



The Retirement Chronicles

A quarterly publication of the Kern County Employees' Retirement Association

News & Views

October 2016

The **Do's & Don'ts** of POST-RETIREMENT EMPLOYMENT

KCERA members have very different plans for what to do when they retire. Some envision traveling to distant lands. Some look forward to spending more time with loved ones. Others are anxious—of all things—to return to work!

If your goal is to reenter the workforce, you should be aware of the rules that dictate when and how this is allowed. The laws governing this subject have changed in recent years, so here is what you need to know as it relates to KCERA only. *Please check with other public retirement systems that pay you a benefit about their return-to-work rules.*

WHAT YOU CAN DO

You can work for any employer without affecting your KCERA benefit—as long as your new employer is *not* a KCERA plan sponsor. In other words, you can continue to receive your full retirement benefit if you work for an employer that is *not* the County of Kern, the Kern County Superior Court or any one of KCERA's special districts.

You can return to work and continue to receive your monthly KCERA benefit, but you can only be hired to perform work for a limited duration. For example, you can work as an extra-help employee with a KCERA plan sponsor and still receive your full benefit. Extra-help employment is limited to 960 hours in a fiscal year and subject to the "180-day rule" (see below).

WHAT YOU CANNOT DO

Government Code section 7522.56(f) defines who can return to work for a KCERA employer without being reinstated as an active employee. This rule requires that general members wait 180 days after retiring before being employed *in any capacity*, including contract work, by a KCERA plan sponsor. The law carves out two exceptions. The first is for general members whose employer certifies the appointment is necessary to fill a critically needed position before 180 days have passed. The employer's governing body must approve the hire on a non-consent agenda. The second exception is for safety retirees who return to work to perform public safety officer or firefighter duties.

Also, a retiree who received unemployment insurance arising out of prior County/District employment in the 12 months prior to an appointment is ineligible to return to work for a KCERA plan sponsor.

Under no circumstances can you return to *full-time* employment with a KCERA plan sponsor and continue to receive your monthly KCERA benefit. If you accept full-time employment with a KCERA plan sponsor, your retirement benefits will be suspended until your employment ends. Moreover, if your new full-time employment makes you eligible for KCERA membership, you will begin accruing a new KCERA benefit.

BREAKING THE LAW

Breaking the law that governs return-to-work employment has serious consequences, including the potential suspension of your KCERA benefit. To ensure that your return-to-work plans comply with the law, please contact KCERA before accepting public employment.

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Countdown TO LAUNCH OF MEMBER PORTAL

The clock is ticking toward the launch of the KCERA Member Portal!

In a few months, KCERA will unveil its password-protected, web-based portal, which will empower members to view their account information any-time, anywhere. The Member Portal will put you in greater control of when and how you receive retirement information.

After the testing phase of the portal is completed this fall, KCERA will mail a letter with instructions on how you can sign up. But first, you must have a current email address on file. (Active members employed by the County should have their work email addresses on file already.) If you do not, please submit a Change Request Form with this information. The form is available in the KCERA office and at www.kcera.org. (See "Update" article on page 3 to learn more about keeping your account information up-to-date.)

KCERA plans to mail the instruction letters in early 2017. Once you receive your letter, visit the KCERA website and start the Member Portal registration process. KCERA staff will be available to help if you encounter any technical problems.

Be on the lookout for the KCERA letter. It is your ticket to the Member Portal.

Get Ready to VOTE

A general member election will be held on Tuesday, November 15 to fill one seat on the Board of Retirement.

Candidates for the Third Member seat include Matthew Henry (Auditor-Controller), incumbent Bob Jefferson (Roads) and Debbie Duffell (Risk Management).

An election for the Eighth Member and Alternate Eighth Member seats, elected by retired members, will not be held because only two candidates applied. Phil Franey will serve in the primary seat, and John Mattly will serve as his alternate. Both retirees will be appointed in lieu of an election.

Elected trustees whose terms end this year are Bob Jefferson (Third Member), Phil Franey (Eighth Member) and John DeMario (Alternate Eighth Member).

