



San Joaquin County Employees Retirement Association

A G E N D A

ADMINISTRATIVE COMMITTEE MEETING SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION BOARD OF RETIREMENT FRIDAY, JUNE 6, 2025

IMMEDIATELY FOLLOWING BOARD MEETING

Location: SJCERA Board Room, 220 East Channel Street, Stockton, California.

Persons who require disability-related accommodations should contact SJCERA at (209) 468-2166 or elainap@sjcera.org at least forty-eight (48) hours prior to the scheduled meeting time.

1.0 ROLL CALL

2.0 PUBLIC COMMENT

- 2.01** The public is welcome to address the Committee during this time on matters within the Committee's jurisdiction. Members of the public are encouraged to complete a Public Comment form, which can be found near the entry to the Board Room. Speakers are limited to three minutes, and are expected to be civil and courteous. Public comment on items listed on the agenda may be heard at this time, or when the item is called, at the discretion of the Chair.

Except as otherwise permitted by the Ralph M. Brown Act (California Government Code Sections 54950 et seq.), no deliberation, discussion or action may be taken by the Committee on items not listed on the agenda. Members of the Committee may, but are not required to: (1) briefly respond to statements made or questions posed by persons addressing the Committee; (2) ask a brief question for clarification; or (3) refer the matter to staff for further information.

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Board Administration Policy

Annual Benefit Limit - IRC 415(b)

I. Purpose

- A. This policy reaffirms and clarifies the existing practices of the Association with respect to the annual benefit limit applicable for the Association in accordance with Internal Revenue Code section 415(b) and Treasury regulations issued thereunder.

II. Definitions

- A. Annual Benefit: "Annual Benefit" means a benefit that is payable annually in the form of a Straight Life Annuity. Except as provided in Section III-A.5, where a benefit is payable in a form other than a Straight Life Annuity, the benefit shall be adjusted (solely for purposes of applying the limits of Code section 415 and of this policy) pursuant to Section III-A.7 to an actuarially equivalent Straight Life Annuity that begins at the same time as such other form of benefit and is payable on the first day of each month.
- B. Annual Benefit Limit: "Annual Benefit Limit" means the limit described in Section III-A.1.
- C. Annuity: "Annuity" for purposes of this policy does not mean "annuity" as defined in the County Employee Retirement Law but instead means a retirement benefit that is payable by the Association, as provided in Code section 415.
- D. Annuity Starting Date: "Annuity Starting Date" means the first day of the first period for which a retirement benefit is payable as an annuity or, in the case of a retirement benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle the Member to payment under the Association.
- E. Applicable Interest Rate: "Applicable Interest Rate" means the "applicable interest rate" defined in Code section 417(e)(3)(C) and shall be such rate of interest determined as of the third month preceding the stability period, which shall be the calendar year containing the Annuity Starting Date for the distribution and for which the Applicable Interest Rate shall remain constant.
- F. Applicable Mortality Table: "Applicable Mortality Table" means the "applicable mortality table" defined in Code section 417(e)(3)(B).
- G. Employer: "Employer" means the entity that participates in the Association in accordance with the CERL and employs the Member. The term "Employer" also includes any Affiliated Employer. Solely to the extent provided in the Code with respect to public agencies, the term "Affiliated Employer" means all members of a controlled group of an Employer.
- H. Limitation Year: "Limitation Year" means the calendar year.
- I. Spouse: Effective June 26, 2013, consistent with Federal tax rules, the term "Spouse" means a person who is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered

into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction) which also include marriages of same-sex individuals that were validly entered into in another jurisdiction whose laws authorize the marriage of two individuals of the same sex even if the married couple is domiciled in a jurisdiction that does not recognize the validity of same-sex marriage. In accordance with Federal tax rules, the term “Spouse” does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state (whether opposite-sex or same-sex relationships).

- J. Straight Life Annuity: “Straight Life Annuity” means an Annuity payable in equal installments for the life of the member and terminating on the Member’s death.

III. Annual Benefit Limit

A. Annual Benefit Limit, in General

1. Annual Limit

- a. Unless the alternative limit described in Section III applies, the Annual Benefit payable to a Member under the Association at any time shall not exceed the [Annual IRC Limit](#) specified under Code section 415(b)(1)(A)) , automatically adjusted under Code section 415(d), effective January 1 of each year, as provided by the Internal Revenue Service.

2. Maximum Payment

- a. If the benefit the Member would otherwise be paid in a Limitation Year would be in excess of the limit in subsection A.1 above, the benefit shall be limited to a benefit that does not exceed the limit.

3. COLA Adjustment

- a. In the case of a Member who has had a severance from employment with the Employer, the Annual Benefit Limit applicable to the Member in any Limitation Year beginning after the date of severance shall be automatically adjusted under § 415(d) of the Code.

4. Multiple Annuity Starting Dates

- a. For a Member who has or will have distributions commencing at more than one Annuity Starting Date, the Annual Benefit shall be determined as of each such Annuity Starting Date (and shall satisfy the limitations of this policy as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other Annuity Starting Dates.
- b. For this purpose, the determination of whether a new starting date has occurred shall be made in accordance with section 1.415(b)-1(b)(1)(iii)(B) and (C) of the Treasury regulations.

5. Actuarial Adjustment for Forms of Benefit

- a. Except as provided in Section III-A.6, if the Member’s benefit is payable in a form other than a Straight Life Annuity, then solely for purposes of

applying the limits of Code section 415 and of this policy, the actuarially equivalent Straight Life Annuity shall be determined in accordance with paragraph a or b below, whichever is applicable.

- i. Annuities: If the Member's benefit is payable in the form of a non-decreasing life annuity or other form of benefit described in Treasury regulation section 1.417(e)-1(d)(6) (e.g., other than a lump sum, installments, a decreasing annuity or a term certain), then the actuarially equivalent Straight Life Annuity is determined using the greater of:
 1. The Straight Life Annuity (if any) payable to the Member under the Association commencing at the same annuity starting date as the form of benefit payable to the Member; or
 2. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using:
 - a. A 5% interest assumption; and
 - b. The applicable Mortality Table.
 - i. Lump Sums, Installments, etc.: If the Member's benefit is payable in the form of a lump sum, installments, a decreasing annuity, term certain or other form of benefit not described in Treasury regulations section 1.417(e)-1(d)(6), then the Straight Life Annuity that is actuarially equivalent to the Member's form of benefit is equal to the greatest of:
 1. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the interest rate and the mortality table specified in the Association for adjusting benefits in the same form;
 2. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using a 5.5 percent interest rate and the Applicable Mortality Table; or
 3. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the Applicable Interest Rate and the Applicable Mortality Table divided by 1.05.
6. No Actual Adjustment (or Limitation) Required for Certain Benefits
 - a. In determining the Annual Benefit, no actuarial adjustment to the benefit shall be made for the following benefits of benefit forms:

- i. Qualified Joint And Survivor Annuity: Survivor benefits payable to a surviving Spouse under a joint and survivor annuity that would qualify as a qualified joint and survivor annuity defined in Code section 417(b). If benefits are paid partly in the form of a qualified joint and survivor annuity and partly in some other form (such as a single sum distribution), the rule of this paragraph applies only to the survivor annuity payments under the portion of the benefit that is paid in the form of a qualified joint and survivor annuity.
- ii. Benefits that are not "Retirement Benefits": Benefits that are not directly related to retirement benefits (such as pre-retirement qualified disability benefits, preretirement incidental death benefits, and postretirement medical benefits). Additionally, these benefits shall not be subject to the Annual Benefit Limit.
- iii. Certain Automatic Benefit Increases: Benefits that meet the following requirements: (a) the Association provides for automatic periodic increases such as a form of benefit that automatically increases the benefit paid according to a specified percentage or objective index (but not a benefit that is increased on an ad hoc basis or a basis that is separately determined by action of the Association's Board of Retirement or the County's Board of Supervisors) and (b) the form of benefit complies with Code section 415(b) without regard to the automatic benefit increase.

In no event shall the amount payable to the Member under the form of benefit in any Limitation Year be greater than the Annual Benefit Limit applicable at the Annuity Starting Date increased by the amounts provided in Code section 415(d). Also if the form of benefit without regard to the automatic benefit increase is not a Straight Life Annuity, then the Annual Benefit at the Annuity Starting Date is determined by converting the form of benefit to an actuarially equivalent Straight Life Annuity, as provided in Section III-B.1 herein.

7. Rules For Determining Annual Benefit

- a. Social Security Supplements, etc.: The determination of the Annual Benefit shall take into account social security supplements described in § 411(a)(9) of the Code and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant to section 1.411(d)-4, Q&A-3(c), of the Treasury regulations.
- b. Member Contributions: The determination of the Annual Benefit shall disregard benefits attributable to Member contributions or rollover contributions. Benefits attributable to Member contributions do not include any benefits that are made on a pre-tax basis such as pickups under Code section 414(h)(2) or such as Member contributions that are actually paid by the Member's employer.
- c. Rollovers: The amount of any benefits attributable to Member contributions and to rollover contributions shall be determined in accordance with Code section 415.
- d. Voluntary Contributions: Member contributions that are defined as

“voluntary” contributions under Code section 415 (such as certain contribution under CERL section 31627) are not subject to the limits of this policy but are subject to the limits of Code section 415(c) concerning defined contribution plans.

B. Reduction for Less than 10 Years of Participation

1. Reduction

- a. If the Member has less than 10 Years of Participation in the Association, the Annual Benefit Limit shall be multiplied by a fraction -- (i) the numerator of which is the number of years (or part thereof, but not less than one year) of participation in the Association, and (ii) the denominator of which is 10.

2. Counting Years of Participation

- a. The Member is credited with a Year of Participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met:
 - i. The Member is credited with at least the number of hours of service or period of service for benefit accrual purposes, required under the terms of the Association in order to accrue a benefit for the accrual computation period, and
 - ii. The Member is included as a Member under the eligibility provisions of the Association for at least one day of the accrual computation period.
- b. If these two conditions are met, the portion of a Year of Participation credited to the Member shall equal the portion of a year of benefit accrual service credited to the Member for such accrual computation period.
- c. A Member who is permanently and totally disabled within the meaning of §415(c)(3)(C)(i) of the Code for an accrual computation period shall receive a Year of Participation with respect to that period.
- d. In no event shall more than one Year of Participation be credited for any 12-month period. For example, if under the Association, a Member receives 1/10 of a year of benefit accrual service for an accrual computation period for each 200 hours of service, and the Member is credited with 1,000 hours of service for the period, the Member is credited with 1/2 year of participation for purposes of this subsection.

3. Disability and Death Benefits

- a. The reduction described in paragraph 1 above shall not apply to disability benefits or death benefits as provided in the Code.

C. Reduction for Commencement before Age 62 for Certain Members

1. No Reduction for Certain Safety Members

- a. The adjustment described in this subsection shall not apply if the Member's benefit is based on at least 15 years as a full-time employee of any police or fire department of an Employer that maintains the Association or as a member of the armed forces of the United States. Such police or fire department must be organized to provide police protection, firefighting services or emergency medical services for any area within the jurisdiction of such Employer.

2. Reduction for Benefits Commencing before Age 62

- a. If the Member's benefits commence before the Member attains age 62, the Annual Benefit Limit is equal to the lesser of:
 - i. The Annual Benefit Limit reduced in accordance with Code section 415(b) to its actuarial equivalent using:
 - 1. The Applicable Mortality Table; and
 - 2. A 5% interest rate; or
 - ii. The Annual Benefit Limit multiplied by the ratio of the immediately commencing Straight Life Annuity under the Association at the Member's Annuity Starting Date to the annual amount of the Straight Life Annuity under the Association commencing at age 62, both determined without applying the limitations of this policy.

3. Probability of Death

- a. No adjustment will be made to the annual benefit limit to reflect the probability of death between the Annuity Starting Date and age 62 unless the Member's benefit is forfeited at death before the Annuity Starting Date.

4. Death and Disability

- a. The adjustment described in paragraph 1 of this subsection shall not apply to disability benefits or death benefits as provided in the Code.

D. Increase for Commencement after Age 65

- 1. Increase for Commencement after 65: If the Member's benefits commence after the Member attains age 65, the Annual Benefit Limit is equal to the lesser of:
 - a. The Annual Benefit Limit increased in accordance with Code section 415(b) to its actuarial equivalent using:
 - i. The Applicable Mortality Table; and
 - ii. A 5% interest rate; or
 - b. The Annual Benefit Limit multiplied by the ratio of the annual amount of the adjusted immediately commencing Straight Life Annuity under the Association at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing Straight Life Annuity under the Association at age 65, both determined without applying the limitations of this policy. For this purpose, the adjusted immediately commencing Straight Life Annuity under the Association at the Member's Annuity Starting Date is the annual amount of such annuity payable to the Member, computed disregarding the Member's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing Straight Life Annuity under the Association at age 65 is the annual amount of such annuity that would be payable under the Association to a hypothetical Member who is age 65 and

has the same accrued benefit as the Member.

2. Probability of Death: No adjustment will be made to the Annual Benefit Limit to reflect the probability of death between age 65 and the Annuity Starting Date unless the Member's benefit is forfeited at death before the Annuity Starting Date.
- E. Minimum Benefit Permitted: The benefit otherwise accrued or payable to a Member under the Association is treated as not exceeding the Annual Benefit Limit if:
1. Minimum Benefit Limit Allowed
 - a. The sum of the retirement benefits payable under any form of benefit with respect to the Member for the Limitation Year or for any prior Limitation Year under the Association and all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the Member's Employer does not exceed \$10,000 multiplied by a fraction – (i) the numerator of which is the Member's number of years (or part thereof, but not less than one year) of service (not to exceed 10) with the Member's Employer or an Affiliated Employer, and (ii) the denominator of which is 10; and
 2. Condition
 - a. The Member has never participated in any qualified defined contribution plan maintained by the Member's Employer or an Affiliated Employer.

IV. Participation in Multiple Defined Benefit Plans

A. Application of Limit to Aggregate Benefits

1. If the Member is, or has ever been, a participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the Member's Employer, the sum of the participant's Annual Benefits from all such plans may not exceed the Annual Benefit Limit.

B. Multiple Plan Benefit Limit Coordination

1. Where the Member's employer-provided benefits under all such defined benefit plans (determined as of the same age) would exceed the Annual Benefit Limit applicable at that age, the benefits accrued under all such other plans shall be reduced first in order to avoid exceeding the limit and shall be reduced under the Association, but if such other plan provides that it will be reduced, the reduction will be made in such other plan sufficient to avoid exceeding the limit.

V. Multiple Employer Plan

- A. Employer-provided benefits attributable to the Member for all of the Employers participating in the Association are taken into account for purposes of applying the Annual Benefit Limit.

VI. Grandfather Rules

- A. Annual Benefit Limit Equals Accrued Benefit

1. Notwithstanding anything herein to the contrary, the Annual Benefit Limit with respect to a Qualified Member shall not be less than the accrued benefit of the Qualified Member under the Association determined without regard to any amendment made after October 14, 1987.

B. Qualified Participant

1. For purposes of this section, the term "Qualified Member" means a Member who first became a Member in the Association before January 1, 1990.

C. Election

1. By the enactment of CERL section 31899 et. seq. the "grandfather" election under Code section 415(b)(10) was made for the Association and all retirement systems maintained under the CERL to have this Section VI. apply.

VII. Purchase of Permissive Service Credit

A. General Rule

1. To the extent a Member is not prohibited by the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), if a Member makes one or more contributions to the Association to purchase Permissive Service Credit under the Association, then the requirements of this policy will be treated as met only if:
 - a. The requirements of this policy are met, determined by treating the accrued benefit derived from all such contributions as an Annual Benefit for purposes of this policy; or
 - b. The requirements of SJCERA's Annual Benefit Limit policy governing the limits on annual additions IRC 415(c) applicable to defined contribution plans are met by treating all such contributions as annual additions.

