



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING

July 14, 2021, 9:00 a.m.

The Board of Retirement will hold its meeting via teleconferencing as permitted by Executive Order N-29-20. The meeting is accessible telephonically at 669-900-6833, Webinar ID: 910 1425 2227, Passcode: 799330, or via the web at:

<https://zoom.us/j/91014252227?pwd=YUUrdyt0S3JVcG05czEwVnNlaXhSUT09> Passcode: 799330

Persons may request to make public comment by emailing publiccomment@cccera.org the day before the Board meeting or the day of the Board meeting either before or during the meeting. Public comments are limited to any item that is within the subject matter jurisdiction of the Board of Retirement. Both written and oral comments will be accepted, subject to a three-minute time limit per speaker. Written comments will be read into the record at the meeting. All comments submitted will be included in the record of the meeting.

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.
2. Roll Call.
3. Board Reorganization:
 - a. Election of Chair (Gordon, incumbent).
 - b. Election of Vice-Chair (MacDonald, incumbent).
 - c. Election of Secretary (Holcombe, incumbent).
4. Appoint audit committee members.
5. Accept comments from the public.
6. Approve minutes from the June 9, 2021 meeting.
7. Routine items for July 14, 2021.
 - a. Approve certifications of membership.

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

- b. Approve service and disability allowances.
- c. Accept disability applications and authorize subpoenas as required.
- d. Approve death benefits.
- e. Accept asset allocation report.
- f. Accept liquidity report.

CLOSED SESSION

- 8. The Board will go into closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:
 - a. *Contra Costa County Deputy Sheriffs Association, et al., v. Board of Retirement of CCCERA, et al., Contra Costa County Superior Court, Case No. MSN12-1870*
 - b. *Contra Costa County Deputy Sheriffs Association, et al., v. Board of Retirement of CCCERA, et al., Contra Costa County Superior Court, Case No. C15-00598*
 - c. *Public Employees Union Local No. 1, et al., v. Board of Retirement of CCCERA, et al., Contra Costa County Superior Court, Case No. N14-2021*

- 9. The Board will continue in closed session pursuant to Govt. Code Section 54957 to consider recommendations from the medical advisor and/or staff regarding the following disability retirement applications:

<u>Member</u>	<u>Type Sought</u>	<u>Recommendation</u>
a. Frederick Quichocho	Service Connected	Service Connected
b. Terry Turner	Service Connected	Service Connected
c. Kim Willey	Service Connected	Service Connected

- 10. The Board will continue in closed session pursuant to Govt. Code Section 54957 to consider the Hearing Officer’s recommendation regarding the disability application for Todd Chamberlin.
- 11. The Board will continue in closed session pursuant to Govt. Code Section 54957 to evaluate the performance of the following public employee:

Title: Chief Executive Officer

OPEN SESSION

- 12. Presentation from Segal regarding member contributions paid towards terminal pay or leave cash outs.
- 13. Consider and take possible action to adopt Resolution 2021-5 authorizing actions in compliance with Assembly Bill 197 and the Alameda decision.

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

14. Consider and take possible action on employer contribution rates effective July 1, 2021 for Central Contra Costa Sanitary District.
15. Consider and take possible action to adjust benefits and contributions resulting from additional compensation pursuant to unfair labor practice case no. SF-CD-693-M.
16. Consider and take possible action to amend the Retirement Board's Regulations.
17. Consider authorizing the attendance of Board:
 - a. SACRS Board of Directors and Program Committee Meetings, August 30-31, 2021, San Diego, CA.
 - b. Financial, Actuarial, Legislative & Legal (FALL) Conference, NCPERS, September 26-28, 2021, Scottsdale, AZ.
 - c. Principles of Pension Governance for Trustees, CALAPRS, September 28-30, 2021, Virtual.
 - d. 2021 Public Funds Forum, Value Edge Advisors, LLC, October 26-28, 2021, San Diego, CA. (Note: Conflict with Meeting)
18. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.



RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING

June 9, 2021

9:00 a.m.

The Board of Retirement meeting was accessible telephonically at (669) 900-6833, Webinar ID 919 3162 0676, Passcode 364378 due to the Contra Costa County and State of California Coronavirus (COVID-19) Shelter In Place Orders, and as permitted by Executive Order N-29-20 issued on March 17, 2020.

1. Pledge of Allegiance

The Board and staff joined in the *Pledge of Allegiance*.

2. Recognition of Henry Gudino for 5 years of service

Gordon recognized and congratulated Henry Gudino for his 5 years of service.

3. Roll Call

Present: Candace Andersen, Donald Finley, Scott Gordon, Jerry Holcombe, Louie Kroll, Jay Kwon, David MacDonald, John Phillips, Reggie Powell, Mike Sloan and Russell Watts

Absent: None

Staff: Gail Strohl, Chief Executive Officer; Christina Dunn, Deputy Chief Executive Officer; Karen Levy, General Counsel; Wrally Dutkiewicz, Compliance Officer; Anne Sommers, Administrative/HR Manager; Henry Gudino, Accounting Manager; and Tim Hoppe, Retirement Services Manager.

Outside Professional Support:

JC Oviedo

Representing:

PBI Research Services

4. Accept comments from the public

No member of the public offered comment.

5. Approval of Minutes

It was **M/S/C** to approve the minutes from the May 5, 2021 Board Meeting. (Yes: Anderson, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Powell and Watts)

6. Routine Items

It was **M/S/C** to approve the routine items of the June 9, 2021 Board meeting. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Powell and Watts)

CLOSED SESSION

The Board moved into Closed Session pursuant to Govt. Code Sections 54957.

The Board moved into open session.

7. It was **M/S/C to accept the Medical Advisor's recommendation and grant the following disability benefits:**

- a. Nicki Impastato – Service Connected (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Powell and Watts)

8. It was **M/S/C to deny the Service Connected disability retirement for Christine Pedone as recommended by the Administrative Law Judge. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Powell and Watts)**

9. Consider and take possible action to authorize the CEO to execute an agreement with PBI Research Services for obituary and demographic notification services

JC Oviedo gave an overview of the firm and of the services they provide.

It was **M/S/C** to authorize the CEO to execute an agreement with PBI Research Services for obituary and demographic notification services. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Powell and Watts)

10. Presentation of 2020 CCCERA budget vs. actual expenses report

Gudino presented the 2020 CCCERA budget vs. actual expenses report.

11. Legislative update

Levy provided a legislative update.

12. Consider authorizing the attendance of Board:

- a. It was **M/S/C** to authorize the attendance of 5 Board members at the SACRS/UC Berkeley Public Pension Investment Management Program, July 13-22, 2021, Virtual Program. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Powell and Watts)

13. Miscellaneous

- a. Staff Report –

Strohl acknowledged the work of CCCERA staff.

Levy provided an update on the status of AB 845 noting the vote passed unanimously in the Senate Labor Public Employment and Retirement Committee and is being referred to the Senate Appropriations Committee.

- b. Outside Professionals' Report -

None

- c. Trustees' comments –

Kroll reported on the Siguler Guff Client Conference he attended.

Gordon acknowledged Luz Casas for her hard work.

Phillips reported there is an Audit Committee meeting following this meeting.

It was **M/S/C** to adjourn the meeting. (Yes: Andersen, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, Powell and Watts)

Scott Gordon, Chairman

Jerry Holcombe, Secretary

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

<p><i>Meeting Date</i> 07/14/2021 <i>Agenda Item</i> #7</p>
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Items requiring Board Action

A. *Certifications of Membership – see list and classification forms.*

B. *Service and Disability Retirement Allowances:*

<u>Name</u>	<u>Number</u>	<u>Effective Date</u>	<u>Option Type</u>	<u>Tier</u>	<u>Selected</u>
Abbott, Margot	64243	03/27/21	SR	Tier II and III	Unmodified
Alailima, Elia	44098	03/29/21	SR	Safety A	Unmodified
Andres, Joshua	42773	03/31/21	SR	Tier II and III	Unmodified
Arcidiacono, Carol	49075	08/14/20	SR	Tier III	Unmodified
Azarnoosh, Azarmidokht	75707	03/31/21	SR	Tier III	Unmodified
Baker, Karin	49650	03/22/21	SR	Tier II and III	Unmodified
Baldwin, Jeffrey	54108	03/30/21	SR	Safety A	Unmodified
Brandi-Routt, Janet	D7274	03/31/21	SR	Safety A	Unmodified
Brunetti, Andrea	D9500	03/31/21	SR	Tier III	Unmodified
Buenger, Joanne	56215	03/31/21	SR	Tier III	Unmodified
Carr, Rebecca	69667	03/31/21	SR	Tier III	Unmodified
Chenault, Robert	69445	03/20/21	SR	Safety A	Unmodified
Ching, Lani	44066	03/31/21	SR	Tier II and III	Unmodified
Connor, Clayton	68695	03/27/21	SR	Tier III	Option 2
Denison, Paulette	57071	03/31/21	SR	Tier III	Unmodified
Fagout, Remie	53916	03/31/21	SR	Tier I	Unmodified
Fehr, Jolene	D3406	02/18/21	SR	Tier I	Unmodified
Fernando, Gregory	43268	03/27/21	SR	Safety A	Unmodified
Forsyth, Timothy	50992	03/30/21	SR	Safety A	Unmodified
Hernandez, Amy	D3406	03/11/21	SR	Tier I	Option 2
Hofstein, Eric	68181	03/22/21	SR	Safety A	Unmodified
Hsu, Carl	75714	02/01/21	SR	Tier III	Option 2
Itagaki, Roni	68573	02/02/21	SR	Tier III	Unmodified
Jimenez, Irene	76985	03/02/21	SR	Tier III	Unmodified
Kalinowski, Jenna	43591 A/P	03/18/21	SR	Safety A	Unmodified
Konopasek, Scott	78556	03/01/21	SR	PEPRA 5.3	Unmodified

