



Tulare County Employees' Retirement Association

Pension Progress

Phone: (559) 713-2900

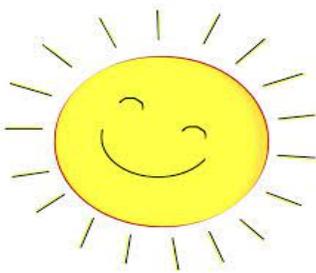
www.tcera.org

Keeping Members Informed

December 2021

A Word from your Retirement Administrator...

Be an Informed Member!

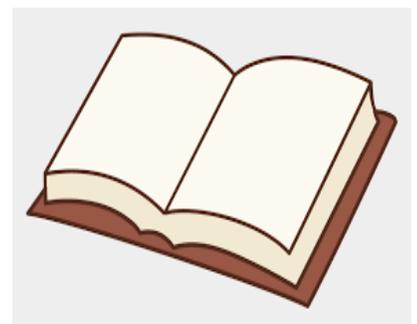


Even though we've had a few gloomy, foggy days in the last few weeks, a smiling sun is very appropriate for talking about the health of the TCERA Retirement plan. In the last newsletter I reported fiscal year end plan information, not the least of which was that TCERA achieved record setting returns of 24% gross of fees for the fiscal year ended June 30, 2021, far exceeding the long-term investment return assumption of 7%. This has resulted in an increase to our actuarial based funding ratio from 89.1% to 89.8% and an increase to our market based funding ratio from 80.3% to 95.4%, as reported in TCERA's recently approved actuarial valuation for June 30, 2021. Let's take a minute to celebrate a banner year. Hurray!!

Now, didn't that feel good? It is always my pleasure to share information with our members, but it is so much better when I'm the bearer of glad tidings. One of our goals at TCERA is to ensure that members are fully informed regarding the status of the plan and the activity of the Board of Retirement. The trustees are constantly evaluating, analyzing, and reviewing policies and strategies to maintain the health of your retirement system. This is important not only when the information is all sunshine but also when the outlook is less rosy.

Where can I get more information? – I'd like to spend a little space in this newsletter reminding you of the resources available to you that will help you be an informed member. TCERA wants to be an "open book" that makes all plan information readily accessible. The following publications are available on TCERA's website and will provide more detailed information regarding the Plan's status and performance for the fiscal year ended June 30, 2021:

- Investment Performance Report – Quarterly investment performance reports prepared by TCERA's investment consultant, Verus, give detailed information regarding not only the performance of the fund, but also provide information on market conditions that contribute to the performance and an analysis of performance by investment manager and asset class.
- Actuarial Valuation – The June 30, 2021 actuarial valuation prepared by TCERA's consulting actuary, Cheiron, provides in depth analysis of the health of the plan as well as assumptions and projections used in determining contribution rates and the actual contribution rates that will go into effect July 1, 2022.



Be an Informed Member (continued)

- Annual Comprehensive Financial Report (ACFR) – The June 30, 2021 will be available on the website by December 31, 2021. This report consolidates information from the investment performance report and actuarial valuation. It also includes the fiscal year end financial statements as audited by TCERA’s independent audit, Brown Armstrong. I encourage every member to review this fact-packed report.
- TCERA Newsletters – TCERA newsletters are archived on the website and contain articles on all aspects of the TCERA retirement plan.
- TCERA Plan Summary – This document provides details on plan membership and benefits. You received a copy when you were hired and updated copies if you have participated in any TCERA seminars. The most current version of the handbook is always accessible on the website.
- TCERA Seminars – TCERA offers seminars that provide basic information regarding the plan as well as important information for pre-retirement planning. The schedule of seminars is found on the website calendar. Active members can also watch for e-blast notifications



Thanks for taking the time to become educated about your retirement plan. Remember, TCERA staff members are always available to answer your questions. Just give us a call (559-713-2900) or send us an email at info@tularecounty.ca.gov.

Your TCERA Death and Burial Benefits

It's rare that someone would enjoy talking about death. The death and burial benefits available from the TCERA pension plan, however, are good news for your beneficiaries and it is important that you are informed regarding what your beneficiaries can expect. This article will focus on benefits for members with a date of death after retirement.