B. Permissive Service Credit

1. Permissive Service Credit Defined: For purposes of this Section, "Permissive Service Credit" means credit:
 - a. Recognized by the Association for purposes of calculating a Member's benefit under the Association;
 - b. Which such Member has not received under the Association; and
 - c. Which the Member may receive only by making a voluntary additional contribution in an amount determined under the Association, which does not exceed the amount necessary to fund the benefit attributable to the service credit purchased.
 - d. Permissive Service Credit also includes service credit for periods for which there is no performance of service and, notwithstanding subparagraph b of this paragraph, may include service credited in order to provide an increased benefit for service credit which a Member is receiving under the Association, but only to the extent permitted by

the statutes applicable to the Association and not prohibited by PEPPRA.

2. Limitation on Nonqualified Service Credit: The Association will fail to satisfy the requirements of this policy if:
 - a. More than 5 years of Nonqualified Service Credit is taken into account for purposes of this Section; or
 - b. Any Nonqualified Service Credit is taken into account under this Section before the Member has at least 5 Years of Participation under the Association.
3. Nonqualified Service Credit: For purposes of paragraph 2 of this subsection, the term "Nonqualified Service Credit" means permissive service credit other than that allowed with respect to:
 - a. Service (including parental, medical, sabbatical, and similar leave) as an employee of the government of the United States, a State or political subdivision thereof, or any agency or instrumentality of any of the foregoing (other than military service or service for credit which was obtained as a result of repayment described in paragraph c below;
 - b. Service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in subparagraph (a) of this paragraph) of an educational organization described in Code section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12), or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed;
 - c. Service as an employee of an association of employees who are described in paragraph a above; or
 - d. Military service (other than qualified military service under Code section 414(u)) recognized by the Association.
 - e. In the case of service described in paragraphs a, b or c above, such service will be nonqualified service if recognition of such service would cause a Member to receive a retirement benefit for the same period of service under more than one plan.
 - f. Even if any proposed service credit purchase meets the above requirements, to the extent such proposed service credit purchase is prohibited under the terms of PEPPRA, the Association will not process such service credit purchase.
4. Trustee-To-Trustee Transfers
 - a. In the case of a trustee-to-trustee transfer to the Association to which Code section 403(b)(13)(A) or 457(e)(17)(A) applies, (without regard to whether the transfer is made from a plan that is maintained by the same Employer):
 - i. The limitations of Section VII-B.2 shall not apply in determining whether the transfer is for the purchase of Permissive Service Credit;

and

- ii. The distribution rules applicable under the Code to the Association shall apply to such amounts and any benefits attributable to such amounts.

C. Redeposit of Withdrawals.

1. In the case of any repayment of accumulated members contributions (including interest thereon) to the Association with respect to an amount previously withdrawn upon a forfeiture of service credit under the Association or under another governmental plan maintained by a state or local government employer within the State of California, any such repayment shall not be taken into account for purposes of this policy.

VIII. The Code and Regulations Prevail

- A. This policy is intended to be in accordance with the Internal Revenue Code (Code) and the applicable Treasury regulations. To the extent there is a conflict between this policy and the Code and Treasury regulations, the applicable federal law will govern. Only the portions of this policy in conflict with the applicable law shall be invalidated, the remainder shall remain in force.


IX. Policy Review

- A. 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.

X. History

01/01/2015	Effective Date of Bylaw Section 26
12/08/2017	Extracted from Bylaws
06/29/2018	Staff reviewed, no content changes; updated format.
04/12/2019	Policy Review section amended to at least once every three years
07/09/2021	Minor edits by tax counsel
07/16/2024	Amended employer definition and other non-substantive changes
07/11/2025	Reviewed, no edits made

Certification of Board Adoption



Clerk of the Board

07/11/2025

Date



Board Governance Policy

Communications Policy

I. Purpose

- A. The Board of Retirement recognizes that effective communication is integral to good governance. In order to achieve SJCERA's mission and objectives, the Board must establish mechanisms for communicating clearly among Board members and with senior management, plan sponsors, plan members and external parties. The Board adopts this Policy to provide the Board as a whole, individual Board members, and staff with guidelines for the communications function of the Board.

II. Objectives

- A. To encourage and facilitate open, accurate, timely and effective communications with all relevant parties.
- B. To mitigate risks to SJCERA, the Board, and to Board members that may arise in connection with communications in areas such as governance, service quality, plan interpretation, adverse reliance by plan members and beneficiaries, and general public relations.
- C. To balance the need to mitigate risk with the need for open and efficient communication.

III. Communications Among Board Members

- A. The Board shall carry out its activities in accordance with the spirit of open governance, including the provisions of the Ralph M. Brown Act, California Government Code Section 54950, et seq. (the "Brown Act"), which include, but are not limited to:
 - 1. Properly noticing and posting an agenda for Board and Committee meetings;
 - 2. Allowing proper public comment on agenda items before or during consideration by the Board;
 - 3. Properly describing all items to be considered in closed session in the notice or agenda for the meeting;
 - 4. Not conducting or participating in a series of communications one at a time or in a group that in total constitutes a quorum of the Board or Committee, either directly or through intermediaries or electronic devices, for the purpose of developing a concurrence as to the action to be taken (a serial or secret meeting prohibited by the Brown Act);
 - 5. Ensuring materials are properly made available to members of the public upon request without delay; and

6. Not disclosing any discussion from, or communication made during, closed session until such time as the subject matter of the discussion or communication has been publicly reported by the Board as required by the Brown Act. The Brown Act expressly prohibits the disclosure of any confidential information acquired in a closed session, including, but not limited to, attorney-client privileged communications, unless the entire Board agrees to the disclosure.
- B. A member of the Board shall disclose information in his or her possession pertinent to the affairs of SJCERA to the entire Board in a timely manner.
- C. During meetings of the Board and its Committees, Board members shall communicate in a straightforward, constructive manner with due respect and professionalism.

IV. Board Member Communications with Plan Members

- A. Members of the Board shall mitigate the risk of miscommunication with plan sponsors, members and retirees, and potential liability through adverse reliance by third parties, by avoiding giving explicit advice, counsel, or education with respect to the technicalities of the plan provisions, policies, or processes.
- B. Where explicit advice, counsel, or education with respect to the technicalities of the plan provisions, policies, or process is needed, Board members will refer inquiries to the Chief Executive Officer or appropriate designee. The Chief Executive Officer or such designee will inform the Board Member when and how the matter was resolved.

V. Board Member Communications with SJCERA Management

- A. Board members with questions or concerns regarding any aspect of SJCERA operations shall direct them to the Chief Executive Officer or the Chief Executive Officer's designee, who shall in turn direct staff as required.
- B. Requests for information that require excessive expenditure of staff time or use of external resources, including professional service providers, shall, to the extent practicable:
 1. Be consistent with the roles and responsibilities of the Board;
 2. Be formally requested at Board or Committee meetings; and
 3. Be directed to the Chief Executive Officer.
- C. The Chief Executive Officer shall ensure that information requested by one or more Board members is made available to the entire Board.
- D. Board members shall share any information in their possession pertinent to the affairs of SJCERA with the Chief Executive Officer in a timely manner. Similarly, the Chief Executive Officer shall ensure that all relevant and pertinent information is disclosed to all of the Board members in a timely manner.

VI. Board Member Requests for Information and Records from Staff Generally

- A. Ordinarily, individual Board members will not make direct requests from non-management staff for information or system records. On matters that are pending before the Board for consideration at a noticed meeting, a Board member seeking information should direct his/her request to the Chief Executive Officer, who shall then provide the information to the Board member or seek further direction from the Chair or Vice Chair, as appropriate. Information provided in response to an inquiry from an individual Board member shall be provided in a timely manner to all other Board members.

VII. Member Records

- A. SJCERA is obligated under various laws to keep member records confidential, except as disclosure may be necessary to the administration of the retirement system or as ordered by a court of competent jurisdiction. See, e.g., Government Code Section 31532. Accordingly, disclosure of confidential member records to individual Board members should only be made for the purpose of the conduct of SJCERA's business, upon the prior approval of the Chair or the Vice Chair, when the Chair is unavailable.
- B. Board members shall take all steps reasonably necessary to assure that the disclosure of confidential member records to them does not result in further, non-privileged disclosure to third parties, whether directly or indirectly.

VIII. Board Member Communications with External Parties

- A. In general, in communicating with external parties, the following guidelines will apply:
 - 1. The purpose of any communications by members of the Board shall be consistent with their sole and exclusive fiduciary duty to represent the interests of all plan members;
 - 2. Board members and SJCERA management are expected to respect the decisions and policies of the Board in external communications even if they may have opposed them or disagreed with them during Board deliberations;
 - 3. Individual Board members shall not speak for the Board as a whole unless authorized by the Board to do so; and
 - 4. In external communications, Board members are expected to disclose when they are not representing an approved position of the Board of Retirement.
- B. When interviewed, or otherwise approached by the media for information concerning the affairs of SJCERA, members of the Board shall refrain from making any unilateral commitments on behalf of the Board or SJCERA.
- C. All inquiries of members of the Board from any media source or publication shall be directed to the Chief Executive Officer for coordinated response or preparation of a news release.

- D. To help ensure the accuracy of any material written for the purpose of publication by members of the Board, in their capacity as such, and to ensure that neither SJCERA, the Board, or such member of the Board is placed at risk thereby, all such material shall be reviewed by the Chief Executive Officer or legal counsel prior to being submitted for publication.

IX. Policy Review

- A. 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.

X. History

04/13/2007	Board adopted policy
06/29/2018	Reviewed, no content changes, staff updated format
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Modified outline numbering and code citations, non-substantive corrections
07/08/2022	Added Section III.A.6 regarding maintaining confidentiality of Closed Session discussions and communications
07/11/2025	Reviewed, no edits made

Certification of Board Adoption:



Clerk of the Board

07/11/2025

Date



Board Administration Policy

Employer Termination Policy

I. PURPOSE AND SCOPE

- A. In accordance with section 31564.2 of the California Government Code, the guidelines set forth herein are effective as of May 12, 2017, and establish practices of the San Joaquin County Employees' Retirement Association ("SJCERA", the "Association") with respect to the termination of participation in SJCERA by a participating district/employer ("employer") other than the Plan Sponsor, the County of San Joaquin, whether initiated by the employer or by SJCERA in accordance with the Declining Employer Payroll Policy.
- B. The objectives of this policy are, among other things, to ensure compliance with County Employees Retirement Law of 1937, California Government Code sections 31450 et seq., as amended ("CERL") and other applicable provisions of law:
 - 1. Pursuant to CERL sections 31564.2, 31580.1, 31584, 31585 and other applicable provisions of law, an employer remains liable, and must make the required appropriations and transfers, to SJCERA for the employer's share of liabilities attributable to its officers and employees who are and may be entitled to receive retirement, disability and related benefits from SJCERA.
 - 2. CERL section 31564.2(d) provides, in part, that "[t]he funding of the retirement benefits for the employees of a withdrawing agency is solely the responsibility of the withdrawing agency or the board of supervisors. Notwithstanding any other provision of the law, no contracting agency shall fail or refuse to pay the employer's contribution required by this chapter within the applicable time limitations. In dealing with a withdrawing employer, the Board of Retirement shall take whatever action is needed to ensure the actuarial soundness of the retirement system."
 - 3. This policy is intended to assure that a participating SJCERA employer will fully fund the benefits of its members, such that the other participating employers will not be expected to have their funding requirements increased as a result of the employer's termination of participation in the Association.
- C. The general principle applied in this policy is to establish the funding obligation of terminating employers as:
 - 1. The present value of all future benefits expected to be paid by SJCERA to the terminating employer's employees, retirees, beneficiaries, and terminated members as of the termination date; minus
 - 2. The value of SJCERA assets allocated to the terminating employer as of the termination date.
- D. The policy provides the specific procedures to be used in determining the above components.

II. TERMINATION CONDITIONS

- A. The Board shall require the terminating employer to reimburse SJCERA for the actuarial consulting fees incurred for the purpose of determining its terminal funding obligation, if the termination is initiated by the employer.
- B. The termination date must be as of the end of a Plan year.
- C. In the event that the terminating employer becomes a participating employer with a reciprocal system, the terminating employer must provide SJCERA with updated employee census data

in the years following the employer's termination, as requested by SJCERA for use in determining liabilities and preparing, among other things, SJCERA's actuarial valuation.

- D. As part of the termination process, the Board of Retirement and the terminating employer will enter into an agreement stipulating the provisions for the settlement of the funding obligation.

III. PRESENT VALUE OF BENEFITS

- A. The benefits payable to SJCERA current and former employees of the terminating employer will be as follows:

1. All active members on the termination date will receive SJCERA benefits for their credited service up to the termination date. As a result, they will take on the same status as terminated members.
 - a. For the purposes of this policy, "terminated members" includes all current and former employees of the terminated employer with contributions on deposit at SJCERA who are not currently working for another SJCERA participating employer.
2. All vested terminated members and retired members (and their beneficiaries) as of the termination date will receive future benefits from SJCERA.

- B. The future benefits to be paid to SJCERA members of the terminating employer will include those payable to:

1. Existing retirees (and their beneficiaries) of the employer;
2. Employees (and their beneficiaries) of the employer as of the termination date; and
3. Former employees of the employer entitled to either deferred vested benefits or a refund of their accumulated contributions plus credited interest.

- C. The present value of benefits will be determined based on:

1. The service retirement and other benefits associated with their years of service in SJCERA as of the employer's termination date, for which they are entitled to SJCERA benefits;
2. Expected future cost-of-living adjustments on those benefits;
3. For employees and deferred vested members, expected final average earnings (including the effect of any reciprocity benefits);
4. For employees and deferred vested members, their expected age at retirement; and
5. For retired members and beneficiaries of retirees, the SJCERA benefits earned from service with the terminating employer.

- D. The determination of the present value of future benefits shall be based upon the actuarial assumptions most recently adopted by the Board of Retirement at the time of the determination.

1. However, future benefit payments will be discounted to the termination date using market-based interest rate assumptions, based on whichever of the following two assumptions produces the higher present value:
 - a. The discount rate(s) used by the Pension Benefit Guarantee Corporation (PBGC) to measure the sufficiency of assets for a corporate employer that is terminating its single-employer defined benefit pension plan, or
 - b. 2.5%

2. The PBGC discount rate(s) shall be determined based on the most recent rates published as of the termination date.
3. There will be no reassessment of the terminating employer's funding obligation after the termination date.
4. No consideration will be given to future Board of Retirement provided benefits, such as supplemental cost-of-living adjustments, when determining the present value of benefits.

IV. DETERMINATION OF TERMINATING EMPLOYER'S ASSETS

- A. SJCERA is a cost-sharing multiple employer plan. As a result, there is no ongoing separate accounting of SJCERA's assets by employer. The SJCERA assets attributable to the terminating employer and its employees will be determined as follows:
 1. Determine the Actuarial Accrued Liability of the terminating employer as of SJCERA's most recent actuarial valuation, irrespective of the employer's anticipated termination.
 2. Determine the Actuarial Value of Assets attributable to the employer as of SJCERA's most recent actuarial valuation, based on the amount which would result in the Unfunded Actuarial Liability contribution rates for the non-withdrawing employers being unaffected by the removal of the withdrawing employer's Actuarial Assets, Accrued Liability and covered payroll from the funding calculations reflected in the most recent actuarial valuation. If the Unfunded Actuarial Liability for SJCERA is being amortized using multiple layers with individual amortization schedules, the Unfunded Actuarial Liability for the withdrawing employer shall be applied as a pro-rata share of each existing layer.
- A. Determine the accumulated assets at the termination date as:
 1. Step 2 Amount x Ratio A, where:
 - a. Ratio A = (Total SJCERA valuation assets at market value as of the most recent actuarial valuation date) divided by (Total SJCERA valuation assets at actuarial value as of the most recent valuation date).
 - b. The Valuation Assets shall not include any reserves or designations from which the terminating employer shall not benefit, such as a pre-funding reserve established by another employer, or a contingency reserve not included in the Plan's valuation assets for the purpose of determining the unfunded liability amortization payments in the current actuarial valuation.

