

into KCERA, the completed Advice form will be returned to the other retirement system. KCERA will send you a letter confirming that reciprocity has been established.

Reciprocal employees hired by the County on or after October 27, 2007 are enrolled in the General Tier II retirement plan (“1.62% at 65”). Reciprocal employees who were KCERA members prior to October 27, 2007 are enrolled in the General Tier I plan (“3% at 60”).

Refund Restriction

Once reciprocity has been established, you may not withdraw your contributions from any system with which you have reciprocity unless you withdraw your contributions from all systems. For example, if you leave KCERA-covered employment, enter employment with a reciprocal system and establish reciprocity, you may not withdraw your KCERA contributions unless you first withdraw from your last retirement system. KCERA will not issue a refund until confirmation is obtained that you have terminated employment with your last retirement system and withdrawn your contributions.

Applying for Retirement

You must retire on the same day from all retirement systems with which you have reciprocity in order to receive the full benefits of reciprocity. Further, you must make application separately to each retirement system.

Once KCERA has received your application for retirement, we will exchange salary information with all retirement systems with which you have reciprocity. KCERA and all reciprocal systems will use your highest salary earned under any of the systems to calculate your retirement benefits.

Important

None of the outlined benefits of reciprocity applies until reciprocity is established. Reciprocity is not considered established until KCERA receives a completed Inter-System Membership Advice confirming your years of service and your date of termination from your previous retirement system. Your contributions will continue to be withheld at your current rate of contribution until reciprocity is established. KCERA will refund any portion of contribution overpayment once reciprocity has been established.

Questions

This pamphlet is designed to provide general information about the benefits of establishing reciprocity between public retirement systems. For questions concerning your particular situation, please contact the KCERA office to speak with a retirement services representative.



Your Retirement. Your KCERA.

If there is any difference between this pamphlet and the Retirement Law of 1937, the provisions of the law will apply.

Reciprocity

**Kern County Employees'
Retirement Association**
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KCERA
PRUDENT INVESTMENT • QUALITY SERVICE

**Kern County Employees'
Retirement Association**

(Last revised October 2010)

This brochure provides information on the rights and benefits of reciprocal membership between the Kern County Employees' Retirement Association (KCERA) and certain other public retirement systems in California.

What is Reciprocity?

Reciprocity allows public employees to link together service earned in more than one public retirement system without losing valuable retirement rights and benefits when changing employment.

There is no transfer of funds or service credit between reciprocal retirement systems when an employee establishes reciprocity. The employee becomes a member of both systems and is subject to the membership and benefit obligations and rights of each system. Upon retirement, each system pays a retirement allowance based on the years of service earned in each respective system. The member must apply to retire from all reciprocal systems separately on the same date to receive all benefits of reciprocity.

Advantages of Reciprocity

Once reciprocity has been established, you will be eligible for many valuable benefits:

- **Lower Entry Age** – KCERA uses your age at entry to determine your rate of contribution. By establishing reciprocity, KCERA will use your age at entry into the first retirement system with which you have reciprocity to determine your rate of contribution with KCERA. Having a lower entry age will mean a lower rate of contribution.

- **Qualification for Benefits** – Service in all your reciprocal retirement systems will count toward your eligibility for vesting with KCERA and your eligibility for retirement. All reciprocal service will also count toward your eligibility for a 2% “longevity” benefit when you have 30 years of retirement service credit.

You must have a minimum of five years of retirement service credit in total with your reciprocal systems to be considered vested with KCERA. Vesting means that you are eligible to receive retirement benefits once other eligibility requirements have been met.

You must have a minimum of 10 years of retirement service credit in total with your reciprocal systems and be at least age 50 to be eligible for service retirement with KCERA.

- **Final Compensation** – When you prepare to retire, KCERA and all retirement systems with which you have reciprocity will use the highest compensation earned under any of the systems to calculate your retirement benefits. KCERA and many other systems use the highest 12 consecutive months of compensation to calculate retirement benefits, while other systems may use the highest 36 consecutive months.

Reciprocal Systems

KCERA recognizes reciprocity with all California counties operating under the County Employees' Retirement Law of

1937, all public agencies participating in the California Public Employees' Retirement System (CalPERS), the California State Teachers Retirement System (CalSTRS), and with public agencies that have a reciprocal agreement with CalPERS.

KCERA does not recognize reciprocity with any retirement systems outside of California.

Eligibility for Reciprocity

When you change employment from one governmental or public agency to another, you may be eligible for reciprocity as long as certain conditions are met:

- You must continue membership in the first retirement system by leaving your contributions on deposit and deferring your retirement.
- You must enter employment and become a member of a reciprocal retirement system within six months of terminating employment with the first retirement system.
- You must terminate employment with the first system before beginning employment with the reciprocal system. Reciprocity is not established if you are employed concurrently with both systems.

Establishing Reciprocity

Leaving Kern County Employment

When you leave employment with Kern County or a participating Special District, you are required to complete a Disposition

of Retirement Contributions form. This form allows you to choose whether to take a refund of your contributions or whether to leave them on deposit by either deferring retirement or making a reciprocal election. To establish reciprocity, complete your Disposition form by marking “Reciprocal Election,” indicating the name of the retirement system you will be entering. Return the completed Disposition form to the KCERA office.

Once KCERA receives your Disposition form, we will send an Inter-System Membership Advice to your new retirement system. The Advice form will include your total years of service with KCERA and your dates of membership and termination of employment. The new system will confirm that you entered employment within six months of termination from Kern County and will return the completed Advice form to the KCERA office. KCERA will send a letter of confirmation letting you know that reciprocity has been established.

Entering Kern County Employment

When you leave employment covered under another retirement system and enter employment with Kern County or a participating Special District, you may also be eligible to establish reciprocity. You should contact the retirement system office for the employer from which you are terminating employment and inform them that you will be entering KCERA membership and that you wish to establish reciprocity. Your previous retirement system will send an Inter-System Membership Advice to KCERA. Once KCERA staff has confirmed your entry date