



Tulare County Employees' Retirement Association

Pension Progress

Phone: (559) 713-2900

www.tcera.org

Keeping Members Informed

March 2024

A Word from your Retirement Administrator...

Spring is Here...and Other Important News



It's hard to believe that year end is almost three months behind us and we are seeing the beauty of our valley explode with blossoms of spring. The rain has refreshed parched earth and hopefully you are feeling refreshed as well. I hope the snow-capped mountains bring a smile to your face. They sure bring one to mine! Spring is not just a time of renewal for nature and our attitudes, however. It is also the time when several important actions are taken by the Board of Retirement. In addition to the regular review of the investment portfolio and administrative matters, recent important items of interest to TCERA members include the following:

Interest Posting – Interest is posted to active member accounts and other reserves every six months (June 30th and December 31st). 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. Market conditions were good for the six months ended December 31, 2023. The ten-year smoothing process allowed the Board to partially offset some previous investment losses while still authorizing interest to be applied to member accounts and other reserves. The Board approved December 31, 2023, rates of interest for member accounts of 2.7331% for Tiers 1, 2 and 3 and 2.6111% for Tier 4.

Supplemental Retiree Benefit Reserve (SRBR) – Tiers 1, 2, and 3 are covered by a special provision of the government code that governs TCERA that dictates how funds are distributed to reserves whenever the Plan achieves net income after smoothing that is over and above the Plan's investment assumption rate, sometimes referred to as "excess earnings". For this interest posting period, there were no excess earnings to distribute to the SRBR and other reserves. That doesn't mean that the SRBR didn't receive interest. The SRBR was credited with 2.7331% interest, the same as all TCERA reserves for Tiers 1-3. The Board of Retirement continues to monitor the status of the SRBR to ensure that it is positioned to pay benefits to retirees well into the future.



NOTE: Tier 4 members are not eligible for SRBR benefits.

Other Important News (Continued)

April 1, 2024 Cost of Living Adjustment (COLA) – Pension payees receive COLA as determined by the change in the 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 4.28%. The Board of Retirement approved the rounded COLA of 4.5% to be used as the basis for determining COLA amounts to be applied to payments effective April 1, 2024 and the resulting update to COLA “banks”. As you can see from this year’s CPI increase, inflation continues to have a significant impact on our economy but is showing improvement over last year. Retirees are still feeling the pinch, however, and it may be discouraging to see the COLA maximums be below the actual change in CPI. Remember that TCERA “banks” the difference between CPI and the actual COLA applied. This means that in future years when CPI is below the maximum COLA, those pensioners with a bank will be able to draw on it to bring the COLA up to the maximum allowed by the Plan. Pension payees will see this year’s COLA beginning with the April 30, 2024 payment. The actual COLA to be applied is as follows:

Tier 1 Initial retirement date on or before 4/1/2024 = 3.0%

Tiers 2-4 Initial retirement date on or before 4/1/2024 = 2.0%



SRBR Purchasing Power Protection Benefits (Supplemental COLA)

One of the SRBR benefits provided to eligible retirees is a cash benefit that helps those retirees whose purchasing power has fallen below 85% of the original basic benefit. The benefit keeps the payment at the 85% level, providing a safety net for those payees hit hardest by inflation. Because of the 4.5% CPI increase used in the COLA calculation for April 1, 2024, some payees will see an increase to their Supplemental COLA benefit or may receive the benefit for the first time.



Annual Comprehensive Financial Statement – TCERA’s Annual Comprehensive Financial Statement (ACFR) was approved by the Board of Retirement in December. This report gives detailed information regarding the financial status of the plan including audited financial statements, financial disclosures and analysis, investment performance details, and actuarial analysis. In addition, it provides an overview of Plan activity during the year and includes a plan summary. The June 30, 2023 ACFR is now available on TCERA’s website www.tcera.org.

All of the information provided here is intended to give you a broad overview of these topics. If you have questions regarding the areas discussed in this article (interest posting, SRBR Benefits, COLA, ACFR), or any TCERA retirement plan issues, please refer to the Plan Summary available on our website or contact the Retirement Office for additional details.

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

TCERA Plan Benefits

Quite often in this newsletter we focus on a particular benefit or requirement of the TCERA pension plan. Those articles provide important details on a specific subject, but we are limited to only one or two topics in each newsletter. What if there are topics not covered that you have never heard about? How do you know what questions to ask? The list below of topics that are addressed in TCERA's Guide to Plan Benefits (otherwise known as the Plan Summary) that is available on TCERA's website may be of help.