V. SETTLEMENT OF FUNDING OBLIGATION

- A. The terminating employer's funding obligation will be the excess, if any, of the present value of future benefits over the employer's accumulated assets, as determined by this policy.
- B. It is the past practice of SJCERA to require that the funding obligation of a terminating employer be paid as a single lump sum, and this policy reaffirms this practice, and stipulates that an extended payment schedule shall only be agreed to if the Board determines that such an arrangement would best service the Plan's interests.
- C. If the obligation is settled by the withdrawing employer more than 90 days following the termination date, interest will be applied to the funding obligation, based on the discount rate used in the determination of the terminating employer's present value of future benefits as specified under this policy.
- D. The settlement of the employer's funding obligation under this policy shall represent a full settlement of the employer's funding obligation for benefits provided to its members by

SJCERA, with the exception that the employer shall still be responsible for providing the necessary information needed for SJCERA to administer the Plan and to complete the Plan's annual funding valuation and disclosure requirements.

V. Review

- A. 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.

VI. HISTORY

05/12/2017	Policy adopted by the Board of Retirement
06/29/2018	Reviewed, no required content changes; staff updated format
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Aligned with the Declining Employer Payroll Policy regarding potential initiation of termination by SJCERA
07/08/2022	Defined terminated member
07/11/2025	Reviewed, no changes

Certification of Board Adoption



07/11/2025

Clerk of the Board

Date



Required Minimum Distributions – IRC 401(a)(9)

I. Purpose

This policy reaffirms and clarifies the existing practices of the Association with respect to the limit on minimum distribution requirements under Internal Revenue Code section 401(a)(9) and Treasury regulations issued thereunder.

II. General Rules

A. Reasonable Good Faith Interpretation of Code

In accordance with section 823 of the Pension Protection Act of 2006 ("PPA"), this policy is promulgated in accordance with a reasonable good faith interpretation of Code section 401(a)(9), and the Treasury regulations thereunder, as applicable to a governmental plan within the meaning of Code section 414(d). For purposes of Code section 401(a)(9), Code means the Code and applicable Treasury regulations as they apply under a reasonable good faith interpretation of section 401(a)(9).

B. Elections Under TEFRA § 242(b)(2)

Notwithstanding the other requirements of this policy to the contrary, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act.

III. Definitions

Capitalized terms used in this policy are defined below.

A. Annuity Starting Date

"Annuity Starting Date" means the first day of the first period for which a retirement benefit is payable as a Required Minimum Distribution (RMD) Annuity or, in the case of a retirement benefit not payable in the form of an RMD Annuity, the first day on which all events have occurred which entitle the Member to payment.

B. Applicable RMD Age

Applicable RMD Age means (a) age 70-1/2 if the Member attains age 70-1/2 prior to January 1, 2020; (b) age 72 if the Member attains age 70-1/2 on or after January 1, 2020 and age 72 before January 1, 2023; (c) age 73 if the Member attains age 72 on or after January 1, 2023 and age 73 before January 1, 2033; or (d) age 75 if the Member attains age 74 on or after January 1, 2033.

C. Designated Beneficiary

"Designated Beneficiary" means the individual who is designated by the Member (or the Member's surviving Spouse) as the beneficiary of the Member's interest under the Association and who is also the designated

beneficiary under Code section 401(a)(9) and section 1.401(a)(9)-4 of the Treasury regulations. Accordingly, entities other than individuals, such as the Member's estate or a trust, cannot be a Designated Beneficiary of a Member's interest in the Association. However, the individuals who are beneficiaries under a designated trust shall be treated as Designated Beneficiaries for purposes of determining the distribution period under this policy and Code section 401(a)(9) if all of the applicable requirements of Treasury regulation section 1.401(a)(9)-4, Q&A-5(b) are met. If all of such applicable requirements are not met, then the distribution of the Member's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

D. Distribution Calendar Year

"Distribution Calendar Year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Member's Required Beginning Date. For distributions beginning after the Member's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section VI.A herein.

E. Required Beginning Date

"Required Beginning Date," means April 1 of the calendar year following the later of the calendar year in which the Member attains the Applicable RMD Age or the calendar year in which the Member retires.

F. RMD Annuity

"RMD Annuity" means, for purposes of the required minimum distribution rules in Code section 401(a)(9), a distribution form providing for periodic payments for a specified period of time. "RMD Annuity" for purposes of this policy does not mean "annuity" as defined in the County Employees' Retirement Law, but instead means a retirement benefit that is payable by the Association.

G. Spouse

Effective June 26, 2013, consistent with Federal tax rules, the term "Spouse" means a person who is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction) which also include marriages of same-sex individuals that were validly entered into in another jurisdiction whose laws authorize the marriage of two individuals of the same sex even if the married couple is domiciled in a jurisdiction that does not recognize the validity of same-sex marriage. In accordance with Federal tax rules, the term "Spouse" does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state (whether opposite-sex or same-sex relationships).

IV. Time and Manner of Distribution

A. Required Beginning Date

The Member's entire interest will be distributed, or begin to be distributed, no later than the Member's Required Beginning Date.

B. Form of Distribution

1. Periodic and Other Forms of Payments

A Member's entire interest in the Association shall be distributed in the form of RMD Annuity payments that meet the requirements of Section IV.B.2 or in the form of a single sum or an insurance company annuity contract that meets the requirements of Section IV.B.3.a. Payments may be made in a combination of these forms of payment and may include lump sum withdrawals of Member contributions or death benefits as provided in the CERL provided that these forms comply with a reasonable good faith interpretation of Code section 401(a)(9).

2. General Rules Regarding RMD Annuities

If the Member's interest is to be paid in the form of an RMD Annuity, the RMD Annuity must meet the following requirements:

a. Periodic

RMD Annuities must be paid over equal payment intervals, which intervals may not be longer than one year.

b. Distribution Period

RMD Annuities will be paid over the life or lives of the Member and a beneficiary or over a period certain that does not exceed the maximum length of the period described in Sections V or VI herein.

c. Increases

RMD Annuities may not increase over time except in accordance with the rules in Section VII.A

d. Change in Period Paid

The period over which an RMD Annuity is paid can be changed only in accordance with Q&A-13 of section 1.401(a)(9)-6 of the Treasury regulations.

e. Commencement

Payment of the RMD Annuity must start no later than the Required Beginning Date.

3. Other Forms

a. Annuity Contract

If the Member's interest is distributed in the form of an annuity contract purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code section 401(a)(9).

b. Individual Account

Any part of the Member's interest which is in the form of an individual account described in section 414(k) of the Code will be distributed in a manner satisfying the requirements of Code section 401(a)(9) that apply to individual accounts.

C. Amount Required to be Distributed by Required Beginning Date and Later Payment Intervals

The amount that must be distributed on or before the Member's Required Beginning Date is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. All of the Member's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's Required Beginning Date. If the Member dies before distributions begin, the same rules apply with reference to the date distributions are required to begin under Section VI.A, paragraphs 1 or 2.

V. RMD Annuity Distributions Beginning During Member's Life

The following rules must be met to comply with the requirements of the Code and this policy for RMD Annuities that begin during the Member's lifetime.

A. Single Life RMD Annuity

An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime only, with no benefits paid to any other person, meets the requirements of the Code and this policy.

B. Joint and Survivor RMD Annuity – Death of Member after Benefits Begin

If Member dies after RMD Annuity payments have commenced to the Member, then distributions must continue to be made over the remaining period over which distributions commenced in accordance with the schedule of payments made to the Member. Reasonable delay for administration may occur, but in this case payments that should have been made in accordance with the original payment schedule must be made with the first resumed payment.

C. Joint and Survivor RMD Annuity with Spouse as the Sole Beneficiary

An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of the Member's surviving Spouse, with no benefits paid to any other person, meets the requirements of the Code and this policy regardless of the difference in age of the Member and the Member's Spouse.

D. Joint and Survivor RMD Annuity When the Sole Beneficiary is not the Member's Spouse

1. Limit on Percentage of Member's RMD Annuity Paid to Non-Spouse Beneficiary

The survivor annuity percentage of an RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of a beneficiary other than the Member's surviving Spouse must not at any time exceed the applicable percentage of the RMD Annuity payment during the Member's lifetime, using the table set forth in Treasury regulation section 1.401(a)(9)-6, Q&A-2(c)(2), as determined in the manner described in Q&A-2(c)(1). This Treasury Regulation requires that the RMD Annuity payable to the Member's beneficiary after the Member's death not exceed the percentage of the RMD Annuity payable to the Member during the Member's life specified in the table if the adjusted age difference between the Member and the beneficiary is more than 10 years.

2. Rule Regarding Children of Member

Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a surviving child of the Member for a limited period of time (such as until the child reaches the age of 22), the survivor benefit shall be treated as payable solely to the surviving Spouse of the Member.

3. Rule Regarding Other Beneficiaries

Solely to the extent required by Code section 401(a)(9) and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(c) and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a person other than a surviving Spouse of the Member (or surviving child under paragraph 2 of this subsection D), the survivor's allowance may not exceed the percentage of the Member's benefit established under the Applicable Percentage Table in Q&A-2 of Treasury regulations section 1.401(a)(9)-6 for the calendar year that contains the Annuity Starting Date. If the Member is younger than the applicable required minimum distribution age under Code section 401(a)(9) in that year, then the age difference used in the Table is reduced by the number of years that the Member is younger than the applicable required minimum distribution age under Code section 401(a)(9) on the Member's birthday for that calendar year. If the Member is unable to elect Option 2 as result of a limitation under the Applicable Percentage Table, the Member will be allowed to elect an alternate allowance under Option 4, which will provide an actuarially equivalent benefit based on the highest survivor's allowance permissible under the Applicable Percentage Table payable to the Designated Beneficiary.

E. Period Certain RMD Annuity

1. Spouse is the Sole Beneficiary

If the Member's sole beneficiary is the Member's surviving Spouse, and the form of distribution is a period certain with no life annuity, the period certain may not exceed the joint life and last survivor expectancy of the Member and Spouse as determined in accordance with the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9, Q&A-3, of the Treasury Regulations,

using the Member's and Spouse's ages as of the Member's and Spouse's birthdays in the calendar year that contains the Annuity Starting Date.

2. Spouse is not the Sole Beneficiary

When the Member's surviving Spouse is not the sole beneficiary then the period certain may not exceed the period established under the Uniform Lifetime Table in Q&A-2 of Treasury regulations section 1.401(a)(9)-9 for the calendar year that contains the Annuity Starting Date. If the Member is younger than the applicable required minimum distribution age under Code section 401(a)(9) in that year, then the distribution period for the Member is the distribution period for the applicable required minimum distribution age under Code section 401(a)(9) increased by the difference between the applicable required minimum distribution age under Code section 401(a)(9) and the age of the Member in the year of the Annuity Starting Date. Also see below regarding Designated Beneficiaries.

3. Rule Regarding Children of Member

Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, the period certain distribution rules shall not apply to survivor benefits payable to children of the Member but the rules of section V.D above shall apply.

4. Rule Regarding Other Beneficiaries

Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if a period certain survivor benefit is payable to a person other than a surviving Spouse of the Member, then the present value (if any) of any benefit that would be in excess of the amount that can be paid in accordance with such regulation shall be paid to such person in a lump sum payment no later than one year after such person becomes entitled to a survivor benefit.

VI. Distributions When Member Dies before Benefits Begin

If a Member dies before distributions begin, distributions after the death of the Member must meet the following requirements:

A. When Distributions Must Begin

1. Spouse is the Sole Designated Beneficiary

If the Member's sole Designated Beneficiary is the Member's surviving Spouse, then, except as provided in paragraph 5 of this Section VI.A, distributions to the surviving Spouse must begin by December 31 of the calendar year immediately following the calendar year in which the Member died or, if later, by December 31 of the calendar year in which the Member would have reached the Applicable RMD Age.

2. Spouse is not the Sole Designated Beneficiary

If the Member's sole Designated Beneficiary is not the Member's surviving Spouse, then, except as provided in paragraph 5 of this Section VI.A, distributions to the Designated Beneficiary must begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

3. No Designated Beneficiary

If there is no Designated Beneficiary as of September 30 of the year following the year of the Member's death, then distributions of the Member's entire interest must be completed by December 31 of the calendar year that contains the fifth anniversary of the Member's death.

4. Death of Surviving Spouse Who Is the Sole Designated Beneficiary

If the Member's surviving Spouse is the Member's sole Designated Beneficiary and the surviving Spouse dies after the Member but before distributions to the surviving Spouse are required to begin, then this Section VI.A, other than Section VI.A.1, applies as if the surviving Spouse were the Member.

5. Election of Five-Year Rule

A Designated Beneficiary may elect, at the time and in the manner determined by the Association, to have the five-year rule of Section VI.A.3 apply, but solely to the extent that the Designated Beneficiary may elect, under the CERL, a benefit which will be paid in the required time period.

B. When Distributions are Considered to Begin

For purposes of this Section VI, unless Section VI.A.4 applies, distributions are considered to begin on the Member's Required Beginning Date. If Section VI.A.4 applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section VI.A.1. If distributions under an RMD Annuity meeting the requirements of this policy commence to the Member before the Member's Required Beginning Date (or to the Member's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section VI.A.1), the date distributions are considered to begin is the date distributions actually commence.

C. Length of Distribution Period

1. Member Is Survived by a Designated Beneficiary

a. General Rule

If a Designated Beneficiary survives the Member, the Member's entire interest in the Association shall be distributed over the life of the Designated Beneficiary or over a period certain that does not exceed the period specified in paragraph C.1.b below.

b. Period Certain

The period certain in paragraph C.1.a above may not exceed the Designated Beneficiary's life expectancy determined using the Single

Life Table in Treasury regulations section 1.401(a)(9)-9, Q&A-1. If the Annuity Starting Date is in the first Distribution Calendar Year, the life expectancy shall be determined using the Designated Beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death. If the Annuity Starting Date is before the first Distribution Calendar Year, then the life expectancy is determined using the Designated Beneficiary's age in the calendar year that contains the Annuity Starting Date.

2. No Designated Beneficiary

If there is no Designated Beneficiary as of the September 30 of the year following the year of the Member's death, distribution of the Member's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

3. Death of Surviving Spouse before Distributions to Spouse Begin

If the Member's surviving Spouse is the Member's sole Designated Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section VI.C shall apply as if the surviving Spouse were the Member, except that the time that distributions are required to begin is determined without regard to Section VI.A.1.

VII. Special Rules

A. RMD Annuity Payment Increases

RMD Annuity payments will either not increase over time or increase only as follows:

1. Cost of Living Adjustments

a. Annual COLA Increases

RMD Annuity payments may increase by an annual percentage that does not exceed the percentage increase in an eligible cost-of-living index, as defined in Q&A-14(b) of section 1.401(a)(9)-6 of the Treasury regulations, for a 12-month period ending in the year during which the increase occurs or a prior year.

b. Cumulative COLA Increases

RMD Annuity payments may increase by a percentage increase that occurs at specified times and does not exceed the cumulative total of annual percentage increases in an eligible cost-of-living index, as defined in the preceding paragraph since the Annuity Starting Date, or if later, the date of the most recent percentage increase.

c. Additional COLA Increases

Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b) and taking into account the vested rights in retirement benefits created by the California Constitution, RMD Annuity payments may increase by a percentage or amount that is

determined by the Association, in accordance with the CERL, to represent an appropriate amount to take account of cost-of-living increases affecting retirees or beneficiaries.

2. "Pop-Ups"

RMD Annuity Payments may increase to the extent of the reduction in the amount of the Member's payments to provide for a survivor benefit, but only if there is no longer a survivor benefit because the beneficiary whose life was being used to determine the distribution period dies or is no longer the Member's beneficiary pursuant to a domestic relations order under applicable state law.

3. Plan Amendment

Benefits may increase if they result from an amendment to, or interpretation of, the CERL, PEPRA, or any other applicable law governing benefits for Members or from an ordinance, resolution or regulation pursuant to such law.

4. Other Benefits

Benefits may increase (i) to the extent increases are permitted in accordance with paragraph (c) or (d) of Q&A-14 of section 1.401(a)(9)-6 of the Treasury regulations dealing with additional permitted increases for annuity payments under annuity contracts purchased from an insurance company and additional permitted increases for annuity payments from a qualified trust; (ii) pursuant to section 31691.1 of the CERL; and (ii) pursuant to sections 31681.1 et. seq., and 31739 et. seq. of the CERL.

B. Additional Accruals after First Distribution Calendar Year

Any additional benefits accruing to the Member in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such benefit accrues.

i. Domestic Relations Orders

Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if Article 8.4 of the CERL applies (relating to the establishment of separate accounts under domestic relations orders), then both the Member and the Member's former Spouse shall be deemed to be separate Members of the Association for purposes of this policy and Code section 401(a)(9).

