefit Reserve (SRBR) such as Supplemental Cash and Supplemental COLA. Not all retirees are eligible for supplemental benefits and the Board of Retirement can adjust these benefits at any time.

Annual Member Statements

Active members recently received an annual member statement from TCERA. The statement is prepared for active members once the Board of Retirement has determined the interest payable to TCERA accounts, usually in April of each year. It is not required for tax preparation. This statement contains important information for understanding your future benefit and for your retirement planning, including:

Membership Information: The document lists your membership type, tier, entry date and service credit as of calendar year end. This information provides the basis for calculating an estimate of your benefits.

Beneficiary: If you have submitted a beneficiary form to TCERA, the beneficiary information is listed on the statement. Take a minute to review it and make sure it is correct. If a beneficiary needs to be added or updated, the form is available on TCERA's website or contact the Retirement Office for assistance.

Retirement Eligibility: The statement gives you the earliest eligibility date for retirement. For some, this date may be already past while it may be many years in the future for newer TCERA members.

Contributions: The contribution balance provided is the amount of contributions and interest in your TCERA retirement account. While your contribution amount is not a factor in determining your future benefit, this money will help fund your retirement, along with funds provided separately by your employer. These funds are not available for withdrawal unless you terminate employment.

Benefit Estimates: Using projections of your current salary (pensionable compensation), the second page of the statement provides estimates of the monthly pension available to you when you retire. Remember that this estimate does not account for future salary increases or unpaid leaves of absence that may occur between now and your retirement and is calculated for vested members only.

If you have questions regarding your statement, please contact the Retirement Office. We're happy to review the information with you.

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 is encouraged. Face masks are optional but encouraged. Public comments can be sent to BORPublicComment@tcera.org any time before the meeting. Access via Zoom or live stream on YouTube is also available. Contact the Retirement office 48 hours prior to the meeting to obtain remote access information. 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. **Safety precautions change quickly. Please contact the Retirement Office for the most current public access requirements.**

TCERA's lobby is open to the public. Due to the COVID-19 pandemic and in accordance with state and local guidelines, masks are encouraged but not required when in the Retirement Office. All critical functions and processes can be handled via U.S. mail and electronic communications to offer you a safer alternative for service. **If you require in-person contact with staff, please make an appointment to ensure that a staff member is available to assist you.** 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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