Option Type

NSP = Non-Specified
 SCD = Service Connected Disability
 SR = Service Retirement
 NSCD = Non-Service Connected Disability
 * = County Advance
 Selected w/option

Tier

I = Tier I
 II = Tier II
 III = Tier III
 S/A = Safety Tier A
 S/C = Safety Tier C
 Pepra 4.2 = Pepra Tier 4 (2% COLA)
 Pepra 4.3 = Pepra Tier 4 (3% COLA)
 Pepra 5.2 = Pepra Tier 5 (2% COLA)
 Pepra 5.3 = Pepra Tier 5 (3% COLA)
 S/D = Pepra Safety Tier D
 S/E = Pepra Safety Tier E

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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Lowden, John	51658	02/27/21	SR	Safety A	Unmodified
Malin, Rebecca	28062	03/31/21	SR	Tier II and III	Unmodified
McKinnon, Robert	53555	02/17/21	SR	Tier III	Unmodified
Meldrum, Erik	61001	02/12/21	SR	Safety A	Option 1
Moe, Eric	42224	03/26/21	SR	Tier III	Unmodified
Monroe, Felipe	60702	03/15/21	SR	Safety A	Unmodified
Perry, Richard	71361	02/22/21	SR	PEPRA 5.3	Unmodified
Perry, William	52548	03/27/21	SR	Tier II and III	Option 2
Price, Deborah	75629	02/23/21	SR	Tier III	Unmodified
Riley, May	43838	02/01/21	SR	Tier II and III	Unmodified
Roetzer, Michael	70740	03/30/21	SR	Tier III	Unmodified
Rose, Patricia	D9500	01/30/21	SR	Tier II and III	Unmodified
Russell, Elisabeth	23697	12/30/20	SR	Tier I and II	Option 1
Sadler, Anthony	51391	02/27/21	SR	Tier II and III	Unmodified
Santos, Anita	D9500	03/15/21	SR	Tier I and III	Unmodified
Smith, Sharon	61036	02/01/21	SR	Tier II and III	Unmodified
Smithy, Todd	D3406	04/24/21	SR	Tier I	Unmodified
Spivey, Rob	D7830	02/15/21	SR	Safety A	Unmodified
Stephen, Gary	D7830	03/29/21	SR	Safety A	Unmodified
Sterling, Shelli	56310	01/12/21	SR	Tier II and III	Unmodified
Stockton, Susan	D9500	03/01/21	SR	Tier II and III	Unmodified
Sumpter, Constance	70875	02/27/21	SR	Tier III	Unmodified
Sylvester, Doug	81179	02/28/21	SR	PEPRA 5.2	Unmodified
Trujillo, Walter	70933	03/30/21	SR	Safety A and Tier II	Unmodified
Vanya, John	61745	02/04/21	SR	Tier II and III	Unmodified
Vella, Rebecca	D9990	02/16/21	SR	Tier I	Unmodified
Viglienzone, Raymond	71611	03/23/21	SR	Safety A	Option 2
Walker, Judy	D9500	11/21/20	SR	Tier II and III	Unmodified
Walker, Rosalind	42189	01/01/21	SR	Tier III	Unmodified
Warden, Peter	46629	03/31/21	SR	Tier II and III	Unmodified
Wonnenberg, Karin	41713	03/31/21	SR	Tier II and III	Unmodified

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 Pepra 4.3 = Pepra Tier 4 (3% COLA)
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 Pepra 5.3 = Pepra Tier 5 (3% COLA)
 S/D = Pepra Safety Tier D
 S/E = Pepra Safety Tier E

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

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July 14, 2021

C. Disability Retirement Applications: The Board's Hearing Officer is hereby authorized to issue subpoenas in the following cases involving disability applications:

<u>Name</u>	<u>Number</u>	<u>Filed</u>	<u>Type</u>
None			

D. Deaths:

<u>Name</u>	<u>Death</u>	<u>Employer as of Date of Death</u>
Cobiseno, Angelo	06/16/21	Contra Costa County
Daley, James	05/22/21	Contra Costa County Housing Authority
King, Shirley	06/10/21	Contra Costa County
La Mar, Jerry	11/15/20	Contra Costa County
Moon, Kenneth	03/01/21	Central Contra Costa Sanitary District
Ng, Leonardo	06/11/21	Contra Costa County
Ochoa, Marty	06/07/21	Contra Costa County
Page, Joan	06/11/21	Contra Costa County
Patterson, Kevin	04/18/21	Superior Court of California County of Contra Costa
Picco, James	06/19/21	Contra Costa County

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Tier
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Pepra 4.3 = Pepra Tier 4 (3% COLA)
Pepra 5.2 = Pepra Tier 5 (2% COLA)
Pepra 5.3 = Pepra Tier 5 (3% COLA)
S/D = Pepra Safety Tier D
S/E = Pepra Safety Tier E

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Adhikari, Ranjeet	90563	P5.2	05/01/21	Contra Costa County
Akia, Rosca	90556	P5.2	05/01/21	Contra Costa County
Anderson, Ida	77420	P5.2	05/01/21	Contra Costa County
Andrade, Zulema	90512	P5.2	05/01/21	Contra Costa County
Appleby, Kenneth	90544	P5.2	05/01/21	Contra Costa County
Aria, Ajmal	90560	P5.2	05/01/21	Contra Costa County
Arnante, Jr., Claudio	90573	P5.2	05/01/21	Contra Costa County
Atencion, Veronie	90553	P5.2	05/01/21	Contra Costa County
Bakhsh, Sheela	87234	P5.2	05/01/21	Contra Costa County
Baylor, Juliet	90572	P5.2	05/01/21	Contra Costa County
Beraki, Rahwa	90566	P5.2	05/01/21	Contra Costa County
Bird, Emily	90588	P5.2	05/01/21	Contra Costa County
Byrd, Lacresha	90528	P5.2	05/01/21	Contra Costa County
Caballero, Daisy	90569	P5.2	05/01/21	Contra Costa County
Calma, Angeli	90547	P5.2	05/01/21	Contra Costa County
Charlton, Geraldine	82238	P5.2	05/01/21	Contra Costa County
Chobisa, Anita	88080	P5.2	05/01/21	Contra Costa County
Collins, Keivn	90602	P5.2	05/01/21	Contra Costa County
Danley, Mark	90505	P5.2	05/01/21	Contra Costa County
De Guzman, Amber	90511	P5.2	05/01/21	Contra Costa County
Denning, Jared	90503	PE.2	05/01/21	Contra Costa County
Dimas, Rubi	86527	P5.2	05/01/21	Contra Costa County
Dodson, Tamika	90565	P5.2	05/01/21	Contra Costa County
Drey, Ellen	60276	P5.2	05/01/21	Contra Costa County
Edmark, Sherrissa	60253	III	05/01/21	Contra Costa County
Espinoza, Bryan	90509	P5.2	05/01/21	Contra Costa County
Evans, Andrea	90530	P5.2	05/01/21	Contra Costa County
Fernandez, Christian Jay	90445	P5.2	05/01/21	Contra Costa County
Fernandez, Emily	90482	P5.2	05/01/21	Contra Costa County
Fernandez Rojas, Htejany	84664	P5.2	05/01/21	Contra Costa County
Furey, Jeffrey	90469	P5.2	05/01/21	Contra Costa County
Gamoras, Richard	90536	P5.2	05/01/21	Contra Costa County
Giske, Anna	89288	P5.2	05/01/21	Contra Costa County
Guardian, Rosa	90555	P5.2	05/01/21	Contra Costa County
Guerra, Ana	90635	P5.2	05/01/21	Contra Costa County
Hall, Amber	90554	P5.2	05/01/21	Contra Costa County
Hernandez, Kristine	90558	P5.2	05/01/21	Contra Costa County
Hudak, Laura	90571	P5.2	05/01/21	Contra Costa County
Ita, Precious-Mary	87816	P5.2	05/01/21	Contra Costa County
Javier, Sandra	90584	P5.2	05/01/21	Contra Costa County

Key:

I = Tier I	P4.2 = PEPR Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPR Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPR Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPR Tier 5 (3% COLA)	S/E = Safety Tier E

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Jimenez, Kisty	90532	P5.2	05/01/21	Contra Costa County
Justus, Amanda	90589	P5.2	05/01/21	Contra Costa County
Kaur, Parminder	88274	P5.2	05/01/21	Contra Costa County
Kaylor, Rebecca	90559	P5.2	05/01/21	Contra Costa County
Kellogg, Stephanie	90422	P5.2	05/01/21	Contra Costa County
Kumar, Naveen	90546	P5.2	05/01/21	Contra Costa County
Lai, Sarah	90508	P5.2	05/01/21	Contra Costa County
Lama, Dechen	90495	P5.2	05/01/21	Contra Costa County
Laxamana, Ryan	90492	P5.2	05/01/21	Contra Costa County
Leal, Taylor	90567	P5.2	05/01/21	Contra Costa County
Linn, Leah	90501	P5.2	05/01/21	Contra Costa County
Lomeli, Alexis	90577	P5.2	05/01/21	Contra Costa County
Lucido, Bernadette	90549	P5.2	05/01/21	Contra Costa County
Lueder, Scarlett	90499	P5.2	05/01/21	Contra Costa County
Magalued, Abigail	90594	P5.2	05/01/21	Contra Costa County
Magana Mendoza, Maria	90506	P5.2	05/01/21	Contra Costa County
Matthews, Gail	90564	P5.2	05/01/21	Contra Costa County
McElvery, Henry	90424	P5.2	05/01/21	Contra Costa County
Mejia, Enrique	90529	P5.2	05/01/21	Contra Costa County
Mendez, Jacqueline	89584	P5.2	05/01/21	Contra Costa County
Monasterio-Gonzaga,	90483	P5.2	05/01/21	Contra Costa County
Moore, Equilla	D9500	P5.3	05/01/21	Contra Costa County Superior Courts
Morris, Lisa	90437	P5.2	05/01/21	Contra Costa County
Navarrete Silva, Daniel	89815	P5.2	05/01/21	Contra Costa County
Negassi, Bereket	90545	P5.2	05/01/21	Contra Costa County
Nilo, Whelma	54244	P5.2	05/01/21	Contra Costa County
Orea Robles, Maria	90531	P5.2	05/01/21	Contra Costa County
Paloma, Maria Haydee	90583	P5.2	05/01/21	Contra Costa County
Phetdaravanh, Nancy	72750	P5.2	05/01/21	Contra Costa County
Pomsouvanh, Alexa	90498	P5.2	05/01/21	Contra Costa County
Rahill, Brandon	88748	P5.2	05/01/21	Contra Costa County
Reyes, Susana	75006	III	05/01/21	Contra Costa County
Ruiz, Jeremy Edward	90454	P5.2	05/01/21	Contra Costa County
Seldon, Ndia	90578	P5.2	05/01/21	Contra Costa County
Serrano-Aguilar, Andrea	90527	P5.2	05/01/21	Contra Costa County
Serrano Huezo, Balvina	90476	P5.2	05/01/21	Contra Costa County
Shah, Razwina	90548	P5.2	05/01/21	Contra Costa County
Shelby, Terez	90605	P5.2	05/01/21	Contra Costa County
Simmons, Mattie	90586	P5.2	05/01/21	Contra Costa County