C. Reciprocal Member

Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if a deferred Member is a current employee and a member of another retirement system with which the Association has reciprocity under California law, then for purposes of determining the Required Beginning Date under the Association the Member shall be

treated as a current employee of the Association and as such, as if he or she had not retired, even if he or she has attained age 70½.

D. Public Safety Member Killed in Line of Duty

Under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, any additional retirement benefits paid under CERL section 31787.5 to the surviving Spouse of a public safety Member killed in the line of duty shall not be limited by Code section 401(a)(9) because they shall be treated as incidental death benefits.

E. Rollovers

Amounts that are required minimum distributions cannot be rolled over to another qualified retirement plan or other tax-favored vehicle. The amount that cannot be rolled over shall be determined in accordance with Treasury regulations section 1.402(c)-2, Q&A-7.

F. Payments to Surviving Child Treated as Made to Surviving Spouse

Solely to the extent required by Code section 401(a)(9) and under a good faith interpretation of the Code and Treasury regulations section 1.401(a)(9)-6, Q&A-2(c) and taking into account the vested rights in retirement benefits created by the California Constitution, for purposes of Code section 401(a)(9) and is policy, payments to a Member's surviving child in accordance with the requirements of Q&A-15 of section 1.401(a)(9)-6 of the Treasury regulations shall be treated as if such payments had been made to the Member's surviving Spouse to the extent the payments become payable to the surviving Spouse upon the child's attainment of the age of majority, as determined in accordance with Q&A-15 of section 1.401(a)(9)-6 of the Treasury regulations, or upon the occurrence of such other event specified in Q&A-15 of section 1.401(a)(9)-6 of the Treasury regulations, or as otherwise specified in IRS guidance under Code section 401(a)(9).

VIII. This policy is intended to be in accordance with the Internal Revenue Code (Code) and the applicable Treasury regulations. To the extent there is a conflict between this policy and the Code and Treasury regulations, the applicable federal law will govern.

IX. 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.

X. History

01/01/2015	Effective Date of Bylaw Section 25
03/20/2018	Bylaw Section 25 Converted to Board Policy and Board of Supervisors approved Bylaws
07/06/2018	Staff updated format
09/11/2018	Annual review, deleted Article 5.5 reference

04/12/2019 Policy Review section amended to at least once every three years
04/10/2020 Policy amended to reflect federal law increasing RMD to 72
07/09/2021 Minor edits by tax counsel
04/14/2023 Policy amended to reflect federal law increasing RMD to 73 and 75
12/08/2023 Changed age references to “applicable RMD age” to accommodate
future changes in federal age requirements, other non-substantive
changes.
07/11/2025 Reviewed, no changes made

Certification of Board Adoption:



Clerk of the Board

07/11/2025

Date



Retirement-Eligible Compensation Policy

I. Statement of Purpose

- A. This policy establishes a procedure for review of retirement-eligible compensation for SJCERA members.

II. All Compensation Types Must Be Reviewed by SJCERA

- A. "Compensation Earnable" (Government Code Section 31461) and "Pensionable Compensation" (Government Code Section 7522.34) are used to determine the retirement contributions payable to SJCERA and the benefits payable by SJCERA to members and beneficiaries. For purposes of this policy, Compensation Earnable and Pensionable Compensation are collectively referred to as "Retirement-Eligible Compensation."
- B. Before a participating employer implements a new compensation type, SJCERA must determine if it qualifies as Retirement-Eligible Compensation. Participating employers must submit to SJCERA for review any new compensation type with sufficient detail to permit SJCERA to determine whether the compensation items will be considered Retirement-Eligible Compensation.

III. SJCERA Staff Authority

- A. The CEO shall cause to be implemented a procedure to review new compensation types adopted by participating employers to determine whether the compensation type complies with statutory requirements and the practice or direction of the Board of Retirement ("Board"). Such procedure shall become effective only after counsel review and concurrence.
- B. Upon receiving information about the compensation items from participating employers, the CEO or designee shall determine whether such items should be excluded from Retirement-Eligible Compensation.
- C. If the compensation type is substantively the same as other, previously Board-approved compensation types and is not excluded by law, then the CEO or designee (with concurrence from counsel as necessary or appropriate) is authorized to include such compensation type as Retirement-Eligible Compensation. The CEO or designee shall present these new compensation types to the Board for ratification as set forth in Section IV(A).

IV. Board Approval

- A. The Board shall annually adopt and revise a resolution designating which compensation types shall be included in Retirement-Eligible Compensation.
- B. Any compensation types that do not meet the standards set forth in Section III(C) will be separately presented to the Board.

V. Policy Review

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

History

02/09/2018 Adopted by Board of Retirement
06/29/2018 Staff updated format
04/12/2019 Policy Review section amended to at least once every three years
07/09/2021 Staff reviewed, no content changes
07/11/2025 Staff reviewed, no content changes

Certification of Board Adoption



Clerk of the Board

07/11/2025

Date



Rollovers – IRC 401(a)(31) and 402(c)

I. Purpose

- A. This policy reaffirms and clarifies the existing practices of the Association with respect to rollover distributions from and contributions into the Association under Internal Revenue Code section 401(a)(31) and 402(c) and Treasury regulations issued thereunder.

II. Rollover Distributions from the Association

A. Rollovers

1. Direct Rollover: A "Direct Rollover" is that portion of an Eligible Rollover Distribution that the Association pays directly to an Eligible Retirement Plan, and may also be referred to as a trustee-to-trustee transfer to an Eligible Retirement Plan, at the direction of an Eligible Individual.
2. Indirect Rollover: An "Indirect Rollover" is that portion of an Eligible Rollover Distribution that the Association pays directly to an Eligible Individual.

B. Eligible Individuals

1. Eligible Individual: Only an "Eligible Individual" may elect a Direct Rollover. An "Eligible Individual" is:
 - a. Terminated From Employment: A Member who has terminated employment from an Employer participating in the Association and who is eligible to withdraw his or her accumulated Member contributions from the Association;
 - b. Surviving Spouse: A deceased Member's surviving Spouse;
 - c. Alternate Payee: A Member's or former Member's Spouse or former Spouse who is the alternate payee under a domestic relations order, as defined in Code section 414(p), with regard to the interest of the Spouse or former Spouse; and
 - d. Non-Spouse Beneficiary: A deceased Member's non-spouse beneficiary who is a "designated beneficiary" under Code section 401(a)(9)(E), subject to the non-spouse beneficiary provisions in Section I I . G herein.

2. Spouse

- a. Effective June 26, 2013, consistent with Federal tax rules, the term "Spouse" means a person who is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction) which also include marriages of same-sex individuals that were validly entered into in another jurisdiction whose laws authorize the marriage of two individuals of the same sex even if the married couple is

domiciled in a jurisdiction that does not recognize the validity of same-sex marriage. In accordance with Federal tax rules, the term "Spouse" does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state (whether opposite-sex or same-sex relationships).

C. Payments that Can and Cannot be Rolled Over

1. Eligible Rollover Distribution Required

- a. The Association will pay a Direct Rollover on behalf of an Eligible Individual only if the payment is an "Eligible Rollover Distribution."

2. Eligible Rollover Distribution Defined

- a. An "Eligible Rollover Distribution" is any distribution to an Eligible Individual of all or any portion of the amount credited to the Eligible Individual under the Association. These amounts may include (a) withdrawals of accumulated Member contributions, or (b) one-time lump sum death benefit payments.

3. After-Tax Portion

- a. The portion of a distribution that consists of after-tax Member contributions may be rolled over if the after-tax funds are transferred in a direct trustee-to-trustee transfer to (i) a qualified trust or (ii) an annuity contract described in Code section 403(b). After-tax Member contributions may also be rolled over to an individual retirement account or annuity described in Code section 408(a) or (b). The qualified trust or annuity contract must separately account for the transferred after-tax amounts, and must also separately account for the earnings on the after-tax amounts.

4. Exclusions From Eligible Rollover Distributions

- a. An Eligible Rollover Distribution does not include the following kinds of payments:
 - i. Periodic Payments: Payments that are part of a series of substantially equal periodic payments
 1. made at least once per year over the life (or life expectancy) of the Eligible Individual or the life (or life expectancy) of the Eligible Individual and his or her designated beneficiary, or
 2. made for a period of 10 years or more; or
 - ii. Required Distributions: Payments that are "required minimum distributions" under Code section 401(a)(9).

D. Eligible Retirement Plans

1. Payment To Eligible Retirement Plan

- a. The Association will pay an Eligible Rollover Distribution directly to an

“Eligible Retirement Plan.”

2. Eligible Retirement Plan Defined. An “Eligible Retirement Plan” is:
 - a. An annuity plan described in Code section 403(a);
 - b. An annuity contract described in Code section 403(b);
 - c. A governmental eligible deferred compensation plan described in Code section 457(b) that agrees to separately account for amounts transferred into such plan from the Association;
 - d. An individual retirement annuity described in Code section 408(a);
 - e. An individual retirement account described in Code section 408(b);
 - f. A Roth IRA described in Code section 408A; or
 - g. A qualified trust described in Code section 401(a) (including defined benefit pension plans and defined contribution plans such as 401(k) plans, profit sharing plans, and money purchase plans).
3. Certain Exclusions
 - a. An Eligible Retirement Plan does not include, and a rollover cannot be made to, a SIMPLE IRA or a Coverdell Education Savings Account.

E. Direct Rollovers

1. Withholding and Direct Rollovers
 - a. The Association will not withhold any federal or state income taxes from a Direct Rollover. The only exception is that the Association will withhold federal or state income taxes from a Direct Rollover to a Roth IRA if the Eligible Individual requests that withholding on a form and in the manner prescribed by the Association.
2. Administrative Requirements, In General
 - a. An Eligible Individual who requests a Direct Rollover must complete a distribution form in the manner and form that the Association prescribes. The Association may require the Eligible Individual to provide any reasonable information and/or documentation for purposes of administering the Direct Rollover in accordance with the Code.
3. Rollover Check
 - a. The Eligible Individual must provide the Association with the name of the Eligible Retirement Plan to which the rollover check will be made payable for his or her benefit. If the Eligible Individual so chooses, the Association will provide this rollover check directly to the Eligible Individual who will be responsible for delivering the check to the recipient IRA or plan.
4. Eligible Individual’s Responsibility Re Recipient Plan
 - a. The Eligible Individual is responsible for ensuring that any Eligible Retirement Plan that he or she has designated to receive the Eligible Individual’s distribution from the Association in a Direct Rollover is an

Eligible Retirement Plan that will accept and receive the rollover on his or her behalf in accordance with the applicable tax rules.

5. Time of Payment

- a. The Association will pay a Direct Rollover on behalf of an Eligible Individual as soon as is reasonably and administratively practicable in accordance with its withdrawal and/or death benefit payment processes.

F. Indirect Rollovers

1. Choice of Indirect Rollover

- a. An Eligible Individual, other than a non-Spouse beneficiary, may also choose to receive a rollover payment as an Indirect Rollover.

2. Indirect Rollover Withholding

- a. An Indirect Rollover is subject to 20% federal income tax withholding and any applicable state withholding. The Association will withhold and deduct these taxes on behalf of the Eligible Individual as prescribed by applicable federal and state law.

3. Eligible Individual's Responsibility

- a. It is the responsibility of the Eligible Individual to roll over all or some portion of his or her Indirect Rollover payment to an IRA or eligible employer plan within 60 days if he or she wants the payment to qualify as a rollover for tax purposes. If an Eligible Individual wants to roll over 100% of the payment, the Eligible Individual must replace the 20% that was withheld for federal income taxes (and any applicable state withholding) with other money.

G. Direct Rollover Of A Non-Spousal Distribution

1. Trustee-To-Trustee Transfer Required

- a. A rollover on behalf of a non-Spouse beneficiary must be a direct or trustee-to-trustee transfer and may not be paid in the form of an Indirect Rollover.

2. Non-Spouse Beneficiaries who may Rollover to Inherited IRA

- a. A non-Spouse beneficiary who is a "designated beneficiary" under Code section 401(a)(9)(E) may roll over all or any portion of the non-Spouse beneficiary's Eligible Rollover Distribution to an IRA that is established by the non-Spouse beneficiary for purposes of receiving the distribution and that is treated as an "inherited IRA" under the Code. The IRA must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the beneficiary (for example, "Tom Smith as beneficiary of John Smith").

3. Trust As Beneficiary

- a. If the non-Spouse beneficiary is a trust, the Association may make a Direct Rollover to an IRA on behalf of the trust, provided the beneficiaries of the

trust satisfy the requirements to be designated beneficiaries within the meaning of Code section 401(a)(9)(E). The IRA on behalf of the trust must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the trust beneficiary (for example, "The Smith Family Trust as beneficiary of John Smith").

H. Notice Requirements

1. 402(f) Notice From The Association

- a. The Association will provide the tax notice required under Code section 402(f) to each Eligible Individual who requests a withdrawal from the Association.

2. Time Periods

- a. The Association will not process any withdrawals from the Association until 30 days after the date such notice is received by the Eligible Individual requesting the withdrawal.
- b. If, however, the Eligible Individual waives this 30-day period on a form and in the manner prescribed by the Association, the Association may process the withdrawal before the 30-day period expires.

III. Rollover Contributions to the Association

A. Adoption of a policy providing for the acceptance of certain rollover contributions as determined below does not create any continuing entitlement for Eligible Members to make rollover contributions to the Association in the future, and the right to make rollover contributions to the Association may be amended or terminated at any time and for any reason.

B. If the Association has determined to permit any rollover contributions, the Association will permit Eligible Members to make a rollover contribution to the Association subject to the limitations and conditions described in this Section.

C. General Rules

1. Eligible Member

- a. An "Eligible Member" is an active Member of the Association, or is a deferred Member of the Association.

2. Rollovers Allowed

- a. The Association will permit an Eligible Member to make a rollover contribution to the Association for
 - i. A purchase of permissive service credit (to the extent a purchase of permissive service credit is not prohibited under the CERL or PEPRA, or
 - ii. A redeposit of previously withdrawn accumulated member contributions.

3. Separate Accounting

- a. The Association will separately account for all rollover contributions.

4. Certification to the Association

- a. Only eligible rollover distributions as defined by Code section 402(c)(4) can be contributed to the Association.
 - i. The Eligible Member making a rollover contribution must provide the certifications required under subsections D, E, and F below, as applicable based on the source of the rollover distribution.
 - ii. The Association will not accept rollovers of any after-tax contributions, amounts attributable to designated Roth contributions, amounts that represent minimum required distributions, or any rollover that is an indirect rollover.
 - iii. Any funds transferred to SJCERA under this policy shall be by check made payable to the San Joaquin County Employees' Retirement Association "for the benefit of" (FBO) the Eligible Member.

5. Elections and Association Discretion

- a. An Eligible Member must make an election to purchase permissive service credit or redeposit previously withdrawn accumulated member contributions with a rollover contribution in the manner and form that is prescribed by the Association.
- b. The Association has final discretionary authority to determine whether any required information or documentation is satisfactory, whether a purchase of permissive service credit would be prohibited under PEPRA, and whether the Association will accept an Eligible Member's rollover contribution.

6. Correction of Errors

- a. If the Association accepts a rollover contribution that it later determines was not eligible to be rolled over to the Association, the Association will distribute, as soon as administratively possible, the amount of the rollover contribution back to the Eligible Member, plus accumulated interest.

D. Rollovers From Qualified Plans

1. Acceptance Of Rollover

- a. The Association may accept a rollover from another plan that is qualified under Code section 401(a) and exempt from tax under Code section 501(a).

