

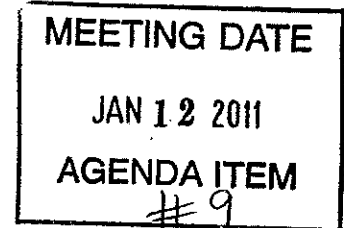
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To: Board of Retirement
Contra Costa County Employees' Retirement Association

Date: December 20, 2010

Subject: Active Death/Disability Applications



As explained in the legal analysis contained in our Confidential Memorandum to the Board of this same date, we believe that CCCERA's current practice relating to active death/disability applications reflects a reasonable interpretation of its governing law. The practice is also consistent with the Legislature's policy to allow active members to maximize their survivors' benefits in the event of the members' untimely demise. Accordingly, we do not believe that the Board needs to adopt any additional written policy in connection with its application for a tax determination letter from the Internal Revenue Service. We understand tax counsel agrees with this assessment.

Going forward, we recommend that CCCERA's practices be revised as follows:

1. The member should make a written election of Optional Settlement 2 (effective upon vesting), obtain the written consent of his current spouse (if possible) and file the election form with the Board at some time during active service. The member may change his election during his final pre-retirement processing with CCCERA staff, if Option 2 is no longer appropriate for his particular marital, parental, health or economic situation.
2. A member who elects Optional Settlement 2 during service should also execute a written authorization for CCCERA to file on his behalf an application for non-service connected disability if, immediately prior to his death, he is permanently incapacitated for non-service connected reasons.
3. The Board should proceed to make a formal determination whether the member was permanently incapacitated for the performance of duty at the time it filed the application for non-service connected disability.

For members who currently have the active death/disability form on file with CCCERA, we believe the system may continue to honor those forms, but should still separately file a formal disability application on behalf of the member if and when appropriate, and make the determination of disability, as indicated in steps 2 and 3, above. For new applicants, we recommend that the application form be revised consistent with steps 1 and 2, above. A proposed revised form is attached to this Memorandum for the Board's consideration.

Memorandum to CCCERA Board of Retirement
December 20, 2010

Finally, we recommend that staff regularly advise active members of their choices in this regard, through inclusion in the member benefit handbook, informational postings on its website and discussions in employer and employee meetings and member retirement interviews.



Employees' Retirement Association
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**ELECTION OF OPTIONAL SETTLEMENT ALLOWANCE 2
AND AUTHORIZATION TO FILE APPLICATION
FOR NON-SERVICE CONNECTED DISABILITY RETIREMENT
IN THE EVENT OF MEMBER'S DEATH DURING ACTIVE SERVICE**

To the Board of Retirement:

Election of Optional Settlement Allowance 2

In accordance with the provisions of the County Employees Retirement Law of 1937 ("CERL"), and the by-laws and regulations governing the Contra Costa County Employees' Retirement Association ("CCCERA"), I hereby elect Optional Settlement Allowance 2, pursuant to CERL Section 31762 or successor section.

I understand that this election is binding on me unless I withdraw this election before the first payment of any retirement allowance is made to me, and that I may make another election of an optional settlement allowance at any time, or choose to receive the unmodified allowance, under CERL.

Authorization to File Non-Service Connected Disability Retirement Application

In accordance with the provisions of CERL, I hereby authorize CCCERA to file an application for a non-service connected disability retirement on my behalf in the event that I am permanently incapacitated by reason of injury or other disability leading to death while I am an active member of CCCERA. I understand that, if granted, this will entitle my survivors to receive a non-service connected disability retirement survivor continuance under Optional Settlement Allowance 2.

Social Security Number: _____

BENEFICIARY INFORMATION (Please Print)

| | |
|---------------------------------|---------------------------------|
| _____ Name | _____ Date of Birth |
| _____ Address | _____ Social Security Number |
| _____ City, State & Zip Code | _____ Relationship to Member |

Signature of Member

Signature of Consenting Spouse, if any

Signature of Adult Witness