Key:

I = Tier I	P4.2 = PEPR A Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPR A Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPR A Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPR A Tier 5 (3% COLA)	S/E = Safety Tier E

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Sison, Marissa	89003	P5.2	05/01/21	Contra Costa County
Smith, Rachael	81882	P5.2	05/01/21	Contra Costa County
Stone, Sherikit	90520	P5.2	05/01/21	Contra Costa County
Tandog, Venice Rochelle	90557	P5.2	05/01/21	Contra Costa County
Thomas, Tyler	90525	P5.2	05/01/21	Contra Costa County
Tosoc, Chiara	90522	P5.2	05/01/21	Contra Costa County
Umlauf, Jamie	90504	P5.2	05/01/21	Contra Costa County
Veloria, Judith	89293	P5.2	05/01/21	Contra Costa County
Vossen, Rachel	90510	P5.2	05/01/21	Contra Costa County
Williams, Devin	87214	P5.2	05/01/21	Contra Costa County

Key:

I = Tier I	P4.2 = PEPR Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPR Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPR Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPR Tier 5 (3% COLA)	S/E = Safety Tier E

TIER CHANGES

<i>Name</i>	<i>Employee Number</i>	<i>Old Tier</i>	<i>New Tier</i>	<i>Effective Date</i>	<i>Employer</i>	<i>Reason for Change</i>
Aguirre, Logan	89795	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Ahif, Matthew	90231	PE.2	S/A	02/01/21	Contra Costa County	Recip Age & Tier Change
Baker, Jordan	89807	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Barreuther, Hunter	89806	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Burlison, Andrew	88859	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Creed III, Leon	89789	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Dacanay, Dexter	90481	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Faison, Brandon	89883	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Giovannetti, Gabriella	89796	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Grossman, Mason	89791	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Harper, Daniel	89859	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Kapustin, Kyle	89808	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Lara, Jack	89746	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Lemon-Wright, Isaiah	89750	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Lira, Peter	89751	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Ly, Alexandre	89873	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Morgan, Benjamin	89748	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Nguyen, Dennis	89790	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Pasquale, Nicholas	89713	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Reifel, Sean	89848	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Shiffer, Jason	89312	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Sierra, Janet	89843	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Sotelo, Antonio	89839	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Stalker, Jeremy	89755	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Taliaferro, Chanel	88226	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier
Turner, Donovan	89788	P5.2	PE.2	05/01/21	Contra Costa County	Promotion to Safety Tier

Key:

I = Tier I	P4.2 = PEPR Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPR Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPR Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPR Tier 5 (3% COLA)	S/E = Safety Tier E

**Contra Costa County Employees' Retirement Association
Asset Allocation as of May 31, 2021**

**Meeting Date
07/14/2021
Agenda Item
#7**

	Market Value	Percentage of Total Fund	Current Target* Percentage	Current Target Over/(Under)	Long Term Target	Long Term Over/(Under)
Liquidity						
Sit	596,186,838	5.6%	7.0%	-1.4%		
Dimensional Fund Advisors	352,532,548	3.3%	4.0%	-0.7%		
Insight	933,023,422	8.7%	7.0%	1.7%		
Total Liquidity	1,881,742,808	17.6%	18.0%	-0.4%	17.0%	0.6%
		Range 11-22%				
Growth						
Domestic Equity						
Boston Partners	290,006,194	2.7%	4.0%	-1.3%		
Jackson Square	244,991,063	2.3%	4.0%	-1.7%		
BlackRock Index Fund	257,712,035	2.4%	5.0%	-2.6%		
Emerald Advisors	203,961,239	1.9%	1.5%	0.4%		
Ceredex	197,778,579	1.9%	1.5%	0.4%		
Total Domestic Equity	1,194,449,110	11.2%	16.0%	-4.8%	13.0%	-1.8%
Global & International Equity						
Pyrford (BMO)	550,491,680	5.2%	4.0%	1.2%		
William Blair	674,051,723	6.3%	4.0%	2.3%		
First Eagle	545,878,000	5.1%	4.5%	0.6%		
Artisan Global Opportunities	631,420,294	5.9%	4.5%	1.4%		
PIMCO/RAE Emerging Markets	452,539,371	4.2%	4.0%	0.2%		
TT Emerging Markets	489,695,196	4.6%	4.0%	0.6%		
Total Global & International Equity	3,344,076,264	31.3%	25.0%	6.3%	19.0%	12.3%
Private Equity**						
Private Credit	1,066,161,564	10.0%	11.0%	-1.0%	18.0%	-8.0%
Real Estate - Value Add	738,291,446	6.9%	8.0%	-1.1%	13.0%	-6.1%
Real Estate - Opportunistic & Distress	189,367,263	1.8%	4.0%	-2.2%	5.0%	-3.2%
Real Estate - REIT (Adelante)	412,798,519	3.9%	4.0%	-0.1%	5.0%	-1.1%
High Yield (Allianz)	91,328,967	0.9%	2.0%	-1.1%	0.0%	0.9%
Risk Parity	178,552,636	1.7%	2.0%	-0.3%	0.0%	1.7%
AQR GRP EL	263,767,252	2.5%	3.0%	1.9%	3.0%	1.9%
PanAgora	263,159,858	2.5%				
Total Other Growth Assets	3,203,427,506	30.0%	34.0%	-4.0%	44.0%	-14.0%
Total Growth Assets	7,741,952,880	72.4%	75.0%	-2.6%	76.0%	-3.6%
		Range 65-85%				
Risk Diversifying						
AFL-CIO	265,016,514	2.5%	2.5%	-0.0%	2.5%	-0.0%
Parametric Defensive Equity	112,632,029	1.1%	1.5%	-0.4%	1.5%	-0.4%
Acadian MAARS	126,862,358	1.2%	1.5%	-0.3%	1.5%	-0.3%
Sit LLCAR	152,823,181	1.4%	1.5%		1.5%	
Wellington Real Total Return	168,040	0.0%	0.0%			
Total Risk Diversifying	657,502,123	6.2%	7.0%	-0.8%	7.0%	-0.8%
		Range 0% - 10%				
Cash and Overlay						
Overlay (Parametric)	149,624,803	1.4%		1.4%		
Cash	255,910,650	2.4%		2.4%		
Total Cash and Overlay	405,535,453	3.8%	0.0%	3.8%	0.0%	3.8%
Total Fund	10,686,733,264	100%	100%		100%	

*Current targets and ranges reflect asset allocation targets accepted by the Board on April 28, 2021 (BOR Resolution 2021-4).

**Private Equity long-term target includes Real Assets/Infrastructure (see Asset Allocation Mix 5 adopted December 9, 2020).

Private Market Investments
As of May 31, 2021

REAL ESTATE - Value Add

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Invesco IREF III	08/01/13	08/01/20				35,000,000	162,975	0.00%	
Invesco IREF IV	12/01/14	12/01/21				35,000,000	17,668,791	0.17%	4,453,599
Invesco IREF V	09/11/18	09/11/25				75,000,000	51,146,801	0.48%	29,743,834
Long Wharf FREG IV	08/14/13	09/30/21				25,000,000	1,711,144	0.02%	
Long Wharf FREG V	10/31/16	09/30/24				50,000,000	34,567,675	0.32%	
Long Wharf LREP VI	02/05/20	02/05/28				50,000,000	7,447,879	0.07%	38,910,094
LaSalle Income & Growth Fund VI	01/31/12	01/31/19				75,000,000	22,661,403	0.21%	3,946,000
LaSalle Income & Growth Fund VII	10/31/16	09/30/24				75,000,000	54,000,595	0.51%	8,502,404
						630,000,000	189,367,263	1.77%	85,555,931
Outstanding Commitments							85,555,931		
Total							274,923,194		