2. Required Due Diligence Procedure

- a. The Association must take reasonable steps to confirm the sending plan's tax-qualified status and that the rollover contribution is valid. The Association may rely on IRS guidance such as that provided in Revenue Ruling 2014-9 and any successor guidance with respect to simplified due diligence processes that may be allowed by the Internal Revenue Service.

i. Required Certification

- 1) The Eligible Member must provide the Association a signed written certification from the transferring plan's administrator that the plan meets the requirements for a qualified plan under the Code and that the rollover contribution contains no after-tax or designated Roth contributions or earnings, nor any amounts representing a required minimum distribution under Code section 401(a)(9).
- 2) If an Eligible Member does not provide such evidence, the Association will not accept the rollover.

b. Association Verification of Payment Source

- i. The Association must take reasonable steps to verify that the payment source (on the incoming check or wire transfer) is the former 401(a) plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover.

c. Association Verification that the Plan is a Tax-Qualified Plan

- i. The Association must take reasonable steps to verify that the rollover will be from a tax-qualified plan, which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.
 - 1) The Eligible Member must provide one of the following to the Association demonstrating that the source of the rollover contribution is a qualified plan:
 - (a) a copy of the plan's most recent favorable determination letter from the Internal Revenue Service stating that the plan is tax-qualified and a written certification from the plan's administrator that the plan continues to be tax-qualified, or
 - (b) a written and signed certification from the plan's administrator that the source of the eligible rollover distribution is a qualified plan under Code section 401(a); or
 - 2) If the qualified plan is required to file Form 5500 or Form 5500-SF, then the Association may, but is not required to, look up the transferring plan's latest Form 5500 filing, if any, in the Department of Labor's EFAST2 database for assurance that the plan is intended to be a qualified plan. If the Association chooses to use EFAST2, it will check the entry on the line for characteristics indicating that the plan is intended to be a qualified plan (e.g., examining line 8a on the current Form 5500 or line 9a on Form 5500-SF). If Code 3C is not entered on these lines, the Association may reasonably conclude that the plan is qualified, unless the Association has any direct evidence to the contrary.

E. Rollovers from an IRA

1. Acceptance of Rollover

- a. The Association may accept a rollover from an individual retirement

account or annuity (IRA) described in Code section 408(a) or Code section 408(b).

2. Required Due Diligence Process

- a. The Association must take reasonable steps to confirm the IRA's status and that the rollover contribution is valid. The Association may rely on IRS guidance such as that provided in Revenue Ruling 2014-9 and any successor guidance with respect to simplified due diligence processes that may be allowed by the Internal Revenue Service.

- i. Required Certification: The Eligible Member must provide the following additional information to the Association:

- 1) A statement signed under penalty of perjury by the Eligible Member certifying that the rollover contribution is from his or her IRA and contains no after-tax or designated Roth contributions or earnings, nor any amounts representing a required minimum distribution under Code section 401(a)(9); or
- 2) If the Eligible Member cannot certify, with respect to the after-tax or designated Roth contributions, a signed certification from an accountant or tax advisor or the IRA trustee/custodian providing the amount of pre-tax contributions and after-tax or designated Roth contributions in the IRA.
- 3) The Association will only accept a rollover contribution from the IRA in the amount of the pre-tax contributions and earnings. If an Eligible Member does not provide such evidence, the Association will not accept the rollover.

- ii. Association Verification of Payment Source

- 1) The Association must take reasonable steps to verify that the payment source (on the incoming check or wire transfer) is the IRA of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover.

F. Rollover from Other Plans: 457(b) And 403(b)

1. Acceptance Of Rollover

- a. The Association may accept rollover contributions from an eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state (a "governmental 457(b) plan"), and an annuity contract described in Code section 403(b).

2. Required Due Diligence Procedure

- a. The Association must take reasonable steps to confirm the sending plan's status as an eligible 457(b) plan or an eligible Code section 403(b) annuity or custodial account and that the rollover contribution is valid. The Association may rely on IRS guidance such as that provided

in Revenue Ruling 2014-9 and any successor guidance with respect to simplified due diligence processes that may be allowed by the Internal Revenue Service.

3. Required Certification

- a. The Eligible Member must provide the Association a signed certification from the transferring plan's administrator that the plan is an eligible 457(b) plan or an eligible Code section 403(b) annuity or custodial account, that the rollover contribution is valid, and that the rollover contribution contains no after-tax or designated Roth contributions or earnings.
- b. If an Eligible Member does not provide such evidence, the Association will not accept the rollover.

4. Association Verification of Payment Source

- a. The Association must take steps to verify that the payment source (on the incoming check or wire transfer) is the former eligible 457(b) or 403(b) plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover.

5. Association Verification that the Plan is an Eligible Plan

- a. The Association must take reasonable steps to verify that the rollover will be from an eligible 457(b) plan or 403(b) plan which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.
 - i. The Eligible Member must provide one of the following to the Association demonstrating that the source of the rollover contribution is an eligible governmental 457(b) plan or a Code section 403(b) plan:
 - 1) A copy of the transferring plan's most recent private letter ruling from the Internal Revenue Service stating that the transferring plan qualifies as an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable, and a signed certification from the transferring plan's administrator that the transferring plan continues to be so qualified, or
 - 2) A signed certification from the transferring plan's administrator that the rollover distribution source is an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable.
 - ii. If the 457(b) or 403(b) plan is required to file Form 5500 or Form 5500-SF, then the Association may, but is not required to, look up the transferring plan's latest Form 5500 filing, if any, in the Department of Labor's EFAST2 database for assurance that the plan is intended to be a qualified plan. If the Association chooses to use the EFAST 2, the Association will check the entry on the line for characteristics indicating the plan is intended to be an eligible 457(b) or 403(b) plan (e.g., examining line 8a on the current Form 5500 or line 9a on Form 5500-SF). If Code 3C is not entered

on these lines, the Association may reasonably conclude that the plan is an eligible plan.

- iii. If the above verification cannot be made, the Association will not accept the rollover.

IV. Code and Regulations Prevail

- A. This policy is intended to comply with the Internal Revenue Code (Code) and the applicable Treasury regulations. To the extent there is a conflict between this policy and the Code and Treasury regulations, the applicable federal law will govern.

V. Policy Review

- A. 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.

VI. History

01/01/2015	Effective Date of Bylaw Section 22
12/05/2017	Extracted from Bylaws into policy
06/28/2018	Staff reviewed, no content changes; updated format
04/12/2019	Policy Review section amended to at least once every three years
07/09/2021	Minor edits by tax counsel
07/11/2025	Reviewed, no edits made

Certification of Board Adoption:



Clerk of the Board

07/11/2025

Date



Board of Retirement Administrative Committee

San Joaquin County Employees' Retirement Association

June 6, 2025

Agenda Item 3.02

SUBJECT: Board Policies and Charters Requiring Amendments

SUBMITTED FOR: X CONSENT ACTION INFORMATION

RECOMMENDATION

Staff recommends the Administrative Committee approve the proposed policy amendments and recommend adoption by the Board of Retirement.

PURPOSE

To amend the policies to ensure that they remain relevant, appropriate and in compliance, per Section III.C of the Administrative Committee Charter.

DISCUSSION

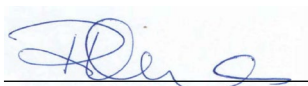
In accordance with the Board's requirement, staff reviews one-third of the policies annually. As a result of the review, staff proposes the amendments described to the policies listed below.

- Age Verification Policy – Clarified enrollment of employees who become members within the calendar year
- CEO Performance Review Policy – Deleted County's Human Resources physical address
- Computer Equipment Policy – Amended for clarification and other non-substantive changes
- Correction of Errors or Omissions Policy – Added threshold of \$100 for collections of payments
- Electronic Signature Policy – Removed and streamlined redundant or duplicative sections adding clarity and comprehensiveness
- Member Contributions and Interest Posting Policy – Amended for clarification and other non-substantive changes

ATTACHMENTS

Proposed revisions to Age Verification Policy – Mark-up
Proposed revisions to Age Verification Policy – Clean

Proposed revisions to CEO Performance Review Policy – Mark-up
Proposed revisions to CEO Performance Review Policy – Clean
Proposed revisions to Computer Equipment Policy – Mark-up
Proposed revisions to Computer Equipment Policy – Clean
Proposed revisions to Correction of Errors or Omissions Policy – Mark-up
Proposed revisions to Correction of Errors or Omissions Policy – Clean
Proposed revisions to Electronic Signature Policy – Mark-up
Proposed revisions to Electronic Signature Policy – Clean
Proposed revisions to Member Contributions and Interest Posting Policy – Mark-up
Proposed revisions to Member Contributions and Interest Posting Policy – Clean



Renee Ostrander
Chief Executive Officer



Board Administration Policy

Age Verification

I. Purpose

- A. To establish guidelines for verifying the age of SJCERA's active, deferred, and retired members, and their survivors, dependents, and beneficiaries.

II. Birth Certificate Requirement

- A. Upon ~~appointment to a permanent full-time position, part-time employees that that work more than 1,560 hours in a calendar year enrollment into SJCERA membership~~, or opt-in confirmation of elected officers, every employee who is eligible for membership in SJCERA shall submit a legible copy of the employee's birth certificate or, if unobtainable, other proof of age. This requirement shall be in addition to the Membership requirements set forth in the bylaws.
- B. Upon applying for a retirement benefit (including service, disability, or survivor), a legible copy of the birth certificate or, if unobtainable, other acceptable age verification documentation, as identified in Section III of this policy, shall be submitted for the following individuals, if the documentation is not already on file with SJCERA: the member, any survivors/beneficiaries named to receive a continuance, and any dependents named for health insurance coverage.
 - 1. Benefit payments and health plan enrollment shall not be processed without proof of age.

III. Alternative Acceptable Age Verification Documents

- A. The following alternative documents will be acceptable:
 - 1. Any one of the following:
 - a) A valid U.S. Passport or passport card issued within the last 10 years
 - b) Valid Real ID compliant driver's license or identification card
 - c) Elementary school age record
 - d) Hospital birth record; or
 - 2. Any two of the following:
 - a) Valid state-issued driver's license or identification card,
 - b) Marriage record, if age is shown;
 - c) Military record;
 - d) Child's birth certificate showing age of parent;
 - e) Naturalization certificates issued by the U.S. Citizenship and Immigration Services (USCIS).
 - f) Expired U.S. Passport
 - g) Valid non-U.S. Passport
 - h) Valid Employment Authorization Document (EAD) Card (I-766) or valid/expired EAD Card with Notice of Action (I-797 C)

- B. If the member is unable to provide satisfactory Age Verification documentation, as outlined in Sections II and III of this policy, the CEO is authorized to approve alternate documentation based on individual circumstances. In that instance, the CEO shall maintain a record describing the Age Verification procedure for the member and the reason for approval of alternate documentation.

IV. Corrections

- A. In the event acceptable age verification documentation is not available, the birth date provided by the employer will be accepted for actuarial valuation and contribution purposes.
- B. Upon receipt of acceptable age verification documentation, any discrepancy between the documentation received and the birth date reported by the employer, will be corrected by SJCERA.
1. Any re-calculation and correction of over- or underpaid contributions will be processed pursuant to SJCERA's *Correction of Errors and Omissions Policy*.

V. Severability

- A. In the event a conflict between any part of this policy and the County Employees Retirement Law, the Public Employees' Pension Reform Act, or other applicable statute arises, only the conflicting portion and not this entire policy shall be inoperative.

VI. Policy Review

- A. 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

03/01/2017 _____ Bylaws Amended and Approved by the Board of Supervisors
12/08/2017 _____ Bylaw Section 5.2.B.1. & 2, C & D Converted to Board Policy
~~_____ 06/29/2018 _____ Reviewed, no content changes required; Staff updated format~~
~~_____ 04/12/2019 _____ Policy Review section amended to at least once every three years~~
~~_____ 07/12/2019 _____ Amended to allow copies of birth certificates, expand the types of acceptable documentation, grant the CEO discretion to allow exceptions, clarify procedures when no age documentation is on file or there are conflicting birth dates.~~
07/08/2022 _____ Clarified language; amended alternative acceptable documents
~~_____ 07/16/2024 _____ Clarified Severability definition and amended verification documents~~
~~-07/11/2025 Clarified enrollment Added in part-time for employees who become members within the calendar year.~~

Certification of Board Adoption

	07/ 16 <u>11</u> /202 <u>5</u> <u>4</u>
Clerk of the Board	Date

Related Statutes:
California Government Code Sections 31531 and 31526



Board Administration Policy

Age Verification

I. Purpose

- A. To establish guidelines for verifying the age of SJCERA's active, deferred, and retired members, and their survivors, dependents, and beneficiaries.

II. Birth Certificate Requirement

- A. Upon enrollment into SJCERA membership, or opt-in confirmation of elected officers, every employee who is eligible for membership in SJCERA shall submit a legible copy of the employee's birth certificate or, if unobtainable, other proof of age. This requirement shall be in addition to the Membership requirements set forth in the bylaws.
- B. Upon applying for a retirement benefit (including service, disability, or survivor), a legible copy of the birth certificate or, if unobtainable, other acceptable age verification documentation, as identified in Section III of this policy, shall be submitted for the following individuals, if the documentation is not already on file with SJCERA: the member, any survivors/beneficiaries named to receive a continuance, and any dependents named for health insurance coverage.
 - 1. Benefit payments and health plan enrollment shall not be processed without proof of age.

III. Alternative Acceptable Age Verification Documents

- A. The following alternative documents will be acceptable:
 - 1. Any one of the following:
 - a) A valid U.S. Passport or passport card issued within the last 10 years
 - b) Valid Real ID compliant driver's license or identification card
 - c) Elementary school age record
 - d) Hospital birth record; or
 - 2. Any two of the following:
 - a) Valid state-issued driver's license or identification card,
 - b) Marriage record, if age is shown;
 - c) Military record;
 - d) Child's birth certificate showing age of parent;
 - e) Naturalization certificates issued by the U.S. Citizenship and Immigration Services (USCIS).
 - f) Expired U.S. Passport
 - g) Valid non-U.S. Passport
 - h) Valid Employment Authorization Document (EAD) Card (I-766) or valid/expired EAD Card with Notice of Action (I-797 C)

- B. If the member is unable to provide satisfactory Age Verification documentation, as outlined in Sections II and III of this policy, the CEO is authorized to approve alternate documentation based on individual circumstances. In that instance, the CEO shall maintain a record describing the Age Verification procedure for the member and the reason for approval of alternate documentation.

IV. Corrections

- A. In the event acceptable age verification documentation is not available, the birth date provided by the employer will be accepted for actuarial valuation and contribution purposes.
- B. Upon receipt of acceptable age verification documentation, any discrepancy between the documentation received and the birth date reported by the employer, will be corrected by SJCERA.
 - 1. Any re-calculation and correction of over- or underpaid contributions will be processed pursuant to SJCERA's *Correction of Errors and Omissions Policy*.

V. Severability

- A. In the event a conflict between any part of this policy and the County Employees Retirement Law, the Public Employees' Pension Reform Act, or other applicable statute arises, only the conflicting portion and not this entire policy shall be inoperative.

VI. Policy Review

- A. 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

03/01/2017	Bylaws Amended and Approved by the Board of Supervisors
12/08/2017	Bylaw Section 5.2.B.1. & 2, C & D Converted to Board Policy
06/29/2018	Reviewed, no content changes required; Staff updated format
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Amended to allow copies of birth certificates, expand the types of acceptable documentation, grant the CEO discretion to allow exceptions, clarify procedures when no age documentation is on file or there are conflicting birth dates.
07/08/2022	Clarified language; amended alternative acceptable documents
07/16/2024	Clarified Severability definition and amended verification documents
07/11/2025	Clarified enrollment for employees who become members within the calendar year.

Certification of Board Adoption

07/11/2025

Clerk of the Board

Date

Related Statutes:

California Government Code Sections 31531 and 31526



Board Administrative Policy Chief Executive Officer Performance Review

I. Purpose

- A. To provide guidelines and procedures for the systematic assessment of Chief Executive Officer (CEO) performance.
- B. To enhance CEO and organizational effectiveness, by ensuring that:
 - 1. SJCERA's mandates are being carried out appropriately,
 - 2. The working relationship between the Board and the CEO is effective and strong, and
 - 3. The CEO is provided with specific expectations and feedback regarding his/her performance.

II. Frequency and Content

- A. CEO performance is evaluated annually against clearly defined objectives and expectations, which are developed jointly by the CEO and trustees.
 - 1. Objectives and expectations may include SJCERA's achievement of financial and organizational goals, and service targets, as well as effective human resource management, progress on implementing SJCERA strategy, and other Board directives.