If you are eligible to vote, remember to return your completed ballot by November 15. Election results will be posted at www.kcera.org in the week following the election.

faq

What makes KCERA different from a defined contribution (DC) plan?

A "defined contribution" plan could be a 401(k), 457(b) or 403(b)—all of which provide retirement payments based on the invested contributions of you and your employer. KCERA is a "defined benefit" (DB) plan, which pays retirement benefits based on a formula that includes your age at retirement, years of service credit, final compensa-

tion and benefit tier. Although contributions are important to KCERA, they are *not* used to calculate your benefits. Unlike a DC plan, KCERA offers disability and death benefits. Also, the risk of investing funds is borne by employers, not employees. Lastly, DB benefits are payable for a lifetime, whereas DC funds could eventually run out.

Welcome

New Assistant Executive Director



KCERA is pleased to welcome Dominic Brown as its new assistant executive director. He comes to KCERA with a strong accounting background and eight years of management experience with the County.

Mr. Brown had served as a division chief in the Kern County Auditor-Controller's office since 2008. Earlier in his career, he was an audit supervisor at Daniells Phillips Vaughan & Bock, CPAs, and the assistant controller at Lennar Homes. He also worked as a senior accountant at Brown Armstrong, CPAs.

Mr. Brown is a member of the Kern County Management Council, a past member of the Kern County Debt Advisory Committee, and has served on the Board of Retirement. He earned a B.S. in Business Administration (Accounting) from Biola University, and he is a Certified Public Accountant and Certified Fraud Examiner.

At KCERA, Mr. Brown will be responsible for assisting the executive director in managing the organization's day-to-day operations, overseeing a staff of 22 and providing support with board matters.

"We are very pleased to have Dominic join KCERA," said Executive Director Gloria Domínguez. "His experience and contributions to our capable team will benefit our members, plan sponsors and the public."

Reminders



Board of Retirement Meetings

Nov. 2 Dec. 14

Board of Retirement Election

Nov. 15

Retirement Planning Seminar

Dec. 15

UPDATE PERSONAL INFORMATION

It is important to keep your personal information updated to ensure that you (or your beneficiary) continue to receive your KCERA benefits without interruption. To update your name, address, "direct deposit" or tax-withholding information, you must complete a Change Request Form and return it with a valid photo identification. If you need to designate a new beneficiary due to marriage, divorce or death, please complete a Beneficiary Designation Form and return it with applicable legal documents. All forms can be downloaded from the KCERA website, picked up at the KCERA office or requested by calling (661) 381-7700. *Your personal information cannot be updated by phone.*

Retiree News

It is important to keep your personal information updated to ensure that you (or your beneficiary) continue to receive your KCERA benefits without interruption. To update your name, address, "direct deposit" or tax-withholding information, you must complete a Change Request Form and return it with a valid photo identification. If you need to designate a new beneficiary due to marriage, divorce or death, please complete a Beneficiary Designation Form and return it with applicable legal documents. All forms can be downloaded from the KCERA website, picked up at the KCERA office or requested by calling (661) 381-7700. *Your personal information cannot be updated by phone.*

Spotlight on Retirement

Karen leads a team of four retirement service representatives (RSR) known as the benefits staff. These ladies—Desiree, Jan, Nicole and Sherry—are the retirement experts of Kern County; they understand the KCERA plan inside and out. Karen has had the privilege of supervising this division since 2006.

When Karen and her team are not calculating service retirement and disability retirement benefits, they are auditing member files, fielding member walk-ins and phone calls, generating letters and benefit estimates, counseling mem-

Karen Frieson
Retirement Supervisor



bers, responding to online inquiries, testing the pension administration system, and much more.

The next time you contact KCERA, there is a good chance you will speak with an RSR. Be ready to ask your hardest retirement questions. Karen and her team are prepared to address all of your questions and concerns, and will provide the answers you need to successfully retire.

(Stay tuned. Future newsletters will feature other KCERA divisions.)

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