REAL ESTATE -Opportunistic & Distressed

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
DLJ Real Estate Capital Partners, L.P. III	06/30/05	06/30/14	in full liq.			75,000,000	16,214,995	0.15%	4,031,338
DLJ Real Estate Capital Partners, L.P. IV	12/31/07	09/30/18				100,000,000	56,820,300	0.53%	1,876,084
DLJ Real Estate Capital Partners, L.P. V	07/31/13	12/31/22				75,000,000	49,039,895	0.46%	18,029,821
DLJ Real Estate Capital Partners, L.P. VI	02/28/19	01/31/29				50,000,000	24,597,661	0.23%	25,050,462
Oaktree Real Estate Opportunities Fund V	02/01/11	02/01/21				50,000,000	3,409,870	0.03%	25,750,000
Oaktree Real Estate Opportunities Fund VI	09/30/13	09/30/20				80,000,000	27,929,114	0.26%	18,400,000
Oaktree Real Estate Opportunities Fund VII	02/28/15	02/28/23				65,000,000	48,569,709	0.45%	16,120,000
Siguler Guff Distressed Real Estate Opp. Fund	07/30/11	07/30/22				75,000,000	27,013,985	0.25%	5,625,000
Siguler Guff Distressed Real Estate Opp. Fund II	08/31/13	08/31/25				70,000,000	43,989,324	0.41%	8,015,000
Siguler Guff Distressed Real Estate Opp. II Co-Inv	01/31/16	10/31/25				25,000,000	16,414,305	0.15%	4,462,138
Paulson Real Estate Fund II	11/10/13	11/10/20				20,000,000	24,421,417	0.23%	654,377
Angelo Gordon Realty Fund VIII	12/31/11	12/31/18				80,000,000	18,365,714	0.17%	12,334,302
Angelo Gordon Realty Fund IX	10/10/14	10/10/22				65,000,000	56,012,230	0.52%	7,572,500
						830,000,000	412,798,519	3.86%	147,921,022
Outstanding Commitments							147,921,022		
Total							560,719,541		

PRIVATE CREDIT

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Torchlight Debt Opportunity Fund III	09/30/08	06/30/16	2nd 1 YR	LP	06/30/18	75,000,000	0	0.00%	0
Torchlight Debt Opportunity Fund IV	08/01/12	08/30/20				60,000,000	9,757,393	0.09%	0
Torchlight Debt Opportunity Fund V	12/31/14	09/17/22				75,000,000	18,056,507	0.17%	15,000,000
Angelo Gordon Energy Credit Opportunities	09/10/15	09/10/20				16,500,000	3,440,530	0.03%	2,319,783
CCCERA StepStone	12/01/17	11/30/27				1,020,000,000	707,037,016	6.62%	406,442,436
						1,374,500,000	738,291,446	6.91%	423,762,219
Outstanding Commitments							423,762,219		
Total							1,162,053,665		

Private Market Investments
As of May 31, 2021

PRIVATE EQUITY	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Adams Street Partners	12/22/95	12/22/25				269,565,614	172,693,105	1.62%	24,647,580
Adams Street Secondary II	12/31/08	12/31/20				30,000,000	5,917,328	0.06%	1,635,000
Adams Street Secondary V	10/31/12	10/31/22				40,000,000	19,051,942	0.18%	9,154,125
Adams Street Venture Innovation Fund	03/09/16	03/09/28				75,000,000	107,562,636	1.01%	19,462,500
AE Industrial Partners Fund II	05/18/18	05/18/28				35,000,000	22,683,033	0.21%	17,192,048
Bay Area Equity Fund	06/14/04	12/31/14	2nd 2 YR	LP	12/31/2017	10,000,000	2,391,176	0.02%	0
Bay Area Equity Fund II	2/29/09	12/31/19				10,000,000	11,210,395	0.10%	0
Carpenter Community BancFund	10/31/09	10/31/19				30,000,000	0	0.00%	0
EIF USPF II	06/15/05	06/15/15	3rd 1 YR	LP	06/15/18	50,000,000	4,883,535	0.05%	0
EIF USPF III	02/28/07	02/28/17	1st 1 YR	LP	02/28/18	65,000,000	17,292,848	0.16%	0
EIF USPF IV	06/28/10	06/28/20				50,000,000	34,457,753	0.32%	(378,984)
Ares EIF V	09/09/15	11/19/25				50,000,000	23,796,863	0.22%	20,782,021
Genstar Capital Partners IX	02/18/19	02/18/29				50,000,000	30,521,284	0.29%	27,996,757
Genstar Capital Partners X	04/01/21	04/01/31				42,500,000	0	0.00%	42,500,000
GTCR VIII	10/27/20	12/31/36				50,000,000	0	0.00%	50,000,000
Hellman & Friedman Capital Partners	05/10/21	05/10/31				75,000,000	0	0.00%	75,000,000
Oaktree Private Investment Fund 2009	02/28/10	12/15/19				40,000,000	1,143,725	0.01%	6,308,961
Ocean Avenue Fund II	05/07/14	05/07/24				30,000,000	13,975,316	0.13%	3,000,000
Ocean Avenue Fund III	12/09/15	12/09/25				50,000,000	43,242,527	0.40%	6,500,000
Paladin III	08/15/08	08/15/18				25,000,000	32,208,986	0.30%	419,157
Pathway	11/09/98	05/31/21				125,000,000	8,114,182	0.08%	10,509,472
Pathway 2008	12/26/08	12/26/23				30,000,000	11,017,116	0.10%	2,962,024
Pathway 6	05/24/11	05/24/26				40,000,000	36,769,306	0.34%	3,552,143
Pathway 7	02/07/13	02/07/23				70,000,000	64,857,132	0.61%	6,352,236
Pathway 8	11/23/15	11/23/25				50,000,000	56,575,633	0.53%	8,454,875
Siguler Guff CCCERA Opportunities	06/03/14	05/31/25				200,000,000	140,066,732	1.31%	31,597,500
Siguler Guff Secondary Opportunities	12/31/16	12/31/26				50,000,000	0	0.00%	20,000,198
Siris Partners IV	05/18/18	05/18/28				35,000,000	20,081,494	0.19%	17,473,632
TPG Healthcare Partners, L.P.	06/27/19	06/27/29				24,000,000	6,661,633	0.06%	18,491,481
Trident VIII, L.P.	05/24/19	05/24/29				40,000,000	26,500,051	0.25%	15,892,041
Real Assets									
Aether III & III Surplus	11/30/13	11/30/20				75,000,000	62,473,833	0.58%	4,747,674
Aether IV	01/01/16	01/01/28				50,000,000	44,394,575	0.42%	7,682,755
Commonfund Capital Natural Resources IX	06/30/13	06/30/20				50,000,000	32,957,423	0.31%	4,100,006
Wastewater Opportunity Fund	12/31/15	11/30/22				25,000,000	12,660,001	0.12%	1,754,258
						1,986,065,614	1,066,161,564	11.59%	457,789,459
Outstanding Commitments							457,789,459		
Total							1,523,951,023		

Market value equals the most recent reported net asset value, plus capital calls after net asset value date, less distributions after net asset value date.
The Target Termination column is the beginning of liquidation of the fund, however, some funds may be extended for an additional two or three years.



Meeting Date
07/14/2021
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#7

**Contra Costa County Employees' Retirement Association
Liquidity Report – May 2021**

May 2021 Performance

	Cash Flow	Coverage Ratio
Benefit Cash Flow Projected by Model	\$44,250,000	
Liquidity Sub-Portfolio Cash Flow	\$44,250,000	100%
Actual Benefits Paid	\$44,563,682	99%
<i>Next Month's Projected Benefit Payment</i>	\$44,500,000	

Monthly Manager Positioning – May 2021

	Beginning Market Value	Liquidity Program Cash Flow	Market Value Change/Other Activity	Ending Market Value
Sit	\$596,149,406	(\$1,250,000)	\$1,287,432	\$596,186,838
DFA	\$366,587,035	(\$15,000,000)	\$945,513	\$352,532,548
Insight	\$959,529,240	(\$28,000,000)	\$1,494,182	\$933,023,422
Liquidity	\$1,922,265,681	(\$44,250,000)	\$3,727,127	\$1,881,742,808
Cash	\$201,364,809	(\$313,682)	\$54,859,522	\$255,910,650
Liquidity + Cash	\$2,123,630,490	(\$44,563,682)	\$58,586,650	\$2,137,653,459

Functional Roles

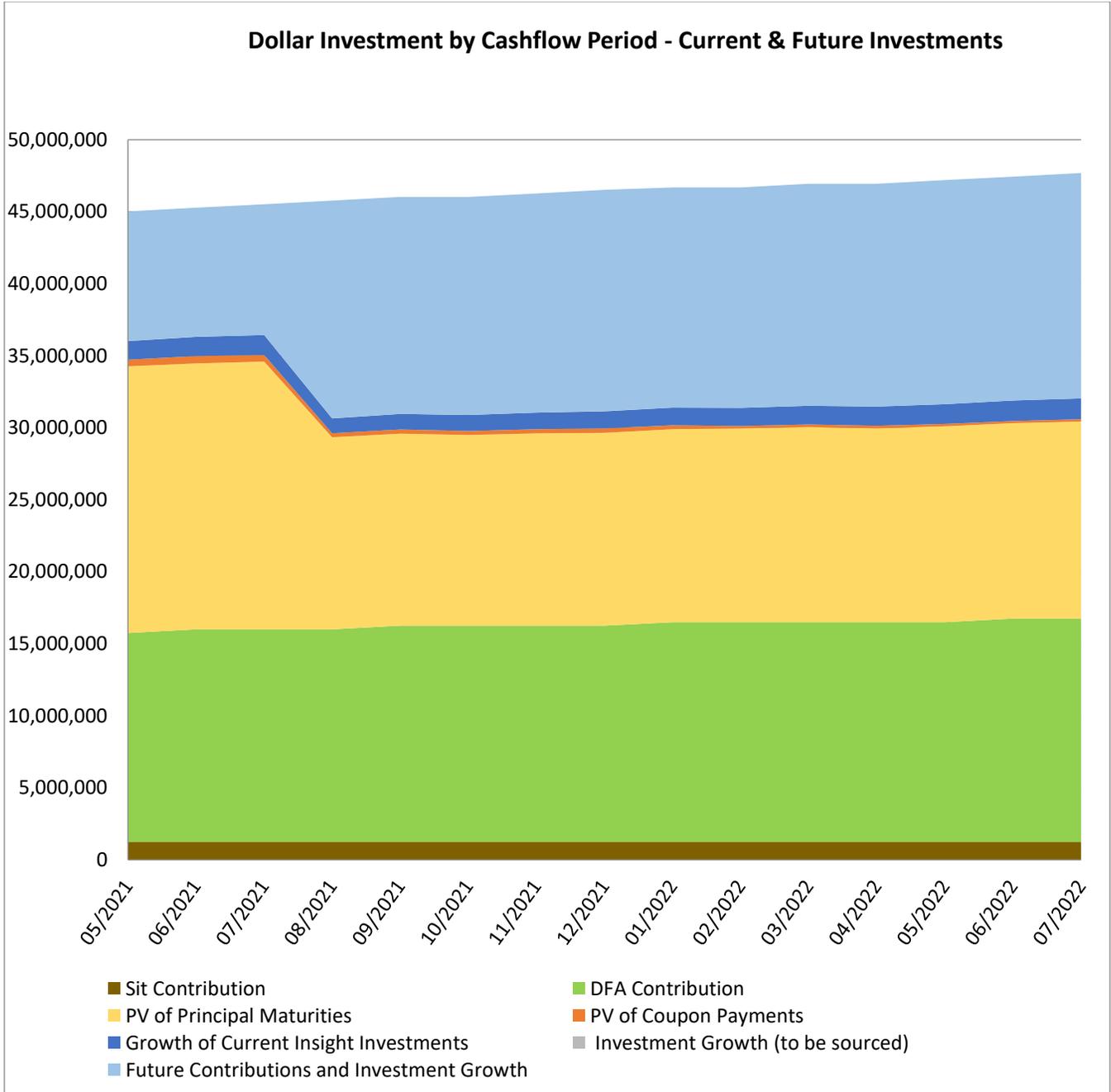
Manager	Portfolio Characteristics	Liquidity Contribution
Sit	High quality portfolio of small balance, government guaranteed mortgages with higher yields.	Pays out net income on monthly basis.
DFA	High quality, short duration portfolio of liquid, low volatility characteristics.	Pays out a pre-determined monthly amount. DFA sources liquidity from across their portfolio.
Insight	Buy and maintain (limited trading) portfolio of high quality, short duration, primarily corporates.	Completion portfolio makes a payment through net income and bond maturities that bridges the gap between other managers and projected payment.
Cash	STIF account at custodial bank.	Buffer in the event of any Liquidity shortfall/excess.