III. Objectives

- A. The CEO Performance Review includes two objectives: assessment of performance during the past calendar year and development of goals for the upcoming year. The evaluation should document past successes and targeted achievements, future objectives and goals, and also the CEO's ability, vision, strategy and resources to achieve those aims.

IV. Process and Timeline

- A. The CEO Performance Review will proceed according to the following process and timeline:
 - 1. October
 - a. The CEO presents to the Board of Retirement for their approval written goals for the upcoming calendar year.
 - b. Goals should include performance targets and personal/development goals.
 - c. The approved goals will be incorporated into the staff goals and budget, and considered by the Board and the CEO Performance Review Committee in the performance and compensation review process.

2. December

- a. The CEO presents a budget, which identifies necessary funding to achieve approved goals.
- b. The CEO provides the Committee Chair a schedule of proposed due dates for tasks outlined in this policy. The schedule will consider, among other things, Board meeting dates and required approvals.

3. January

- a. The CEO reports on accomplishments on prior-year goals to the full board at its regularly scheduled meeting in open session.
- b. In closed session, the CEO provides to all Board members a self-evaluation for the Board's consideration in completing their overall evaluation.
- c. CEO Performance Feedback Worksheets (Attachment A) are distributed to all Board members.
- d. The CEO Performance Review Committee meets and appoints a Committee Chair, if the Board Chair did not assign a Committee Chair when making committee assignments. The Committee Chair is responsible for gathering the Worksheets, compiling/summarizing results, relaying trustee comments during review discussions and, in collaboration with the committee, drafting the performance review memo.
- e. The Worksheets shall be returned to the Committee Chair. The Chair shall set a due date that is no later than month-end.
 - i. The Committee Chair consolidates feedback into the Consolidated Trustee Feedback form (Attachment B) and drafts a memo using the Memo Template (Attachment C) reflecting the collective assessment of the CEO's performance. The Committee Chair distributes the consolidated feedback and draft memo to the CEO Performance Review Committee.
 - ii. The Committee Chair may have one-on-one discussions as needed to clarify trustees' individual input, provided appropriate care is taken to ensure compliance with the Brown Act.
- f. The Committee Chair instructs staff to schedule a meeting, and prepare and timely post an agenda for the February/March committee meeting.

4. February/March

- a. The committee meets, without staff present, to review and provide input on the memo based on the consolidated feedback, including assisting with summarizing the feedback, determining the key accomplishments, and making suggestions for further development (if any) to include in the memo. The committee will also formulate a recommendation regarding

compensation in accordance with Section IV(A)(4)(g) of this policy and the CEO's employment agreement.

- b. The Committee Chair distributes the summarized feedback and committee-approved draft memo to the trustees and the CEO.
 - i. The trustees may have one-on-one discussions with the Committee Chair as needed regarding the draft memo, provided appropriate care is taken to ensure compliance with the Brown Act.
- c. The Board Chair and the Committee Chair meet with the CEO to discuss the feedback.
- d. The CEO meets with the Board in closed session to discuss the performance review memo and feedback.
 - i. Upon completion of IV.A.4.d, the Board Chair signs the memo, obtains the CEO signature acknowledging receipt, provides a copy of the review memo to the CEO, and submits the original signed memo to the County Human Resources ~~Division~~Department ~~(44 North San Joaquin Street, Suite 330, Stockton, CA 95202)~~ for inclusion in the CEO's personnel file.
 - ii. Upon completion of IV.A.4.d, all Board members shall shred or otherwise destroy all feedback, notes, drafts, emails, and other related documents and correspondence, whether paper or electronic, that were produced or obtained, sent or received, as part of the CEO Review Process.
- e. The Board subsequently authorizes merit, equity, or incentive compensation increases, if any, based on performance. Such increases, if any, shall be in addition to any COLA increases awarded to the Executive Unit.
 - i. Compensation for the CEO position shall be included in a market survey of total compensation every three years, to ensure its competitiveness.
 - 1. The County Human Resources Division conducts total compensation surveys for County department heads.
 - ii. The Board may authorize incentive compensation increases if it determines the goals approved pursuant to Section IV.A.1 have been achieved. Such incentive compensation increases shall not exceed 10 percent of the CEO's annual base salary, increase base pay, or be included as part of the CEO's retirement-eligible compensation.
 - iii. The Board may authorize equity compensation increases if it determines the CEO's annual base salary is below market. Annual merit (step) increases occur automatically upon completion of 2080 hours unless the CEO receives an unsatisfactory performance review. Equity and merit increases are retirement-eligible compensation.
 - iv. To comply with the Brown Act's requirement for the Board to vote on any merit, equity, or incentive compensation increases in open session, the Committee Chair, or designee, shall promptly request the CEO place any

Board-approved increase on the next available Board meeting's open session agenda, typically in March.

5. June

- a. CEO provides mid-year progress report on calendar year goals presented to the Board pursuant to Section IV(A)(1).
- b. Board discusses mid-year progress and performance with CEO present in closed session.
- i. This meeting is intended to assist the Board in monitoring the organization's progress toward the annual goals, to provide an opportunity to adjust expectations in light of new circumstances, and to provide the opportunity for the CEO to make adjustments, if needed, during the second half of the calendar year.

6. August

- a. The Board Chair appoints CEO Performance Review committee members.

V. Policy Review

- A. Staff shall review this Policy annually 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.

VI. History

06/08/2018	Adopted Policy
06/29/2018	Staff updated format
07/12/2019	Amended to make Committee a standing committee with appointment considerations, clarified Committee's role, and integrated compensation review into the process
07/10/2020	Amended to align the committee appointment timing with other standing committees, remove text included in committee charter, assign responsibility for proposing schedule of tasks, and clarify compensation discussion and decision requirements
07/08/2022	Added requesting staff create/add items on Committee and Board agendas, and made clarifying wording changes
07/14/2023	Reviewed; no changes
07/11/2025	Deleted County's Human Resources physical address

Certification of Board Adoption:



Clerk of the Board

07/11/2025

Date



Board Administrative Policy

Chief Executive Officer Performance Review

I. Purpose

- A. To provide guidelines and procedures for the systematic assessment of Chief Executive Officer (CEO) performance.
- B. To enhance CEO and organizational effectiveness, by ensuring that:
 - 1. SJCERA's mandates are being carried out appropriately,
 - 2. The working relationship between the Board and the CEO is effective and strong, and
 - 3. The CEO is provided with specific expectations and feedback regarding his/her performance.

II. Frequency and Content

- A. CEO performance is evaluated annually against clearly defined objectives and expectations, which are developed jointly by the CEO and trustees.
 - 1. Objectives and expectations may include SJCERA's achievement of financial and organizational goals, and service targets, as well as effective human resource management, progress on implementing SJCERA strategy, and other Board directives.

III. Objectives

- A. The CEO Performance Review includes two objectives: assessment of performance during the past calendar year and development of goals for the upcoming year. The evaluation should document past successes and targeted achievements, future objectives and goals, and also the CEO's ability, vision, strategy and resources to achieve those aims.

IV. Process and Timeline

- A. The CEO Performance Review will proceed according to the following process and timeline:
 - 1. October
 - a. The CEO presents to the Board of Retirement for their approval written goals for the upcoming calendar year.
 - b. Goals should include performance targets and personal/development goals.
 - c. The approved goals will be incorporated into the staff goals and budget, and considered by the Board and the CEO Performance Review Committee in the performance and compensation review process.

2. December

- a. The CEO presents a budget, which identifies necessary funding to achieve approved goals.
- b. The CEO provides the Committee Chair a schedule of proposed due dates for tasks outlined in this policy. The schedule will consider, among other things, Board meeting dates and required approvals.

3. January

- a. The CEO reports on accomplishments on prior-year goals to the full board at its regularly scheduled meeting in open session.
- b. In closed session, the CEO provides to all Board members a self-evaluation for the Board's consideration in completing their overall evaluation.
- c. CEO Performance Feedback Worksheets (Attachment A) are distributed to all Board members.
- d. The CEO Performance Review Committee meets and appoints a Committee Chair, if the Board Chair did not assign a Committee Chair when making committee assignments. The Committee Chair is responsible for gathering the Worksheets, compiling/summarizing results, relaying trustee comments during review discussions and, in collaboration with the committee, drafting the performance review memo.
- e. The Worksheets shall be returned to the Committee Chair. The Chair shall set a due date that is no later than month-end.
 - i. The Committee Chair consolidates feedback into the Consolidated Trustee Feedback form (Attachment B) and drafts a memo using the Memo Template (Attachment C) reflecting the collective assessment of the CEO's performance. The Committee Chair distributes the consolidated feedback and draft memo to the CEO Performance Review Committee.
 - ii. The Committee Chair may have one-on-one discussions as needed to clarify trustees' individual input, provided appropriate care is taken to ensure compliance with the Brown Act.
- f. The Committee Chair instructs staff to schedule a meeting, and prepare and timely post an agenda for the February/March committee meeting.

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- a. The committee meets, without staff present, to review and provide input on the memo based on the consolidated feedback, including assisting with summarizing the feedback, determining the key accomplishments, and making suggestions for further development (if any) to include in the memo. The committee will also formulate a recommendation regarding

compensation in accordance with Section IV(A)(4)(g) of this policy and the CEO's employment agreement.

- b. The Committee Chair distributes the summarized feedback and committee-approved draft memo to the trustees and the CEO.
 - i. The trustees may have one-on-one discussions with the Committee Chair as needed regarding the draft memo, provided appropriate care is taken to ensure compliance with the Brown Act.
- c. The Board Chair and the Committee Chair meet with the CEO to discuss the feedback.
- d. The CEO meets with the Board in closed session to discuss the performance review memo and feedback.
 - i. Upon completion of IV.A.4.d, the Board Chair signs the memo, obtains the CEO signature acknowledging receipt, provides a copy of the review memo to the CEO, and submits the original signed memo to the County Human Resources Division for inclusion in the CEO's personnel file.
 - ii. Upon completion of IV.A.4.d, all Board members shall shred or otherwise destroy all feedback, notes, drafts, emails, and other related documents and correspondence, whether paper or electronic, that were produced or obtained, sent or received, as part of the CEO Review Process.
- e. The Board subsequently authorizes merit, equity, or incentive compensation increases, if any, based on performance. Such increases, if any, shall be in addition to any COLA increases awarded to the Executive Unit.
 - i. Compensation for the CEO position shall be included in a market survey of total compensation every three years, to ensure its competitiveness.
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Board-approved increase on the next available Board meeting's open session agenda, typically in March.

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6. August

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V. Policy Review

- A. Staff shall review this Policy annually 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.

VI. History

06/08/2018	Adopted Policy
06/29/2018	Staff updated format
07/12/2019	Amended to make Committee a standing committee with appointment considerations, clarified Committee's role, and integrated compensation review into the process
07/10/2020	Amended to align the committee appointment timing with other standing committees, remove text included in committee charter, assign responsibility for proposing schedule of tasks, and clarify compensation discussion and decision requirements
07/08/2022	Added requesting staff create/add items on Committee and Board agendas, and made clarifying wording changes
07/14/2023	Reviewed; no changes
07/11/2025	Deleted County's Human Resources physical address

Certification of Board Adoption:



Clerk of the Board

07/11/2025

Date



Board Governance Policy

Computer Equipment Policy

I. Purpose

To establish clear guidelines for the provision, appropriate use, and management of SJCERA-issued computer hardware and software by Trustees and staff members in the course of conducting SJCERA business.~~To establish guidelines regarding the provision and use of SJCERA computer hardware and software to Trustees and Staff in the conduct of business related to SJCERA.~~

II. Electronic Tablets and Data

- A. SJCERA ~~will~~shall provide an electronic tablet with unlimited ~~c~~Cellular ~~d~~Data ~~s~~Service, and ~~all~~preload applications needed to conduct Board business to trustees and designated staff members. Trustees may refuse the use of SJCERA equipment opting to use personal or other equipment to conduct SJCERA business.
- B. SJCERA will not provide or reimburse the cost of other services or supplies such as Internet, telephone, paper, toner, etc.

III. Use of Equipment and Software

- A. ~~Devices provided by SJCERA are for official business use only. Personal use, including use by family members, is strictly prohibited. Electronic devices provided by SJCERA are for SJCERA business use only and not for personal use.~~
- 1. The devices are not to be used for personal reasons or by family members.
- 2. The device should not be used as a hotspot for Internet activity, unless necessary to conduct SJCERA business.
- B. It is the user's responsibility to ensure the security of the device at all times.
- ~~B.C.~~ All data stored or transmitted using SJCERA-issued devices is subject to disclosure under applicable public records laws, except for information protected by privilege or specific statutory exemptions. Users should have no expectation of privacy in their use of these devices. Users are responsible for safeguarding the device and its contents at all times. Devices must be protected with password, biometric, or encryption settings as directed by SJCERA's IT protocols.

~~C.—All data stored or transmitted using SJCERA-issued devices is subject to disclosure under applicable public records laws, except for information protected by privilege or specific statutory exemptions. Users should have no expectation of privacy in their use of these devices. Users are responsible for safeguarding the device and its contents at all times. Devices must be protected with password, biometric, or encryption settings as directed by SJCERA's IT protocols. All information that is stored on the device is discoverable under law, except for that which is privileged or falls under certain statutory exemptions. There is no right to privacy with regard to the use of the device.~~

D. Downloading or installing software onto the device is not allowed without prior authorization from SJCERA's [ACEO](#) or Information Systems Manager.

E. It is the user's responsibility to ensure the equipment provided under this policy is being used only for SJCERA business and not for any other purpose.

~~F.—Users should not retain more than six months' worth of downloaded meeting agendas, recurring reports, or similar materials. Confidential documents, such as closed session materials, must be deleted as soon as reasonably possible after the relevant meeting concludes. Only retain six months' worth of downloaded meeting agenda, recurring reports, or similar data on the provided devices.~~

~~G.F.~~ SJCERA should immediately be notified if the device is lost or stolen and advise SJCERA staff of the contents on the device at that time, to the best of the user's ability.

~~H.G.~~ Confidential information should not be downloaded and permanently stored on SJCERA devices (Example: Agenda materials for a closed session of a Board or Committee meeting should be deleted as soon as possible following adjournment of the meeting during which the closed session was held.)

IV. Disposition of Electronic Tablet, Computer Equipment and Software

Pursuant to Resolution 2009-05-05 and the *Disposition of Equipment* procedure, the Board of Retirement authorizes the Chief Executive Officer to sell, donate, or dispose of surplus furniture and equipment.

When equipment provided by SJCERA pursuant to this policy is replaced with new equipment, or the user concludes his or her service to SJCERA, the user shall return the equipment to SJCERA for redeployment or disposition, in accordance with the County's surplus disposal policy or by using a designated third-party public auction site.~~the user shall return the equipment to SJCERA for redeployment or disposition using either County surplus or replicating the County's policy of using a third-party public auction site for sale of all surplus equipment or furniture.~~

V. Devices Not Owned by SJCERA

A trustee or staff member may use an electronic tablet or other equipment not owned or provided by SJCERA in the conduct of business related SJCERA. When such device(s) is used, the trustee or staff member will acknowledge and abide by the *Guidelines for Use of Electronic Devices Not Owned by SJCERA*.

This policy shall apply to all trustees and to any staff member or counsel to whom equipment has been provided.

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

01/14/2011	Adopted by Resolution 2011-01-01
06/08/2012	Amended by Resolution 2012-06-02
02/12/2016	Amended by Resolution 2016-02-01
04/13/2018	Amended by Resolution 2018-04-01
06/29/2018	Staff reviewed, no content changes required; updated format
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Amended for technical adjustments
07/08/2022	Amended data usage and other minor edits
07/16/2024	Amended to align with Retention Policy and other non-substantive changes

07/11/2025 Policy amended for clarification.

Certification of Adoption:

	07/16/2024
_____ Clerk of the Board	_____ Date

Related Statutes:

California Government Code Sections 8314 and 81000 *et seq.*



Board Governance Policy

Computer Equipment Policy

I. Purpose

To establish clear guidelines for the provision, appropriate use, and management of SJCERA-issued computer hardware and software by Trustees and staff members in the course of conducting SJCERA business.

