



## Monthly Benefit Payments Policy

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### I. Purpose

- A. To establish the standard timing, method, and treatment of monthly retirement benefit payments made by the San Joaquin County Employees' Retirement Association (SJCERA). Beginning January 1, 2026, SJCERA will transition from paying retirement benefits on the first day of the following month to paying them on the last business day of the current month.
- B. To align SJCERA's practices with other California public retirement systems and simplifies tax reporting for benefit recipients, SJCERA's benefit reconciliation, and member financial planning by ensuring payments are recognized in the same month the benefit is earned.
- C. To adopt under the authority of the County Employees' Retirement Law of 1937 (Government Code §§ 31450 et seq.) and consistent with the fiduciary responsibilities of the Board to administer retirement benefits accurately, equitably, and efficiently.

### II. Objective

- A. Beginning January 1, 2026, SJCERA will issue monthly pension payments on the last business day of each month. This change aligns benefit payments with the month earned and improves financial reporting clarity for both pension payment recipients and SJCERA.
- B. Members whose pensions do not fully cover their health insurance premiums must continue to pre-pay their portion by the 15th of each month to maintain uninterrupted coverage.

### III. Scope

- A. This Policy applies to all SJCERA retired members, beneficiaries, and survivors receiving monthly benefits; all employers participating in SJCERA; and all SJCERA staff responsible for payroll processing, disbursement, and reporting.

### IV. Roles and Responsibilities

- A. Executive Leadership:
  - 1. Provide strategic direction and ensure benefit payments are made timely.
  - 2. Foster a culture of responsible operational improvements that also align with member financial considerations.
- B. Information Technology:
  - 1. Execute monthly benefit payments in the pension administration system (PAS) timely to ensure enough time to reconcile and process

direct deposit and check payments by the last business day of the month.

C. Legal:

1. Ensure benefit payments comply with applicable statutory schemes, Board policies, applicable regulations, and ethical standards.
2. Monitor legal changes and ethical risks that could impact pension payment distribution and reporting, providing guidance to ensure ethical and lawful payment practices.

D. Members, Beneficiaries, Survivors, and Alternate Payees:

1. Update Federal and State tax elections necessary to withhold the appropriate tax amount for each calendar year.
2. Report payment discrepancies to SJCERA within 15 days of payment issuance for correction within 4-6 weeks.

**V. Policy Procedures and Guidelines**

A. Absent exigent circumstances or unless otherwise expressly approved by the Board at a duly-noticed public meeting, the procedures and guidelines for implementing this Policy are set forth below.

1. Transition of Payment Date:

- a. Effective January 1, 2026, monthly retirement benefits will be paid on the last business day of each month.
- b. This payment reflects the benefit earned for that month (e.g., the January 2026 benefit will be paid on January 30, 2026).
- c. SJCERA shall publish benefit payment dates on our website for 2026 no later than January 15, 2026
- d. Direct deposit (ACH) transactions will be credited to members' financial institutions on the payment date.
- e. When the payment date falls on a weekend or holiday, benefits will be paid on the preceding business day.

2. Benefits Covered by This Policy:

- a. This Policy applies to all regular monthly retirement benefits, including service retirement benefits, disability retirement benefits, continuance payments to eligible survivors, beneficiaries, and former spouses, and other monthly issued benefit payments.
- b. Excess Benefit Plan (EBP) participants will also receive payments on the last business day of each month beginning January 2026. These EBP payments will maintain their respective tax withholding and reporting requirements.

3. Tax and Reporting Considerations:

- a. December 2025 benefit payments will be distributed to members on January 2, 2026, which follows current practices and procedures.
- b. The transition in 2026 will not result in any skipped or lost payment; it merely advances the payment date from the first day of the following month to the last business day of the current month.
- c. For the calendar and tax reporting year of 2026 only, SJCERA will report 13 payments to federal and state agencies. This is the result of the payment date transition effective January 1, 2026.
- d. Benefit payment recipients need to make necessary tax election changes early in 2026 so as to comply with tax withholding rules and ensure sufficient withholdings are reported timely to Federal and State agencies.
- e. SJCERA will not be responsible for incorrect tax withholding amounts that result in amounts due or owed to these tax agencies.

## **VI. Health Premium Pre-Payments**

- A. Some retired members elect to have retiree health insurance premiums deducted from their monthly pension payments. In certain cases, a member's gross benefit may be insufficient to cover the full premium amount. To maintain health, dental, or vision coverage, these members must pre-pay the portion of their premium not covered by their monthly benefit.
- B. Pre-payments are due by the 15th of each month to ensure timely remittance to vendors for the following month's premium coverage. Payments received after the 15th may result in a lapse, delay, or cancellation of health coverage depending on carrier deadlines. Members are responsible for maintaining sufficient funds and timely payments to avoid interruption in coverage.

## **VII. 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 state or federal law arises, the law shall prevail.

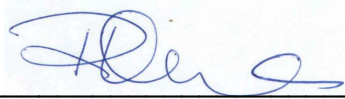
## **VIII. Policy Review**

- 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 in accordance with the bylaws.

## **IX. History**

12/12/2025      Policy adopted by the Board

Certification of Board Adoption:



12/12/2025

Clerk of the Board

Date