Notes

The fifth cash flow for 2021 from the liquidity program was completed on May 21st. The actuarial model cash flow was lower than actual experience, producing \$314 thousand less than the actual benefits paid.

Cash Flow Structure

The chart below shows the sources of cash flow for the next year and a half of CCCERA's projected benefit payments. This table will change slightly as the model is tweaked and as the portfolios receive new rounds of funding each July as part of the Annual Funding Plan, as well as the reduction from four to three years of Liquidity needs in July 2021.





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<p><u>Meeting Date</u> 07/14/2021 <u>Agenda Item</u> #12</p>
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March 18, 2021

Christina Dunn
Deputy Chief Executive Officer
Contra Costa County Employees' Retirement Association
1200 Concord Avenue, Suite 300
Concord, CA 94520

Re: CCCERA Member Contributions Paid Towards Including Terminal Pay or Leave Cash Out at Retirement

Dear Christina:

As requested, we have provided in this letter the approximate reduction in employee normal cost rates (expressed as percentage of payroll for each of the different cost groups) as a result of reducing the terminal pay assumptions applied in the 12/31/2012 valuation to the lower terminal pay assumptions applied in the 12/31/2013 valuation.

These results were determined using membership and other information as used in the 12/31/2012 valuation. These changes in the employee normal cost rates averaged about 0.34% of payroll for all cost groups combined and that result (after being rounded to one decimal place or 0.3% of payroll) was included in our letter dated 8/5/2014. A copy of that letter is attached for your reference.

Average Member Contribution Rates and Annual Amount Based on Annual Payroll from 12/31/2012 Valuation

	Terminal Pay Assumptions Used in 12/31/2012 Valuation (Used in Setting Contribution Rates for 2014/2015)		Terminal Pay Assumptions Used in 12/31/2013 Valuation (As if Applied in 12/31/2012 Valuation to Set Contribution Rates for 2014/2015)		Difference Due to Change in Assumptions		Annual Payroll From 12/31/2012 Valuation
	Total Rate	Annual Amount	Total Rate	Annual Amount	Total Rate	Annual Amount	
General							
Cost Group #1 – County and Small Districts (Tier 1)	10.90%	\$2,781,559	10.43%	\$2,661,067	-0.47%	-\$120,492	\$25,513,582
Cost Group #2 – County and Small Districts (Tier 3)	10.81%	\$49,226,376	10.59%	\$48,207,473	-0.22%	-\$1,018,903	\$455,216,933
Cost Group #3 – Central Contra Costa Sanitary District	11.26%	\$2,684,595	10.83%	\$2,581,198	-0.43%	-\$103,397	\$23,833,773
Cost Group #4 – Contra Costa Housing Authority	11.59%	\$585,541	11.09%	\$560,502	-0.50%	-\$25,039	\$5,054,117
Cost Group #5 – Contra Costa County Fire Protection District	11.14%	\$396,160	10.69%	\$380,080	-0.45%	-\$16,080	\$3,555,471
Cost Group #6 – Small Districts (Tier 1 Non-Enhanced)	12.86%	\$96,073	12.60%	\$94,095	-0.26%	-\$1,978	\$746,787
Safety							
Cost Group #7 – County (Tier A)	17.80%	\$11,851,328	17.06%	\$11,357,770	-0.74%	-\$493,558	\$66,575,441
Cost Group #8 – Contra Costa and East Fire Protection Districts	17.43%	\$5,681,658	16.74%	\$5,458,057	-0.69%	-\$223,601	\$32,604,881
Cost Group #9 – County (Tier C)	14.06%	\$1,926,255	13.96%	\$1,912,144	-0.10%	-\$14,111	\$13,697,308
Cost Group #10 – Moraga-Orinda Fire District	17.31%	\$1,226,374	16.57%	\$1,173,947	-0.74%	-\$52,427	\$7,084,771
Cost Group #11 – San Ramon Valley Fire District	17.20%	\$2,878,150	16.51%	\$2,762,696	-0.69%	-\$115,454	\$16,733,471
Cost Group #12 – Rodeo-Hercules Fire Protection District	16.36%	\$277,408	15.68%	\$265,877	-0.68%	-\$11,531	\$1,695,645
All Categories Combined	12.20%	\$79,611,477	11.86%	\$77,414,906	-0.34%	-\$2,196,571	\$652,312,180

We note that the 0.3% of payroll impact was calculated by taking the difference between the member rates determined using the terminal pay (leave cash out) assumptions applied in the 12/31/2012 valuation and the member rates determined using the lower terminal pay assumptions used in preparing the 8/5/2014 letter. Those lower terminal pay assumptions were subsequently used in the 12/31/2013 valuation, and were reflected in the reduced member contribution rates effective 7/1/2015. The two sets of assumptions just referenced are provided in Appendix A for your reference.

Other Considerations

We note that the terminal pay assumptions have changed a few times to reflect the different actions taken by the Board in determining what would be considered pensionable. For instance, using the assumptions proposed for the 12/31/2013 valuation, the member normal cost rates used to provide for

the terminal pay benefit were reduced to an average of 0.04% of total payroll when estimated using the membership and other information used in the 12/31/2012 valuation.

In answering the question on what portion of the member contribution rate was paid towards benefits provided by including terminal pay before the 12/31/2012 valuation, we have not attempted to go back to investigate what that portion was paid before the 12/31/2012 valuation as the information is not practically available.

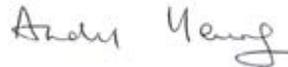
We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of actuaries to render the actuarial opinion herein.

Please let us know if you need any additional information and we look forward to discussing this letter with you.

Sincerely,



Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President & Actuary



Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary

/mv

Attachment (5325536)

Appendix A

Terminal Pay (Leave Cash Out) Assumptions Used in 12/31/2012 Valuation

	Membership Date before January 1, 2011	Membership Date on or after January 1, 2011 but before January 1, 2013
Cost Group 1:	12.50%	3.00%
Cost Group 2:	4.00% for Tier 2 8.00% for Tier 3	1.00%
Cost Group 3:	24.00%	8.75%
Cost Group 4:	5.75%	0.75%
Cost Group 5:	11.50%	2.75%
Cost Group 6:	9.00%	2.25%
Cost Group 7:	12.00%	1.50%
Cost Group 8:	10.50%	1.25%
Cost Group 9:	4.00%	0.50%
Cost Group 10:	13.00%	1.50%
Cost Group 11:	14.00%	3.50%
Cost Group 12:	15.50%	6.25%

Terminal Pay (Leave Cash Out) Assumptions Proposed In 8/5/2014 Letter and Subsequently Used in 12/31/2013 Valuation

The first column of numbers in the table below shows the hypothetical leave cash out experience (as a percentage of final average pay) based on the data provided to us to prepare our 8/5/2014 letter. The second column is based on the first, and contains the new leave cash out assumptions as a percentage of final average pay that we proposed be used in the 12/31/2013 actuarial valuation for non-PEPRA members.

	Hypothetical Experience	Proposed Assumption
Cost Group 1:	1.59%	1.50%
Cost Group 2:	0.63% for Tier 2 0.77% for Tier 3	0.50% for Tier 2 0.75% for Tier 3
Cost Group 3:	6.84%	6.50%
Cost Group 4:	0.23%	0.25%
Cost Group 5:	1.56%	1.50%
Cost Group 6:	0.00%	1.25%
Cost Group 7:	0.74%	0.75%
Cost Group 8:	0.64%	0.75%
Cost Group 9:	0.00%	0.25%
Cost Group 10:	1.32%	1.50%
Cost Group 11:	2.96%	3.00%
Cost Group 12:	3.49%	3.50%



THE SEGAL COMPANY
100 Montgomery Street Suite 500 San Francisco, CA 94104-4308
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August 5, 2014

Mr. Kurt Schneider
Deputy Chief Executive Officer
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

Re: Leave Cashout (Terminal Pay) Assumptions for Non-PEPRA members for the December 31, 2013 Actuarial Valuation

Dear Kurt:

We are proposing new leave cashout assumptions that would replace the current terminal pay assumptions for all Non-PEPRA members. These new assumptions are based on the recent court ruling requiring CCCERA to implement AB 197 and changes that the CCCERA Board made to eliminate “straddling”. Note that for purposes of this letter and the annual actuarial valuation we have historically used “terminal pay” as a broad term that includes such items as vacation sellbacks, administrative leave sellbacks and terminal pay items during the final average pay period. We will now be using the new term “leave cashouts” when describing the new assumption as it is more consistent with the items above that will occur during the final average earning period on a prospective basis.