II. Electronic Tablets and Data

- A. SJCERA shall provide an electronic tablet with unlimited cellular data service, and preload applications needed to conduct Board business to trustees and designated staff members. Trustees may refuse the use of SJCERA equipment opting to use personal or other equipment to conduct SJCERA business.
- B. SJCERA will not provide or reimburse the cost of other services or supplies such as Internet, telephone, paper, toner, etc.

III. Use of Equipment and Software

- A. Devices provided by SJCERA are for official business use only. Personal use, including use by family members, is strictly prohibited.
 - 1. The devices are not to be used for personal reasons or by family members.
 - 2. The device should not be used as a hotspot for Internet activity, unless necessary to conduct SJCERA business.
- B. It is the user's responsibility to ensure the security of the device at all times.
- C. All data stored or transmitted using SJCERA-issued devices is subject to disclosure under applicable public records laws, except for information protected by privilege or specific statutory exemptions. Users should have no expectation of privacy in their use of these devices. Users are responsible for safeguarding the device and its contents at all times. Devices must be protected with password, biometric, or encryption settings as directed by SJCERA's IT protocols.
- D. All data stored or transmitted using SJCERA-issued devices is subject to disclosure under applicable public records laws, except for information protected by privilege or specific statutory exemptions. Users should have no expectation of privacy in their use of these devices. Users are responsible for safeguarding the device and its contents at all times. Devices must be

protected with password, biometric, or encryption settings as directed by SJCERA's IT protocols. Downloading or installing software onto the device is not allowed without prior authorization from SJCERA's ACEO or Information Systems Manager.

- E. It is the user's responsibility to ensure the equipment provided under this policy is being used only for SJCERA business and not for any other purpose.
- F. Users should not retain more than six months' worth of downloaded meeting agendas, recurring reports, or similar materials. Confidential documents, such as closed session materials, must be deleted as soon as reasonably possible after the relevant meeting concludes. SJCERA should immediately be notified if the device is lost or stolen and advise SJCERA staff of the contents on the device at that time, to the best of the user's ability.
- G. Confidential information should not be downloaded and permanently stored on SJCERA devices (Example: Agenda materials for a closed session of a Board or Committee meeting should be deleted as soon as possible following adjournment of the meeting during which the closed session was held.)

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When equipment provided by SJCERA pursuant to this policy is replaced with new equipment, or the user concludes his or her service to SJCERA, the user shall return the equipment to SJCERA for redeployment or disposition, in accordance with the County's surplus disposal policy or by using a designated third-party public auction site.

V. Devices Not Owned by SJCERA

A trustee or staff member may use an electronic tablet or other equipment not owned or provided by SJCERA in the conduct of business related SJCERA. When such device(s) is used, the trustee or staff member will acknowledge and abide by the *Guidelines for Use of Electronic Devices Not Owned by SJCERA*.

This policy shall apply to all trustees and to any staff member or counsel to whom equipment has been provided.

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

01/14/2011	Adopted by Resolution 2011-01-01
06/08/2012	Amended by Resolution 2012-06-02
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04/13/2018	Amended by Resolution 2018-04-01
06/29/2018	Staff reviewed, no content changes required; updated format
04/12/2019	Policy Review section amended to at least once every three years
07/12/2019	Amended for technical adjustments
07/08/2022	Amended data usage and other minor edits
07/16/2024	Amended to align with Retention Policy and other non-substantive changes
07/11/2025	Policy amended for clarification.

Certification of Adoption:



Clerk of the Board

07/11/2025

Date

Related Statutes:

California Government Code Sections 8314 and 81000 *et seq.*



Correction of Errors or Omissions

I. Purpose

- A. To establish standards and procedures for the resolution of errors or omissions with respect to the payment of member contributions or benefits. These standards and procedures are intended to ensure compliance with the Internal Revenue Code and Internal Revenue Service regulations and to meet the Board's fiduciary obligation to preserve SJCERA's financial integrity for the benefit of its members and their beneficiaries.

II. Objective

- A. Members and beneficiaries have a right to accurate pension benefit payments. No member or beneficiary shall be deprived from receiving or retaining, retirement benefit payments to which he or she is entitled. Members and beneficiaries, however, are not entitled to receive or retain a retirement benefit which was disbursed in error. Subject to all applicable laws and SJCERA's policies and procedures, SJCERA shall make all reasonable efforts to recover or remit all errors in payment of contributions or benefits.

III. Guidelines

- A. The Chief Executive Officer ("CEO") shall ensure that errors are promptly and thoroughly investigated and that all appropriate corrective measures are taken.
- B. The CEO shall establish internal procedures to investigate, collect and resolve errors in the payment of benefits or contributions. The procedures will comply with applicable state and federal laws and regulations.
- C. The CEO shall have full authority to take whatever actions are necessary or appropriate to correct any errors in the payment of contributions or benefits unless circumstances exist that make it unreasonable or futile to do so.
 - i. The CEO shall use reasonable efforts to resolve errors in payment of contributions or benefits, in consideration of the following factors:
 - a. IRS guidelines for correction of Plan errors;
 - b. Input from the Plan sponsor, as appropriate;

- c. The total amount of the overpayment or underpayment, including interest;
 - d. The likelihood and anticipated cost of collection;
 - e. The verifiable financial circumstances of the member; and
 - f. The existence of fraud, or other culpability or responsibility for the error, whether by SJCERA, the member or a third party.
- D. Corrections should attempt to place SJCERA in the position it would have been had the erroneous payment not occurred and, wherever feasible, resolution of the error should result in immediate full payment of the entire amount, with interest.
 - i. Any negotiated repayment schedule shall not exceed the expected lifetime of the member. Should the member die before the full amount owed, including interest, is paid, SJCERA may recover the remaining amount from any benefit owed to a beneficiary.
- E. In certain circumstances, the CEO may agree to receive less than the full amount of repayment. Options for recovery in those instances include, but are not limited to, discounting interest rates, waiving interest and compromising the principal amount. In structuring any such resolution, the member shall bear the burden of establishing any claimed financial hardship to the satisfaction of the CEO.
- F. In the event that the member or beneficiary fails to respond to communications from SJCERA staff, the CEO may initiate an action for recovery of the unpaid amount, including reductions of future payments, not to exceed any state or federal limitations on such recovery. No involuntary collections may be imposed without notice to the member or beneficiary pursuant to Section IV.
- G. The CEO shall consult with counsel as needed with respect to any proposed correction. All legal remedies may be pursued to collect errors in benefits or contributions, including claims against estates or trusts.
- H. The CEO shall have discretion to refrain from collection of amounts identified by the IRS as small overpayments subject to exemption from full correction, or take such other action deemed reasonable and appropriate in consultation with counsel, as needed.
- I. Corrections shall not provide any party with a status, right or obligation not otherwise authorized by the County Employees' Retirement Law ("CERL").

- J. Notwithstanding any other provision of this policy, the CEO shall have the discretion to refrain from pursuing recovery of, or issuing payment for, any identified error resulting in an underpayment or overpayment of less than one hundred dollars (\$100.00). This threshold is established in recognition that the administrative and transactional cost of correction in such instances would likely exceed the monetary value of the adjustment. Such action shall not be deemed a waiver of SJCERA's authority to correct errors but shall instead constitute a reasonable exercise of fiduciary discretion consistent with the duty to preserve system assets and administrative efficiency. The CEO's determination under this subsection shall be final, provided that such determination does not conflict with applicable federal or state law or IRS guidance.

IV. Due Process

- A. Collection of an overpayment does not constitute execution, garnishment, attachment or any other court process. Nevertheless, prior to the imposition of any resolution correcting an error or omission with respect to the payment of member contributions or benefits, SJCERA will give notice to the affected party of its intentions and provide an opportunity to appeal the decision to the Board.

V. Reporting

- A. The CEO shall report to the Board quarterly regarding corrections of errors or omissions under this policy. Minor errors, such as contribution errors remedied by way of one-time payroll adjustments, need not be included in the CEO's report to the Board under this section.

VI. Law Prevails

- A. In the event a conflict between this policy and the CERL, the Public Employees' Pension Reform Act, or other applicable state or federal law arises, the law shall prevail. The rights and remedies provided in this policy or the CERL are in addition to any other rights and remedies any party may have in equity or at law. Nothing shall preclude any party from instituting an action for declaratory or other relief in lieu of preceding under this policy or the CERL.

VII. Policy Review

- A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. (Ref.: Cal. Gov. Code §31539, IRS Rev. Proc. 2016-51.)

VIII. History

03/01/2017 Bylaws Amended and Approved by the Board of Supervisors
12/08/2017 Bylaw Section 4.5 Converted to Policy
06/29/2018 Staff updated format

12/14/2018 Rewritten to authorize CEO to negotiate within guidelines, ensure due process and reporting
04/12/2019 Policy Review section amended to at least once every three years
07/12/2019 Reviewed, no changes
07/08/2022 Reviewed, no changes
07/16/2024 Non-substantive changes
07/11/2025 Added paragraph J. regarding threshold of \$100 for collections or payments.

Certification of Board Adoption



Clerk of the Board

07/11/2024

Date



Correction of Errors or Omissions

I. Purpose

- A. To establish standards and procedures for the resolution of errors or omissions with respect to the payment of member contributions or benefits. These standards and procedures are intended to ensure compliance with the Internal Revenue Code and Internal Revenue Service regulations and to meet the Board's fiduciary obligation to preserve SJCERA's financial integrity for the benefit of its members and their beneficiaries.

II. Objective

- A. Members and beneficiaries have a right to accurate pension benefit payments. No member or beneficiary shall be deprived from receiving or retaining, retirement benefit payments to which he or she is entitled. Members and beneficiaries, however, are not entitled to receive or retain a retirement benefit which was disbursed in error. Subject to all applicable laws and SJCERA's policies and procedures, SJCERA shall make all reasonable efforts to recover or remit all errors in payment of contributions or benefits.

III. Guidelines

- A. The Chief Executive Officer ("CEO") shall ensure that errors are promptly and thoroughly investigated and that all appropriate corrective measures are taken.
- B. The CEO shall establish internal procedures to investigate, collect and resolve errors in the payment of benefits or contributions. The procedures will comply with applicable state and federal laws and regulations.
- C. The CEO shall have full authority to take whatever actions are necessary or appropriate to correct any errors in the payment of contributions or benefits unless circumstances exist that make it unreasonable or futile to do so.
 - i. The CEO shall use reasonable efforts to resolve errors in payment of contributions or benefits, in consideration of the following factors:
 - a. IRS guidelines for correction of Plan errors;
 - b. Input from the Plan sponsor, as appropriate;

- c. The total amount of the overpayment or underpayment, including interest;
 - d. The likelihood and anticipated cost of collection;
 - e. The verifiable financial circumstances of the member; and
 - f. The existence of fraud, or other culpability or responsibility for the error, whether by SJCERA, the member or a third party.
- D. Corrections should attempt to place SJCERA in the position it would have been had the erroneous payment not occurred and, wherever feasible, resolution of the error should result in immediate full payment of the entire amount, with interest.
 - i. Any negotiated repayment schedule shall not exceed the expected lifetime of the member. Should the member die before the full amount owed, including interest, is paid, SJCERA may recover the remaining amount from any benefit owed to a beneficiary.
- E. In certain circumstances, the CEO may agree to receive less than the full amount of repayment. Options for recovery in those instances include, but are not limited to, discounting interest rates, waiving interest and compromising the principal amount. In structuring any such resolution, the member shall bear the burden of establishing any claimed financial hardship to the satisfaction of the CEO.
- F. In the event that the member or beneficiary fails to respond to communications from SJCERA staff, the CEO may initiate an action for recovery of the unpaid amount, including reductions of future payments, not to exceed any state or federal limitations on such recovery. No involuntary collections may be imposed without notice to the member or beneficiary pursuant to Section IV.
- G. The CEO shall consult with counsel as needed with respect to any proposed correction. All legal remedies may be pursued to collect errors in benefits or contributions, including claims against estates or trusts.
- H. The CEO shall have discretion to refrain from collection of amounts identified by the IRS as small overpayments subject to exemption from full correction, or take such other action deemed reasonable and appropriate in consultation with counsel, as needed.
- I. Corrections shall not provide any party with a status, right or obligation not otherwise authorized by the County Employees' Retirement Law ("CERL").

- J. Notwithstanding any other provision of this policy, the CEO shall have the discretion to refrain from pursuing recovery of, or issuing payment for, any identified error resulting in an underpayment or overpayment of less than one hundred dollars (\$100.00) per calendar year, per member. This threshold is established in recognition that the administrative and transactional cost of correction in such instances would likely exceed the monetary value of the adjustment. Such action shall not be deemed a waiver of SJCERA's authority to correct errors but shall instead constitute a reasonable exercise of fiduciary discretion consistent with the duty to preserve system assets and administrative efficiency. The CEO's determination under this subsection shall be final, provided that such determination does not conflict with applicable federal or state law or IRS guidance.

IV. Due Process

- A. Collection of an overpayment does not constitute execution, garnishment, attachment or any other court process. Nevertheless, prior to the imposition of any resolution correcting an error or omission with respect to the payment of member contributions or benefits, SJCERA will give notice to the affected party of its intentions and provide an opportunity to appeal the decision to the Board.

V. Reporting

- A. The CEO shall report to the Board quarterly regarding corrections of errors or omissions under this policy. Minor errors, such as contribution errors remedied by way of one-time payroll adjustments, need not be included in the CEO's report to the Board under this section.

VI. Law Prevails

- A. In the event a conflict between this policy and the CERL, the Public Employees' Pension Reform Act, or other applicable state or federal law arises, the law shall prevail. The rights and remedies provided in this policy or the CERL are in addition to any other rights and remedies any party may have in equity or at law. Nothing shall preclude any party from instituting an action for declaratory or other relief in lieu of proceeding under this policy or the CERL.

VII. Policy Review

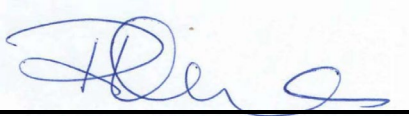
- A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. (*Ref.: Cal. Gov. Code §31539, IRS Rev. Proc. 2016-51.*)

VIII. History

03/01/2017 Bylaws Amended and Approved by the Board of Supervisors
12/08/2017 Bylaw Section 4.5 Converted to Policy

06/29/2018 Staff updated format
12/14/2018 Rewritten to authorize CEO to negotiate within guidelines, ensure due process and reporting
04/12/2019 Policy Review section amended to at least once every three years
07/12/2019 Reviewed, no changes
07/08/2022 Reviewed, no changes
07/16/2024 Non-substantive changes
07/11/2025 Added paragraph J. regarding threshold of \$100 for collections or payments.

Certification of Board Adoption



Clerk of the Board

07/11/2025

Date



Board Administration Policy

Electronic Signature Policy

I. Purpose

To establish uniform guidelines for the use and acceptance of electronic signatures on documents submitted to or issued by SJCERA, consistent with applicable laws and administrative standards.~~To establish guidelines for accepting electronic signatures.~~

II. Scope

~~A. The use or acceptance of electronic signature shall be at the option of SJCERA and the member submitting the electronically signed document. Nothing in this Policy requires SJCERA to use or permit the use of electronic signature.~~

A. The use or acceptance of an electronic signature shall be at the discretion of both SJCERA and the individual submitting the electronically signed document. Nothing in this policy requires SJCERA to accept or authorize the use of electronic signatures in all cases. Certain transactions may still require original (wet) signatures at the discretion of SJCERA or as required by law.

III. Definitions

III.

A. For the purposes of this policy, the following definitions apply:

~~i. "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record. This includes signatures captured through electronic signature software or scanned copies of handwritten signatures submitted electronically. "Electronic signature" includes both software-captured electronic signatures and copies of original, handwritten signatures submitted electronically.~~

~~i.~~

ii. "Member" includes member, nonmember former spouse, eligible survivor/beneficiary, or person with legal authority to act on their behalf.

IV. Electronic Signature Guidelines

A. The use of electronic signatures is permitted and shall have the same legal force and effect as a handwritten ("wet") signature, provided all the following criteria are met:

i. The electronic signature is unique to the signer and under their sole control.

ii. The signature is capable of verification through secure technology.

iii. The signature is logically associated with the document data.

iv. The technology used invalidates the signature if the document is altered post-signing.

v. The signer's identity has been verified through SJCERA's standard member verification procedures.

vi. The document was submitted directly by the member or their authorized representative and not via a third party unless explicitly authorized.

