

Memorandum

Date: December 8, 2010
To: Board of Retirement
From: Marilyn Leedom, Chief Executive Officer
Karen Levy, General Counsel
Subject: Active Death Disability Application Policy

MEETING DATE

DEC 08 2010

AGENDA ITEM

#6

As directed by the Retirement Board at the November 23, 2010 meeting, enclosed is a draft "Active Death Disability Application Policy." This policy documents and reaffirms CCCERA's practice, as directed by the Board of Retirement, which has been in place since at least the late 1980s, regarding the processing of Active Death Disability Application forms.

In the course of reviewing the plan documents required for completion of the Internal Revenue Service Letter of Determination, tax counsel has recommended the adoption of a policy detailing the Active Death procedure. Their review of the County Employees' Retirement Law of 1937 (CERL) and other plan documents indicated that an additional policy would be advisable to ensure that CCCERA's plan document is inclusive of all plan provisions, as the Active Death Benefit administered by the Board of Retirement is a long-standing interpretation of plan provisions but is not specifically provided in the CERL.



CONTRA COSTA COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
1355 Willow Way, Suite 221, Concord, CA 94520-5728
Telephone: (925) 521-3960, Fax: (925) 646-5747

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT**

ACTIVE DEATH DISABILITY RETIREMENT APPLICATION POLICY

Adopted __/__/10

1. PURPOSE

The purpose of this policy is to provide for the fair, efficient, and equitable processing of applications for disability retirement made by members of the Contra Costa County Employees' Retirement Association in the event of death while in active membership under the County Employees Retirement Law of 1937 (Government Code section 31450 et.seq.). This policy reaffirms and clarifies the existing practices of the CCCERA with respect to the processing of Active Death Disability Applications filed by vested CCCERA members.

2. MAKING APPLICATION FOR ACTIVE DEATH DISABILITY RETIREMENT

CCCERA shall furnish an "Active Death Disability Retirement Form" (Attached) to any person upon request, including a copy of this policy. Vested CCCERA members may file an "Active Death Disability Retirement Form" with CCCERA. The completion of the "Active Death Disability Retirement Application" allows vested members to elect an Option 2 benefit, as defined in Government Code section 31762, for the member's beneficiary/ies in the event the member dies prior to retirement. Option 2 benefit provides beneficiary/ies with the maximum benefit possible, a 100% continuance of the non job connected disability retirement benefit to which the member would have been entitled had the member qualified for the benefit immediately prior to death. The application will be valid only while the member remains in active service and will become void upon the member's retirement.



ACTIVE DEATH DISABILITY RETIREMENT FORM

(Choice of Retirement Allowance and Application for Disability Retirement)

TIER I/SAFETY MEMBERS: If you have five or more years of retirement service and die while an active member, the benefit payable to your eligible spouse or minor children will be 60% of the unmodified service or non job connected disability retirement benefit (whichever is greater) to which you would have been entitled had you qualified for the benefit immediately prior to your death.

The non job connected disability benefit for Tier I/Safety members is based on a formula which, for most members, equals one-third of final compensation. The minimum non job connected disability benefit will equal 1.5% of your final compensation for each year of retirement service credit extended to age 65.

TIER II/TIER III MEMBERS: If you have ten or more years of retirement service and die while an active member, the benefit payable to your eligible spouse or minor children will be 60% of the unmodified service or disability retirement benefit (whichever is greater) that you would have been entitled to at the time of your death, plus 20% of the unmodified service retirement benefit you would have been entitled to at the time of your death payable to each of your eligible children (up to two children).

The non job connected disability retirement benefit for Tier II and Tier III members is equal to 40% of the final three year average.

REGARDLESS OF YOUR TIER, the completion of the "Active Death Disability Retirement Forms" allow you to elect an Option 2 benefit, while an active member. The Option 2 benefit provides your beneficiary/ies with the maximum benefit possible, a 100% continuance of the non job connected disability retirement benefit to which you would have been entitled had you qualified for the benefit immediately prior to your death. If unmarried, the beneficiary/ies you designate may be one or more individuals. In the event of multiple beneficiaries, the continuance is divided equally between the surviving beneficiaries.

THE "ACTIVE DEATH DISABILITY RETIREMENT APPLICATION FORMS":
This form must be on file in the Retirement Office to be valid.

WHEN YOU RETIRE: The "Active Death Disability Retirement Application Forms" are only in effect while you are an active member. When you retire, new retirement option forms are completed and the election for your retirement option may be changed to provide you with the best benefit possible during your retirement years.



**ACTIVE DEATH DISABILITY RETIREMENT APPLICATION
FILED BY MEMBER**

Board of Retirement:

In accordance with the Active Death Disability, I hereby make application for retirement from active service on account of disability.

_____, a _____
(Print Employee Name) (Title or Position)

in the _____. I further elect an Option Settlement 2,
(Department)

by which my beneficiary receives a non-service connected disability retirement survivor continuance. I understand that this application is valid only while I am an Active Member and will become null and void upon my service retirement.

Employee Number: _____ and/or **Social Security Number:** _____

BENEFICIARY INFORMATION (Please print)

_____ Name	_____ Relationship
_____ Address	_____ Social Security No.
_____ City, State and Zip Code	_____ Date of Birth

Signature of Member

Signature of Witness (must be adult)