BACKGROUND

In 1997 the Board adopted a policy that determined which pay items are considered compensation for retirement purposes. Under that policy, various types of terminal pay were included in the determination of compensation for retirement purposes. As of the December 31, 2012 actuarial valuation, this policy applies to members with membership dates before January 1, 2011.

In March 2010, the Board adopted a change to this policy for members with membership dates on or after January 1, 2011¹. Under this amended policy, certain terminal pay elements are no longer included in the determination of compensation for retirement purposes.

¹ Note that as a result of the passage of the California Public Employees’ Pension Reform Act of 2013 (CalPEPRA), terminal pay would no longer be considered in determining Pensionable Compensation for members covered by the CalPEPRA plans.



CURRENT TERMINAL PAY ASSUMPTIONS

Based on our experience study for the period from January 1, 2010 through December 31, 2012, the Board had previously adopted the following terminal pay assumptions shown below for members with membership dates before January 1, 2011 and for members with membership dates on or after January 1, 2011 but before January 1, 2013 who are under the new policy.

The following assumptions for terminal pay as a percentage of final average pay were used in the December 31, 2012 actuarial valuation for non-PEPRA members.

	Membership Date before January 1, 2011	Membership Date on or after January 1, 2011 but before January 1, 2013
Cost Group 1:	12.50%	3.00%
Cost Group 2:	4.00% for Tier 2 8.00% for Tier 3	1.00%
Cost Group 3:	24.00%	8.75%
Cost Group 4:	5.75%	0.75%
Cost Group 5:	11.50%	2.75%
Cost Group 6:	9.00%	2.25%
Cost Group 7:	12.00%	1.50%
Cost Group 8:	10.50%	1.25%
Cost Group 9:	4.00%	0.50%
Cost Group 10:	13.00%	1.50%
Cost Group 11:	14.00%	3.50%
Cost Group 12:	15.50%	6.25%

RECENT EVENTS

On September 12, 2012, the Governor signed into law Assembly Bill 197, with an effective date of January 1, 2013. The measure changed how county retirement boards were permitted to calculate their current members' retirement allowances. For CCCERA, this would effectively make members with membership dates before January 1, 2011 subject to the policy that currently applies to members with membership dates on or after January 1, 2011.

We understand that the Contra Costa County Superior Court has entered a judgment in the litigation and a Writ directing CCCERA to proceed to comply with AB 197. However, the matter was appealed and a request was filed on June 9, 2014 with the Court of Appeal for an immediate "stay" of the Superior Court's ruling. On June 30, 2014, the Court of Appeal issued an order denying the request for an additional stay. Therefore, we understand that CCCERA is required to implement the AB 197 changes in calculating benefits for all retirements with an effective date of July 12, 2014 or later. Note that a final resolution of this issue in the courts could take several years.

At its July 9th meeting, the Board decided that the December 31, 2013 valuation should be done assuming that AB 197 will be implemented according to the judge's final ruling, regardless of the fact that the appeal is ongoing.

In addition, the Board decided to discontinue allowing a practice called "straddling" where employees could time their leave cashouts so that two leave cashouts would occur during their 12-month final average earnings period. The Board decided that only one such payment should be included on a prospective basis.

CCCERA provided us with updated leave cashout information for actual retirements during the period from January 1, 2010 through December 31, 2012 (the same period over which information was collected for the last experience study). That information reflects the hypothetical impact of AB 197 and the discontinuation of "straddling" on those members. Based on that information, we are recommending new leave cashout assumptions for all non-PEPRA members that would be used in the December 31, 2013 actuarial valuation.

PROPOSED LEAVE CASHOUT ASSUMPTIONS

The first column of numbers in the table below shows the hypothetical leave cashout experience (as a percentage of final average pay) based on the data provided to us. The second column contains the new leave cashout assumptions as a percentage of final average pay that we propose be used in the December 31, 2013 actuarial valuation for non-PEPRA members. These assumptions are all lower than the current assumptions for members with membership dates on or after January 1, 2011.

	Hypothetical Experience	Proposed Assumption
Cost Group 1:	1.59%	1.50%
Cost Group 2:	0.63% for Tier 2 0.77% for Tier 3	0.50% for Tier 2 0.75% for Tier 3
Cost Group 3:	6.84%	6.50%
Cost Group 4:	0.23%	0.25%
Cost Group 5:	1.56%	1.50%
Cost Group 6:	0.00%	1.25%
Cost Group 7:	0.74%	0.75%
Cost Group 8:	0.64%	0.75%
Cost Group 9:	0.00%	0.25%
Cost Group 10:	1.32%	1.50%
Cost Group 11:	2.96%	3.00%
Cost Group 12:	3.49%	3.50%

Mr. Kurt Schneider
August 5, 2014
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COST IMPACT

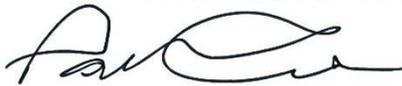
We have estimated the impact of proposed leave cashout assumption changes as if they were applied to the December 31, 2012 actuarial valuation. If the leave cashouts assumptions were implemented, the average employer rate would have decreased by 4.2% of compensation, where the Normal Cost rate decreased by 1.9% and the Unfunded Actuarial Accrued Liability (UAAL) amortization rate decreased by 2.3%. The average member rate would have decreased by 0.3% of compensation. The UAAL would have decreased by about \$200 million.

Unless otherwise noted, this cost estimate was made using generally accepted actuarial practices and is based on the December 31, 2012 actuarial valuation, including the participant and actuarial assumptions upon which that valuation was based. Calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.

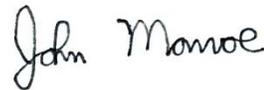
We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions, and we look forward to discussing this with the Board.

Sincerely,



Paul Angelo, FSA, EA, MAAA
Senior Vice President and Actuary



John Monroe, ASA, EA, MAAA
Vice President and Associate Actuary

AW/bqb



MEMORANDUM

Date: July 14, 2021

To: CCCERA Board of Retirement

From: Christina Dunn, Deputy Chief Executive Officer
Karen Levy, General Counsel

Subject: Resolution 2021-5 authorizing actions in compliance with Assembly Bill 197 and the *Alameda* decision

Background

The California Supreme Court issued a unanimous decision upholding the constitutionality of the legislative changes contained in Assembly Bill 197 (“AB 197”) to the definition of “compensation earnable.” The effective date of AB 197 was January 1, 2013, but that date was postponed until July 12, 2014 by orders of the Contra Costa County Superior Court (“Stay Order”). The Supreme Court decision was issued in the case *Alameda County Deputy Sheriff’s Assoc. et al., v. Alameda County Employees’ Retirement Assn., et al.*, and is referred to as the *Alameda* decision. The decision resolved legal challenges which sought to prevent CCCERA and two other county retirement systems from implementing the AB 197 amendments to the County Employees Retirement Law of 1937 (“CERL”), Govt. Code §31450 *et seq.*

When taking actions in compliance with AB 197 and the *Alameda* decision, CCCERA must adhere to applicable federal tax rules and California law. In particular, CCCERA is a tax qualified public pension plan under Internal Revenue Code Section 401(a), meaning that plan participants are not taxed when contributions are made to the plan, but rather upon receipt of benefits at retirement. As such, CCCERA will continue to follow the Internal Revenue Service (“IRS”) Employee Plans Compliance Resolution System (“EPCRS”) rules and procedures regarding overpayments and underpayments of benefits and contributions, any including any corrective distributions, as set forth in the enclosed policies governing the overpayment and underpayment of retirement benefits and contributions.

The enclosed Resolution 2021-5 addressed the following items in connection with AB 197 and the *Alameda* decision:

1. Member contributions towards items of pay no longer pensionable pursuant to AB 197 and potential refunds;
2. Overpayments of benefits paid to the Estoppel Class; and
3. Any other overpayments of benefits arising from any post July 12, 2014 inclusion of pay for services outside normal working hours such as on-call or standby.

Specifically, Resolution 2021-5 would authorize the following actions in compliance with AB 197 and the *Alameda* decision:

1. Determine all member contributions attributable to excluded Terminal Pay Items and On-Call Pay Items made on and after July 12, 2014 and credit or refund all such contributions, with appropriate interest, to the affected members, in a manner that complies with applicable federal tax rules and California law, and
2. Determine all overpayments of benefits made to retired members due to excluded Estoppel Benefits and On-Call items since July 12, 2014 and recover those overpayments from the affected members, with appropriate interest, net of any contributions made on and after July 12, 2014 attributable to such excluded items, in a manner that complies with applicable federal tax rules and California law.

Resolution 2021-5 would become effective upon the conclusion of the three AB 197 lawsuits currently pending against CCCERA. Its scope is limited to contributions and benefits paid post-July 12, 2014, the date on which the AB 197 exclusions from compensation earnable became effective, pursuant to the court's Stay Order.

Recommendation

Consider and take possible action to adopt Resolution 2021-5 authorizing actions in compliance with Assembly Bill 197 and the *Alameda* decision

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

**AUTHORIZING ACTIONS IN COMPLIANCE
WITH ASSEMBLY BILL 197 AND THE ALAMEDA DECISION**

Background

In 1997, the California Supreme Court held that "compensation earnable" used to determine a member's retirement allowance ordinarily includes all cash payments received during a member's final average salary period ("FAS Period") for services performed, with the exception of overtime pay. *Ventura Deputy Sheriffs' Assn. v. Board of Retirement* (1997) 16 Cal.4th 483.