~~i. The signature is reasonably consistent with samples previously provided to SJCERA. The use of electronic signatures is permitted and shall have~~

~~the same force and effect as the use of a original, handwritten signature if all the following criteria are met:~~

~~vii.~~

~~B. Electronically signed documents submitted with software programs that use technology sufficient to ensure the integrity, security, and authenticity of documents will have the same legal force as a signed, valid original document.~~

~~C. SJCERA may contact persons who have submitted electronically signed documents at their own discretion in order to ensure verification compliance.~~

~~The electronic signature is unique to the person using it.~~

- ~~1. The electronic signature is capable of verification.~~
- ~~2. The electronic signature is under the sole control of the person using it.~~
- ~~a. Email notifications requesting electronic signatures must not be forwarded.~~
- ~~3. The electronic signature is linked to the data in such a manner that if the data is changed after the electronic signature is affixed, the electronic signature is invalidated.~~

~~A. Electronically signed documents submitted with software programs that use technology sufficient to ensure the integrity, security, and authenticity of documents will have the same legal force as a signed, valid original document.~~

~~SJCERA may contact persons who have submitted electronically signed documents at their own discretion in order to ensure verification compliance.~~

~~V. Electronic Signature Guidelines~~

~~A. Documents that initiate or affect the distribution of payment or payment information generally require an original signature.~~

~~B. The use of electronic signatures is permitted and shall have the same force and effect as the use of an original, handwritten signature if all the following criteria are met:~~

- ~~1. The member's identity has first been verified by staff following existing protocols.~~
- ~~2. Staff has validated that the document was sent to SJCERA by the member.~~
- ~~3. Signature on the document is consistent with other signature samples on file at SJCERA.~~

V. Exceptions

~~A. SJCERA reserves the right to require an original **wet** signature for documents that initiate or alter payment instructions, beneficiary designations, or other legally binding elections, where such requirement is deemed necessary for fraud prevention or legal compliance.~~

VI. Retention

VI.

~~VII. Member documents received electronically shall be stored securely in SJCERA's Electronic Document Imaging System in accordance with the Document and Data Retention Policy and applicable privacy and cybersecurity standards. Any member documents received electronically will be stored in SJCERA's Electronic Document Imaging System according to the Document and Data Retention policy.~~

A.

IV. Law Prevails

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

V. Policy Review

- A. 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 its bylaws.

VI. History

07/08/2022	Policy adopted by the Board of Retirement
07/16/2024	Non-substantive change
<u>07/11/2025</u>	<u>Removed and streamlined redundant or duplicative sections adding clarity and comprehensiveness.</u>

Certification of Board Adoption:



Clerk of the Board

07/11/2025

Date

Related Statutes:

California Government Code Section 31527(i)



Board Administration Policy

Electronic Signature Policy

I. Purpose

To establish uniform guidelines for the use and acceptance of electronic signatures on documents submitted to or issued by SJCERA, consistent with applicable laws and administrative standards.

II. Scope

- A. The use or acceptance of an electronic signature shall be at the discretion of both SJCERA and the individual submitting the electronically signed document. Nothing in this policy requires SJCERA to accept or authorize the use of electronic signatures in all cases. Certain transactions may still require original (wet) signatures at the discretion of SJCERA or as required by law.

III. Definitions

- A. For the purposes of this policy, the following definitions apply:
 - i. "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record. This includes signatures captured through electronic signature software or scanned copies of handwritten signatures submitted electronically.
 - ii. "Member" includes member, nonmember former spouse, eligible survivor/beneficiary, or person with legal authority to act on their behalf.

IV. Electronic Signature Guidelines

- A. The use of electronic signatures is permitted and shall have the same legal force and effect as a handwritten ("wet") signature, provided all the following criteria are met:
 - i. The electronic signature is unique to the signer and under their sole control.
 - ii. The signature is capable of verification through secure technology.
 - iii. The signature is logically associated with the document data.
 - iv. The technology used invalidates the signature if the document is altered post-signing.
 - v. The signer's identity has been verified through SJCERA's standard member verification procedures.
 - vi. The document was submitted directly by the member or their authorized representative and not via a third party unless explicitly authorized.
 - vii. The signature is reasonably consistent with samples previously provided to SJCERA.
- B. Electronically signed documents submitted with software programs that use technology sufficient to ensure the integrity, security, and authenticity of documents will have the same legal force as a signed, valid original document.
- C. SJCERA may contact persons who have submitted electronically signed documents at their own discretion in order to ensure verification compliance.

V. Exceptions

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Certification of Board Adoption:



Clerk of the Board

07/11/2025

Date

Related Statutes:

California Government Code Section 31527(i)



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. **Member** 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~~shall 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.

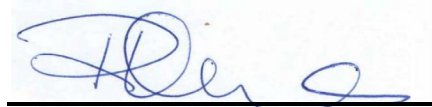
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Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Retirement in accordance with the bylaws.

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 <i>Retirement-Eligible Compensation</i> policy and <i>Statement of Reserves</i> 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
07/08/2022	Reviewed, no changes
<u>07/11/2025</u>	<u>Minor revisions for clarification</u>

Certification of Board Adoption:



Clerk of the Board

7/11/2025

Date



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- 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.

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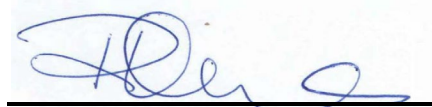
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Certification of Board Adoption:



Clerk of the Board

7/11/2025

Date



Board of Retirement Administrative Committee

San Joaquin County Employees' Retirement Association

Agenda Item 3.04

June 6, 2025

SUBJECT: Statement of Economic Interest – Summary Report

SUBMITTED FOR: CONSENT ACTION X INFORMATION

PURPOSE

To comply with Section III of the *Conflict of Interest* policy requiring staff to prepare an annual summary report of the Statements of Economic Interest (Form 700) filed with SJCERA.

DISCUSSION

The *Conflict of Interest* policy and *Administrative Committee Charter* require staff to prepare, and submit to the Administrative Committee for receipt and filing, an annual summary report of the Statements of Economic Interests (Form 700) filed with SJCERA. The intent is for staff to review all Forms 700, identify whether any potential conflicts exist, and highlight any conflicts in the summary report. If any potential conflicts were identified, the CEO and/or Chief Counsel would discuss that with the individual before submitting the report.

Based on the information reported in the most recently submitted Statements of Economic Interests, no conflicts were identified requiring recusal of a trustee due to their sources of income and SJCERA's current financial interests.

ATTACHMENTS

Summary of Sources of Income on Statements of Economic Interest (Form 700) report

RENEE OSTRANDER
Chief Executive Officer

AARON ZAHEEN
Chief Counsel

SJCERA Summary of Sources of Income on Statements of Economic Interest (Form 700) Report - June 6, 2025

Schedule A-1 Investments Stocks, Bonds, and Other Interest (Ownership Interest is Less Than 10%) \$2,000 - \$10,000	Schedule A-1 Investments Stocks, Bonds, and Other Interest (Ownership Interest is Less Than 10%) \$10,001 - \$100,000	Schedule A-1 Investments Stocks, Bonds, and Other Interest (Ownership Interest is Less Than 10%) \$100,001 - \$1,000,000	Schedule A-1 Investments Stocks, Bonds, and Other Interest (Ownership Interest is Less Than 10%) Over \$1,000,000	Schedule A-2 Investments, Income, and Assets of Business Entities/Trusts (Ownership Interest is 10% or Greater)	Schedule B Interest in Real Property (Including Rental Income)	Schedule C Income, Loans, & Property Positions (Other than Gifts and Travel Payments)	Schedule D Income - Gifts	Schedule E Income - Gifts Travel Payments, Advances, and Reimbursements
Annaly Corp (T)	3M Company (T)	Cheiron (C)		FourSevyn (S)	2531 Jimenez Way, Stockton (S)	Alpine Packing (S)	Bank of Stockton (T)	
Appian Corp (T)	Accenture (T)	Farmers & Merchants (T)		Restuccia Enterprises (T)	18939 N. Lower Sac Rd, Woodbridge (T)	Alta Bates (C)	Cal Water (T)	
Arm Holdings (T)	Alcoa Aluminum (T)			Restuccia Family Trust (T)	18921 N. Lower Sac Rd, Woodbridge (T)	Bank of Stockton (T)	Eagles Services (T)	
Coca-Cola (T)	Annaly Capital Management (T)			The Hair Mill (T)	1908 East Street, Tracy (T)	Cheiron (C)	Lodi Mem Hosp Fndtn (T)	
GE Healthcare Techs (T)	Apple (T)			Thornton Rising (T)	204-212 3rd Street, Ripon (T)	McCray Investment Mgmt (T)	Port of Stockton (T)	
GE Verona (T)	AT&T (T)			Woodbridge Crossing (T)	623 Walnut Ave, Ripon (T)	Meketa (C)	SJ Council of Governments (T)	
Global Foundries (T)	Ballard Power Systems (T)				633 Walnut Ave, Ripon (T)	SJCERA (T)	United Way (T)	
Google (S)	Bank of America (T)					Valley Strong Credit Union (T)	None of the filers reported having received gifts in excess of \$590 during 2024	
HIVE Digital (T)	Berkeley (WR) Corp (T)							
Intel (S)	Berkshire Hathaway (T)							
MetLife (T)	Cactus (T)							
Olin Corp (T)	Cameco (T)							
Roblox (C)	Capstead (T)							
Shopify (S)	Cheniere Energy (T)							
Sturm Ruger (T)	Cisco Systems (T)							
T. Rowe Price (T)	Coca-Cola (T)							
UBS Group (T)	Cummins (T)							
	Dow Chemical (T)							
	Eli Lilly (T)							
	Envista Holdings (T)							
	Exxon Mobil Corp (T)							
	Fuel Cell Energy (T)							
	Gaming & Leisure Properties (T)							
	GE Aerospace (T)							
	General Motors (T)							
	Gilead (C)							
	Goldman Sachs (T)							
	Group 1 Automotive (T)							
	Hewlett Packard (T)							
	Highland Income Fund (T)							
	HNDL (T)							
	IBM (T)							
	IGVIA Holdings (T)							
	Ingredion (T)							
	Insmmed Incorporated (T)							
	Installed Building Products (T)							
	Interactive Brokers Group (T)							
	Interpublic Group of Companies (T)							
	John Bean Technologies (T)							
	Johnson & Johnson (T)							
	JP Morgan (T)							
	Kimberly-Clark (T)							
	KKR Group Fin Co (T)							
	Kroger (T)							
	Lantheus Holdings (T)							
	Lattice Semiconductor (T)							
	Liberty Sirius (T)							
	Lowe's (T)							
	LPL Financial Holdings (T)							
	Lynas (T)							
	Madrigal Pharmaceuticals (T)							
	Magnite (T)							
	McDonalds (T)							
	Medtronic (T)							

SJCERA Summary of Sources of Income on Statements of Economic Interest (Form 700) Report - June 6, 2025

Schedule A-1 Investments Stocks, Bonds, and Other Interest (Ownership Interest is Less Than 10%) \$2,000 - \$10,000	Schedule A-1 Investments Stocks, Bonds, and Other Interest (Ownership Interest is Less Than 10%) \$10,001 - \$100,000	Schedule A-1 Investments Stocks, Bonds, and Other Interest (Ownership Interest is Less Than 10%) \$100,001 - \$1,000,000	Schedule A-1 Investments Stocks, Bonds, and Other Interest (Ownership Interest is Less Than 10%) Over \$1,000,000	Schedule A-2 Investments, Income, and Assets of Business Entities/Trusts (Ownership Interest is 10% or Greater)	Schedule B Interest in Real Property (Including Rental Income)	Schedule C Income, Loans, & Property Positions (Other than Gifts and Travel Payments)	Schedule D Income - Gifts	Schedule E Income - Gifts Travel Payments, Advances, and Reimbursements
	Merck & Co (T)							
	Meta Platforms (T)							
	Metlife (T)							
	Microchip Technology (T)							
	Micron Technology (T)							
	Mocrosift Corp (T)							
	Moderna (T)							
	Modine Manufacturing (T)							
	Mondelez (T)							
	Morgan Chase (T)							
	Morgan Stanley (T)							
	Natural Rural Utilities (T)							
	Netflix (T)							
	NextEra Energy (T)							
	NNN Net Lease (T)							
	Norfolk Southern Corp (T)							
	Northern Trust (T)							
	NorthWestern (T)							
	NVIDIA Corp (T)							
	NY Preferred (T)							
	Olema Pharmaceuticals (T)							
	Oneok (T)							
	Ooma Inc. (T)							
	Palo Alto Networks (T)							
	Parker Hannifin Corp (T)							
	Partnerre (T)							
	PayPal (T)							
	PDF Solutions (T)							
	Perion Network (T)							
	Philip Morris International (T)							
	PLUG (T)							
	Powell Industries (T)							
	PPG Industries (T)							
	Preferred Bank (T)							
	Proctor & Gamble (T)							
	Prudential Financial (T)							
	Public Storage (T)							
	Redwood Trust (T)							
	Renaissancere Holdings (T)							
	Repligen Corp (T)							
	Restaurant Brands International (T)							
	RiverNorth/DoubleLine (T)							
	Rocket Pharmaceuticals (T)							
	RTX Corp (T)							
	Schlumberger (T)							
	Semtech Corp (T)							
	ServiceNow (T)							
	SkyWest (T)							
	SM Energy (T)							
	Snowflake (T)							
	SoFi Technologies (T)							
	South State (T)							
	Southern Company (T)							

SJCERA Summary of Sources of Income on Statements of Economic Interest (Form 700) Report - June 6, 2025

Schedule A-1 Investments Stocks, Bonds, and Other Interest (Ownership Interest is Less Than 10%) \$2,000 - \$10,000	Schedule A-1 Investments Stocks, Bonds, and Other Interest (Ownership Interest is Less Than 10%) \$10,001 - \$100,000	Schedule A-1 Investments Stocks, Bonds, and Other Interest (Ownership Interest is Less Than 10%) \$100,001 - \$1,000,000	Schedule A-1 Investments Stocks, Bonds, and Other Interest (Ownership Interest is Less Than 10%) Over \$1,000,000	Schedule A-2 Investments, Income, and Assets of Business Entities/Trusts (Ownership Interest is 10% or Greater)	Schedule B Interest in Real Property (Including Rental Income)	Schedule C Income, Loans, & Property Positions (Other than Gifts and Travel Payments)	Schedule D Income - Gifts	Schedule E Income - Gifts Travel Payments, Advances, and Reimbursements
	SPS Commerce (T)							
	SPX Technologies (T)							
	STAG Industrial (T)							
	Stryker Corp (T)							
	Synopsys (T)							
	Tanger Factory Outlet Centers (T)							
	Tenable Holdings (T)							
	Thermo Fisher Scientific (T)							
	TransMedics Group (T)							
	Truist Financial (T)							
	Uber Technologies (T)							
	United Health Group (T)							
	Universal Corp (T)							
	US Bancorp (T)							
	Vail Resorts (T)							
	Veeco Instruments (T)							
	Vertiv Holdings Co Class A (T)							
	Viking Therapeutics (T)							
	Visa (T)							
	Waste Management (T)							
	Weatherford International (T)							
	Wells Fargo (T)							
	Willaims Co (T)							
	Wintrust Financial Corp (T)							
	Workday Class A (T)							
	Zoetis (T)							

TRUSTEES (T)

Chanda Bassett	Ray McCray
Steven Ding	Stephan Moore
Michael Duffy	Emily Nicholas
Sam Kaisch	Michael Restuccia
Phonxay Keokham	James Weydert

STAFF (S)

Adnan Khan	Renee Ostrander
Brian McKelvey	Aaron Zaheen

CONSULTANTS (C)

David Sancewich
Graham Schmidt

Highlight indicates financial interest that may require recusal of trustee with respect to that source of income, based on currently known information and current financial interests of SJCERA. (See, e.g., FPPC Informal Advice File No. I-17-093; see also Cal. Gov. Code Section 1090 et seq.) Notations are for informational purposes only and are subject to change, depending on changes in the financial interests of SJCERA and/or its Form 700 filers. The notations, as well as other comments in this summary, are not intended to be exhaustive or legally binding.