Post-Retirement Death Benefit – Benefits paid to the beneficiary of a retired member depend on the option elected by the retiree at the time of retirement. These benefits may include a lifetime continuance for an eligible beneficiary. In other cases, the beneficiary may receive a lumpsum payout of funds remaining in the retired member's account, if any, at the time of death. If you are unsure of the option you selected at retirement, please contact the Retirement Office to learn more about these benefits.



Burial Benefit – In addition to the benefits discussed above, a one-time lump sum burial benefit of \$5,000 is payable to the beneficiary of a retired member, provided the member retired from a TCERA employer rather than a reciprocal system. This benefit is paid only upon the death of the member; it is not paid upon the death of a beneficiary.

An important notice to our pension payees:

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

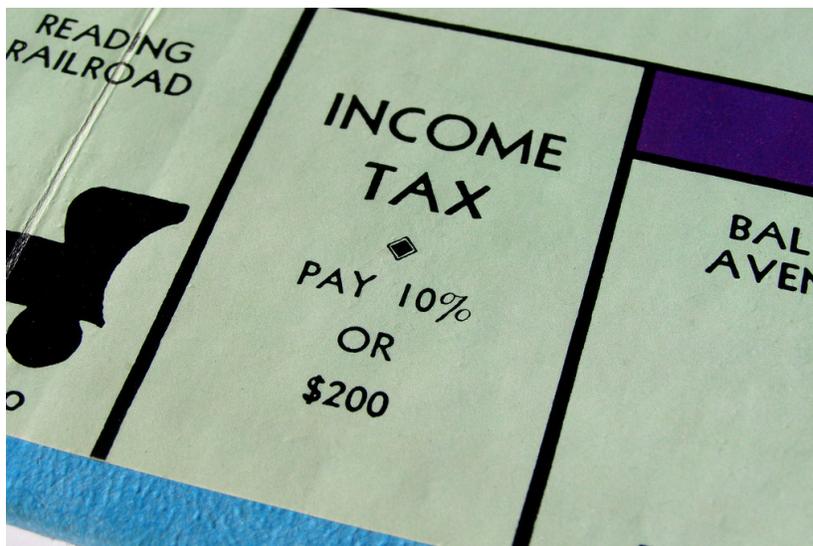
TCERA is required to notify you annually of your right not to have withholding apply to your periodic payment. Your current withholding instructions will stay in effect until you change or revoke them. You have the right to change your election at any time by providing notice to us.

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 your 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 is expected to release a completely revised form W-4P for 2022. 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.



Your TCERA Death Benefits – Part 2 (Active Members)

The death benefits that are available for the beneficiaries of members who pass away while an active member of TCERA are not the same as those described above for retired members. It is important that you are aware of what your beneficiaries can expect if your date of death is prior to retirement.

Death Benefit – A one-time lump sum Basic Death Benefit consisting of a return of the contributions and interest which have accumulated in the member's retirement account and a one-time lump sum payment of one month's salary for each completed year of service, up to a maximum of six months' salary. (A minimum of one year of completed service is required for this benefit).

Continuance Benefit – If the member has 5 or more years of retirement service credit, an eligible spouse or minor child has other options available. The eligible beneficiary may choose the death benefit described above, or a continuance benefit equal to 60% of the retirement benefit to which the member would have been entitled if retired for a non-service connected disability, or a combination of a reduced lump sum payment and a reduced monthly benefit.

Service Connected Death – If it is determined that a member's death was the result of employment with the TCERA employer, the choices described above are the same with the exception that the continuance benefit is increased to a monthly benefit equal to a least 50% of the member's final average salary. Additional benefits may be applicable for the service connected death of a Safety member.

Deferred Members – In the event of the death of a member in deferred status (vested, non-vested, or reciprocal), the beneficiary receives a one-time lump sum Basic Death Benefit consisting of a return of the contributions and interest which have accumulated in the member's retirement account.

Death benefits are complex and you are encouraged to contact TCERA with any questions you have regarding the benefits available to you under each of the circumstances described.

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 and cloth face coverings are required. You can also send public comments to BORPublicComment@tcera.org 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 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 sincerely hope that you are all able to stay safe and well!

Contact TCERA at:
(559) 713-2900
info@tcera.org