In 2003 and 2004, the California Courts of Appeal ruled that "compensation earnable" did not include cash received at termination of a member's employment for the value of accrued leave time in excess of the amount earned during the FAS period. *In re Retirement Cases* (2003) 110 Cal.App.4th 426; *Salus v. San Diego County Employees Retirement Association* (2004) 117 Cal.App.4th 734.

In 2010, the Board of Retirement revised its policy for calculating compensation earnable for new members entering CCCERA membership on or after January 1, 2011, to exclude from compensation earnable amounts paid in cash at termination of a member's employment for the value of accrued leave time in excess of the amount earned during the FAS Period.

In 2012, the California Legislature enacted and the Governor signed into law Assembly Bill 197, which amended Govt Code section 31461 to change the way the Board of Retirement must calculate "compensation earnable." AB 197 applies to the calculation of benefits for all active or deferred employees who first became CCCERA members before January 1, 2013. AB 197 does not apply generally to those who became members of CCCERA for the first time on or after January 1, 2013. The effective date of AB 197 was January 1, 2013, but that date was postponed until July 12, 2014 by orders of the Contra Costa County Superior Court in the AB 197 Action described below ("Stay Order").

In November, 2012, various Petitioners filed suit against CCCERA and the Board of Retirement in Contra Costa County Superior Court as Civil Action No. MSN12-1870 (the "AB 197 Action"). On May 12, 2014, the Contra Costa County Superior Court issued a final Judgment and Writ interpreting AB 197. The Court's Statement of Decision supporting the Judgment concluded that several of CCCERA's prior practices were not consistent with applicable law — primarily with reference to the inclusion of accrued leave cash-outs for time that was not both earned and payable annually during the FAS Period. Notwithstanding the express terms of AB 197, the Writ created (a) an "Estoppel Class" of members for certain leave cash out benefits and (b) a standard by which to determine whether certain on-call and standby pay items must continue to be included in compensation earnable.

The Writ commanded CCCERA to follow AB 197 except as otherwise provided in the Writ, to all member retirements occurring on or after July 12, 2014. To that end, on September 10, 2014, the Board of Retirement adopted its Policy On Determining "Compensation Earnable" Under Assembly Bill 197 For Purposes of Calculating Retirement Benefits For "Legacy" (Pre-PEPRA) Members ("Compensation Earnable Policy").

The Judgment and Writ were appealed to the First District Court of Appeal, which rendered its decision in February, 2018. The California Supreme Court granted the petitions for review of the appellate court decision filed by various parties. On July 30, 2020, the Supreme Court issued a unanimous decision upholding the validity of the statutory exclusions from compensation earnable in AB 197, rejecting the estoppel claims made by the petitioners, and remanding the case to the trial court with directions to vacate the Judgment and conduct further proceedings consistent with the decision. *Alameda County Deputy Sheriff's Assoc. et al., v. Alameda County Employees' Retirement Assn., et al.*, (2020) 9 Cal.5th 1032 (“*Alameda Decision*”).

The *Alameda Decision* concludes that all amendments to the definition of compensation earnable in Government Code section 31461 enacted as a result of AB 197 are constitutional, and that CERL retirement boards may not be contractually bound or estopped by settlement agreements, board resolutions, or other similar actions, from implementing those amendments. Accordingly, the Board of Retirement is legally obligated to follow the *Alameda Decision* in implementing the provisions of AB 197. To that end, on May 5, 2021, the Board of Retirement amended its Compensation Earnable Policy.

The *Alameda Decision* and other applicable law require CCCERA to exclude from compensation earnable:

- All items of pay for accrued leave in an amount that exceeds that which may be earned and payable in each 12-month period during the FAS Period, regardless of when reported or paid, as set forth in CERL Section 31461 subd. (b)(2) (collectively, “Leave Pay Items”).
- All payments made at the termination of employment, except those payments that do not exceed the amount that is both earned and payable in each 12-month period during the FAS Period, as set forth in CERL Section 31461 subd. (b)(4) (collectively, “Terminal Pay Items”).
- All items of pay for additional services rendered outside of normal working hours, as set forth in CERL Sections 31461 subd. (a) and 31461 subd. (b)(3). Examples include on-call pay and standby pay (together, “On Call Pay Items”).
- Pay for accrued leave granted to the “Estoppel Class” members created by the May 12, 2014 Writ.

Board Determinations

The Board of Retirement determines that from the expiration of the Stay Order as of July 12, 2014 and for a period of time thereafter, CCCERA continued to collect contributions from active members on pay attributable to items excluded from compensation earnable under CERL Sections 31461 subds. (b)(2), (3) and (4), and began collecting contributions from active members on excluded Estoppel Class leave cash outs which later was determined to be excluded under the *Alameda Decision*. The Board of Retirement further determines that the *Alameda Decision* and other applicable law make it appropriate to credit or refund certain members’ contributions and take further actions, as set forth below.

The Board of Retirement further determines that this Resolution is intended to and shall comply with the requirements of the Internal Revenue Code of 1986, as amended or replaced from time to time and the regulations issued thereunder (the “Code”), as applicable.

RESOLUTION

NOW THEREFORE, BE IT RESOLVED that CCCERA shall take the following actions as herein authorized by the Board:

- 1) Determine all member contributions attributable to excluded Terminal Pay Items and On-Call Pay Items made on and after July 12, 2014 and credit or refund all such contributions, with appropriate interest, to the affected members, in a manner that complies with applicable federal tax rules and California law.
- 2) Determine all overpayments of benefits made to retired members due to excluded Estoppel Benefits and On-Call Pay Items since July 12, 2014 and recover those overpayments from the affected members, with appropriate interest, net of any contributions made on and after July 12, 2014 attributable to such excluded items, in a manner that complies with applicable federal tax rules and California law.
- 3) Determine appropriate adjustments to the future retirement benefits paid to affected members in Item 2 above and implement those adjustments at the earliest practicable time.
- 4) Provide notice and an opportunity to be heard to all members affected by Items 2 and 3, above.

IT IS FURTHER RESOLVED that this Resolution shall only become effective upon the occurrence of all of the following events:

- 1) Entry of a final Judgment in the AB 197 Action, vacating the May 12, 2012 Judgment and Writ in favor of CCCERA, with all parties to bear their own costs of suit, on terms satisfactory to the Board of Retirement.
- 2) The absence of any timely appeals from the final Judgment entered in the AB 197 Action.
- 3) Entry of dismissals, with prejudice, in Contra Costa County Superior Court Civil Actions No. 14-1221 and 15-00598.

THIS RESOLUTION WAS ADOPTED BY THE AFFIRMATIVE VOTE OF THE BOARD OF RETIREMENT OF THE CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION THIS FOURTEENTH DAY OF JULY, 2021.

AYES:

NOES:

ABSTAIN:

ABSENT:

Scott W. Gordon
Chairperson of the Board of Retirement

Attest:

Jerry R. Holcombe
Secretary of the Board of Retirement

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT

**POLICY GOVERNING THE OVERPAYMENT OR UNDERPAYMENT
OF MEMBER BENEFITS**

Adopted: 12/10/2014

I. INTRODUCTION

The Board of Retirement ("Board") has a fiduciary obligation to the retirement fund to conserve fund assets and protect the integrity of the fund, for the benefit of the members and beneficiaries ("Members") of the Contra Costa County Employees' Retirement Association ("CCCERA").

Members have a right to accurate pension benefit payments. Except as determined by a court of law or this Board pursuant to this Policy, no Member has the right to receive or retain retirement benefit payments that exceed the amounts to which a Member is entitled, and no Member should be deprived of any benefit payments that he or she is entitled to receive. Subject to all applicable laws, it shall be CCCERA's policy to remit to a Member the amount of any underpayment of benefits, and to make every reasonable effort to recover from a Member the amount of any overpayment of benefits consistent with this Policy and the procedures established herein by the Board.

Accordingly, after discovery of an overpayment or underpayment of benefits, and within a reasonable period of time after written notification to the affected Member, CCCERA will adjust future benefit payments to the Member to reflect the correct total amount to which the Member is entitled, as indicated below; and will pay or assess the Member for the overpayment or underpayment, as the case may be, in a lump sum, installment payments, adjustments to future monthly benefits, or a combination of these methods.

This Policy is designed for use when calculation and other errors affect an *individual* member's retirement benefits. In the event of a system-wide error that affects *multiple* members' benefits, the Board may implement a system-wide correction process that it determines is appropriate under all the circumstances.

In the event of any inconsistency between applicable law and this Policy, the law shall take precedence.

II. PURPOSE

The purpose of this Policy is to set forth procedures for handling the overpayment and underpayment of benefits to members.