- **TCERA Membership**
 - Who is eligible for membership?
 - What is my Membership Type/Tier?
- **Employee and Employer Contributions**
 - How are Contributions Calculated?
 - Do I Receive an Annual Statement?
- **Membership Status**
 - What Does My Status Mean?
- **Designating a Beneficiary**
 - How Do I Designate a Beneficiary and Why is it Important?
- **Changing Your Name**
 - What Documentation is Required for a Name Change?
- **Changing Your Address**
 - How Do I Provide an Address Change?
- **Reciprocal (Intersystem) Membership**
 - What are the Eligibility Rules and Benefits of Reciprocity?
- **Leaves of Absence**
 - How Do Leaves of Absence Affect my Retirement?
- **Divorce/Legal Separation**
 - Is my Retirement Affected by Community Property Rules?
 - What Documentation is Required to Report a Divorce/Separation?
- **Termination of Employment**
 - What Happens to My Retirement Account? Do I have Options?
- **Return to Work**
 - What is My Status if I Return to Employment with a TCERA Employer?
 - What are the Requirements/Limitations of Returning to Work After Retirement?
- **Service Purchases**
 - What Types of Purchases Are Available to Increase My Service Credit?
- **Retirement Benefits**
 - What are the Eligibility Rules and Options for My Retirement?
- **Disability Retirement Benefits**
 - What are the Eligibility Rules and Options for a Disability Retirement?
- **Cost of Living Benefits**
 - How are Cost of Living Benefits Calculated and Applied to My Retirement Benefit?
- **Death Benefits**
 - What Death Benefits Are Available for Active Member and Retired Member Deaths?



WOW! That's a lot of information! And it is all very important. If you have questions on any of these topics, you are encouraged to take a look at the Plan Summary for more details. If you still have questions, please contact the TCERA Office. Active members are also encouraged to sign up for one of TCERA's seminars. They are a great way to get a better understanding of your benefits and be prepared for retirement. The seminar dates can be found on the calendar available on the website, www.tcera.org.

Purchasing Retirement Service Credit

Members in active and deferred status with TCERA are permitted to purchase Retirement Service Credit for certain employment periods. You may be eligible to purchase Service Credit for the following:

- Previously withdrawn TCERA service (refunded contributions).
- Disability Leave covered by Worker's Compensation.
- Personal Medical Leave of Absence, **if** you returned to service following the leave.
- Extra-help service with a TCERA employer prior to first eligibility for TCERA membership.

You have two payment options for purchasing Retirement Service Credit:

- **Lump Sum Payment** – You may submit a personal check for the entire amount due. Such payments are made on a post-tax basis. TCERA can accept pre-tax dollars through the rollover of funds from another qualified retirement program such as an IRA or the 457 (Defined Contribution) Program. These two payment types cannot be combined due to IRS regulations.
- **Payroll Deductions** – Authorized payroll deductions (including additional interest for the payment period) are taken on a post-tax basis. **This option is irrevocable. You cannot cancel your deduction and you must pay the balance in full if you terminate employment. The purchase must be complete to receive credit.**

Important Notes: Purchased Retirement Service Credit counts only toward determining the amount of your retirement benefit and does not affect other employer benefits such as seniority, vacation, or sick leave accrual rates. There are some instances where a purchase may not increase the benefit payable at retirement. In such cases, no refund will be issued. Please contact the retirement office for complete details, limitations, and requirements for service purchases, including special provisions for safety members. A service purchase estimate form is available at the retirement office or on TCERA's website www.tcera.org.



TCERA Office and Board Meeting Access

TCERA's lobby is open to the public during regular business hours. Masks are not required but you are welcome to wear a mask if you will feel more comfortable in our office. In addition, if you would prefer that the staff member assisting you wear a mask, please ask and we will be happy to do so. What we learned from the pandemic is that all critical functions and processes can be handled via U.S. mail and electronic communications to offer you a safe and convenient alternative for service and avoid making a trip to the retirement office. Please contact the retirement office for assistance with these options. **If you require in-person contact with staff, please make an appointment to ensure that a staff member is available to assist you.** We don't want you to make a special trip only to find that staff are assisting other members.

TCERA Board meetings are open to the public to ensure that you have access to the decision-making process related to your TCERA pension plan. Members of the public may address the Board in person or comments can be sent to BORPublicComment@tularecounty.ca.gov any time before the meeting. Meetings are live streamed through a link on TCERA's website. Board of Retirement agendas and backup materials are posted on TCERA's website 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.

Questions? – Contact TCERA at:
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info@tularecounty.ca.gov