



## Board Administration Policy

# Member Contributions and Interest Posting

---

### I. Purpose

This policy governs the management and operation of the retirement system with respect to the **Member Contributions and Interest Posting** for the benefit of its membership, including its retired members and their survivors, dependents, and beneficiaries.

### II. General

- A. Contributions shall be made in accordance with the CERL or PEPRA, whichever is applicable, and as supplemented by this policy. Contribution rates are applied to compensation earned by SJCERA members. The Board will review elements of pay provided by the County of San Joaquin or participating special districts to SJCERA pursuant to the Retirement–Eligible Compensation policy as adopted by the Board of Retirement. The total annual compensation upon which retirement contributions to or benefits from SJCERA shall be limited as required by federal and state law.
- B. An active or deferred member may pay additional contributions for the purchase of additional service credit or to redeposit previously withdrawn accumulated member contributions as provided in the CERL and authorized by the Board of Supervisors. A member may pay all or part of the additional contributions in a lump sum by personal check, money order, cashier's check, or rollover or trustee-to-trustee transfer from a qualified plan eligible to make such distributions subject to the SJCERA Rollover Policy, IRC 401(a)(31) & 402(c). Members in active employment may also pay the additional contributions in one or more biweekly after-tax payroll deduction installment payments over a period not to exceed the length of the period of service being purchased and, in any event, not to exceed five (5) years. All payments must be completed prior to the member's retirement.
- c. SJCERA acts as an agent of the member's employer in arranging for the collection or return of member contributions, whether for mandatory or permissive member contributions, that are made through the employer's payroll system.

### III. Withdrawal of Contributions

- A. A member who has terminated employment in any capacity with San Joaquin County or a participating special district may elect to withdraw his or her accumulated contributions, including interest last credited. The date of termination of employment is defined as the date the employee last received compensation on the payroll. A request to withdraw accumulated contributions shall be presented to SJCERA in writing. The member shall receive a refund of accumulated contributions as soon as approved by SJCERA, but in all cases within

sixty (60) days from the date of request for withdrawal. A member may elect to rollover an eligible distribution subject to SJCERA Rollover Policy, IRC 401(a)(31) & 402(c).

- B. If a member electing to withdraw his or her accumulated contributions also established membership in a reciprocal retirement system, the member shall receive a refund of contributions from SJCERA on approval of the CEO following SJCERA's receipt of the member's request to withdraw member contributions from, and certification of termination of membership in, such reciprocal system.

#### **IV. Crediting of Member and Employer Accounts**

- A. Interest will be credited to member and employer accounts pursuant to the SJCERA Statement of Reserves policy as adopted by the Board of Retirement in accordance with the CERL.

- V. In the event a conflict between this policy and the County Employees Retirement Law, the Public Employees' Pension Reform Act, or other applicable statutes arises, the law shall prevail.

#### **VI. Policy Review**

Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

#### **VII. History**

- 03/20/2018 Bylaw Sections 6 Converted to Board Policy and Board of Supervisor approved Bylaws
- 07/05/2018 Staff reviewed, assessing possible content changes; updated format
- 09/11/2018 Added references to *Retirement-Eligible Compensation* policy and *Statement of Reserves* policy; Deleted redundant language and requirement to declare interest rate; Aligned Policy Review language with standard; Corrected history.
- 04/12/2019 Policy Review section amended to at least once every three years
- 07/12/2019 Reviewed, no changes

#### **Certification of Board Adoption:**

  
Clerk of the Board

7/12/2019

Date