III. POLICY

A. Overpayment of Benefits To Members

1. CCCERA will adjust the Member's monthly benefit going forward to the correct amount at the earliest practical time after discovering the error.
2. CCCERA shall take all reasonable steps to recover the full amount of all overpayments, with "appropriate interest," subject to the provisions of this Policy and applicable law. If the overpayment was due to fraudulent, improper or inaccurate information provided to CCCERA by the member, appropriate interest shall be CCCERA's actuarially assumed rate of return that was applicable during the period in which the overpayments were made, running until such amounts are fully repaid. If the overpayment was the result of an error by CCCERA or the member's employer, appropriate interest shall be 3% per annum during the period in which the overpayments were made, running until such amounts are fully repaid.
3. CCCERA will recover overpayments by (a) a lump sum payment from the Member, (b) periodic installment payments from the member or (c) offsetting the amount to be recovered against future benefits, over a period of time as determined by the Board, or a combination of these methods; unless the Board, in its discretion and because of legal or practical considerations, determines that another process is warranted.
4. The Board believes that considerations of cost effectiveness make it prudent and reasonable to pursue recovery of overpayments only where the cumulative total amount overpaid to the Member is \$50 or more. Accordingly, the Retirement CEO is authorized to not seek recovery of any overpayments where the total amount overpaid to the Member is less than \$50.
5. The Retirement CEO shall have authority, on the advice of legal counsel, to compromise recovery of overpayments when the total amount of overpayment, not including interest, is less than \$5,000. Only the Board may compromise claims in which the total amount of overpayment, not including interest, is \$5,000 or more. Among other things, the likelihood of collection, the cost of collection, the amount of possible recovery and extreme hardship to the member will be considered by the Retirement CEO and/or the Board when determining whether to compromise a claim. Compromising claims may include a different method of repayment than is otherwise provided by this Policy and/or a partial forgiveness of the amounts overpaid. The Retirement CEO and Board will also consider seeking recovery from the employer.
6. The Board adopts the following procedures for accomplishing the recovery of overpaid benefits:
 - A. Upon discovery of an overpayment, CCCERA shall send a letter by certified mail, return receipt requested, or by express delivery service, to the Member advising the Member of the overpayment and proposing a repayment schedule, as follows:

- i. The letter will identify the circumstances of the overpayment and the fact that adjustments will be made to all future benefit payments.
 - ii. The letter will request payment to CCCERA of the amount overpaid, subject to the provisions of this Policy.
 - iii. The letter will include an agreement to repay excess benefits and a consent form for the spouse or beneficiaries, if applicable.
 - iv. The agreement to repay excess benefits will provide three options, one of which may be selected by the Member:
 - (1) Option 1 — equal installments over the same length of time that the overpayments occurred, with appropriate interest (as that phrase is defined in No. 2 above) applied during the overpayment period and during the repayment period.
 - (2) Option 2 — lump sum payment to CCCERA for the full amount overpaid, with appropriate interest (as that phrase is defined in No. 2 above) applied during the overpayment period.
 - (3) Option 3 — reduction of monthly benefit to zero until the overpayment is paid in full, with appropriate interest (as that phrase is defined in No. 2 above) applied during the overpayment period and during the repayment period.
 - v. The letter and agreement to repay excess benefits will provide that Option 3 will go into effect by default if a written response from the Member is not received within 30 days following the date the letter was delivered.
- B. If the amount of the overpayment, not including interest, is \$5,000 or more, CCCERA staff will attempt to contact the Member by phone to schedule a meeting to discuss the contents of the letter before the letter is sent out for delivery.
 - C. CCCERA may pursue all legal remedies to collect overpayments, including making a claim on an estate or trust, if appropriate.
 - D. Upon the death of the Member before full repayment has been made, CCCERA shall pursue a claim or claims against the Member's estate, survivors, heirs and/or beneficiaries to recover the unpaid amounts.
 - E. CCCERA will maintain a permanent record of all amounts of overpayments and the repayment to CCCERA of those overpayments.

B. Underpayment of Benefits To Members

- 1. When CCCERA has underpaid benefits, the Member shall be entitled to a prospective adjustment to his or her retirement benefits necessary to correct the underpayment, as well

as a lump sum payment for all past underpayments, with interest at CCCERA's actuarially assumed rate(s) of return throughout the applicable period of underpayment. Interest shall accrue on each underpayment amount from the date of the underpayment to the date of the lump sum corrective payment. The payment shall be made as soon as is reasonably practicable following CCCERA's discovery of the underpayment.

2. If a Member who was underpaid benefits has died prior to payment of the lump sum amount due, the following procedures will be followed:

A. Member With Designated Beneficiary

- If the Member has named a designated beneficiary, the payment will be made directly to the designated beneficiary. *See* CERL Section 31452.7.

B. Member Without Designated Beneficiary

- If there is an open estate (*i.e.*, no order for final distribution yet), payment will be made to the estate (through the personal representative).
- If final distribution of the estate has already been made, CCCERA staff will review the order for final distribution to determine how assets that were unknown at the time of final distribution are to be distributed under the order. Payment will then be made in compliance with the order for final distribution, if possible.
- If an estate was not established, distribution will be made in accordance with any applicable and valid Affidavit for Payment of Personal Property on file with CCCERA. *See* Prob. Code Section 13101.
- CCCERA staff shall make reasonable efforts to locate the person(s) entitled to payment by sending a letter by certified mail, return receipt requested, to the last known address of each such person, or by other means of similar intended effect. The letter shall request written confirmation that the person entitled to payment still lives at that address and will accept payment. Upon receipt of such written confirmation, the payment will be mailed to that person at that address. *See* CERL Section 31783.5(b).
- If, after taking the above steps, CCCERA staff has not been able locate a person entitled to payment, CCCERA shall hold the funds on behalf of that person for five years. If the funds are not claimed within five years, the funds may be transferred into the system's pension reserve fund. If someone later appears to claim the funds, the Board will consider such claims on a case-by-case basis. *See* CERL Section 31783.5(c).
- CCCERA will maintain a permanent record of all amounts of outstanding refunds of underpayments and any amounts that have been transferred into the pension reserve fund.

- In cases where there is no designated beneficiary and the total amount of underpayment is less than \$50, CCCERA staff need not take proactive measures to locate the person(s) entitled to such funds. All claims presented to CCCERA, however, will be considered regardless of size.
3. Underpayments of \$5 or less will only be refunded at the request of the member.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT

**POLICY GOVERNING THE OVERPAYMENT OR UNDERPAYMENT OF MEMBER
CONTRIBUTIONS**

Adopted: 12/10/2014

I. INTRODUCTION

The Board of Retirement ("Board") has a fiduciary obligation to conserve retirement fund assets and protect the integrity of the fund, for the benefit of the members and beneficiaries of the Contra Costa County Employees' Retirement Association ("CCCERA").

The Board determines the required member contributions in accordance with law and in consultation with its actuary. Subject to all applicable laws, it shall be CCCERA's policy to make every reasonable effort to recover from a member the amount of any underpayment of contributions, and to remit to a member the amount of any overpayment of contributions, consistent with this Policy and the procedures established by the Board.

Accordingly, after discovery of an overpayment or underpayment of member contributions, and within a reasonable period of time after written notification to the affected member, CCCERA will correct any overpayment or underpayment of member contributions.

This Policy is designed for use when errors affect an *individual* member's contributions. In the event of a system-wide error that affects *multiple* members' contributions, the Board may implement a system-wide correction process that it determines is appropriate under all the circumstances.

In the event of any inconsistency between applicable law and this Policy, the law shall take precedence.

Notwithstanding this Policy, if an overpayment results from provisions of federal tax law, any correction procedures specified by the IRS will be followed to the extent feasible.

II. PURPOSE

The purpose of this Policy is to set forth procedures for handling the overpayment and underpayment of retirement contributions.

III. POLICY

A. Overpayments of Contributions By Members

1. When a Member has overpaid contributions, the Member shall be entitled to a prospective adjustment to his or her contributions necessary to correct the overpayment, as well as a lump sum payment for all past overpayments, with appropriate interest. Appropriate interest shall be the rate set forth in the Board's Interest Crediting Policy (currently the actuarially assumed rate of return) for each applicable pay period. The adjustment shall be made in the Member's pay from their CCCERA participating employer as soon as is reasonably practicable following CCCERA's discovery of the overpayment.
2. If a Member who overpaid contributions has died prior to payment of the lump sum amount due, the following procedures will be followed:
 - A. Member With Designated Beneficiary
 - If the Member has named a designated beneficiary, the payment will be made directly to the designated beneficiary. *See* County Employees Retirement Law of 1937 ("CERL"), Government Code Section 31452.7.
 - B. Member Without Designated Beneficiary
 - If there is an open estate (*i.e.*, no order for final distribution yet), payment will be made to the estate (through the personal representative).
 - If final distribution of the estate has already been made, CCCERA staff will review the order for final distribution to determine how assets that were unknown at the time of final distribution are to be distributed under the order. Payment will then be made in compliance with the order for final distribution, if possible.
 - If an estate was not established, distribution will be made in accordance with any applicable and valid Affidavit for Payment of Personal Property on file with CCCERA. *See* Prob. Code Section 13101.
 - CCCERA staff shall make reasonable efforts to locate the person(s) entitled to payment by sending a letter by certified mail, return receipt requested, to the last known address of each such person, or by other means of similar intended effect. The letter shall request written confirmation that the person entitled to payment still lives at that address and will accept payment. Upon receipt of such written confirmation, the payment will be mailed to that person at that address. *See* CERL Section 31783.5(b).
 - If, after taking the above steps, CCCERA staff has not been able locate a person entitled to payment, CCCERA shall hold the funds on behalf of that person for five years. If the funds are not claimed within five years, the funds

may be transferred into the system's pension reserve fund. If someone later claims the funds, the Board will consider such claims on a case-by-case basis. See CERL Section 31783.5(c).

- CCCERA will maintain a permanent record of all amounts of outstanding refunds of overpayments and any amounts that have been transferred into the pension reserve fund.
- In cases where there is no designated beneficiary and the total amount of overpayment is less than \$50, CCCERA staff need not take proactive measures to locate the person(s) entitled to such funds. All claims presented to CCCERA, however, will be considered regardless of size.

3. Overpayments of \$5 or less will only be refunded at the request of the Member.

B. Underpayment of Retirement Contributions By Members

1. Whenever an underpayment of contributions is discovered, CCCERA shall make a prospective adjustment to the member's contributions and take all reasonable steps to recover the full amount of all past underpayments, with "appropriate interest," subject to the provisions of this Policy and applicable law. If the underpayment was due to fraud, dishonest or improper conduct by the member, or by the member providing inaccurate information to CCCERA or the member's employer, appropriate interest shall be CCCERA's actuarially assumed rate of return that was applicable for the period in which the underpayments were made, applied to the outstanding amount due until such amount is fully repaid. If the underpayment was the result of an error by CCCERA or the member's employer, appropriate interest shall be 3% per annum for the period in which the underpayments were made, applied to the outstanding amount due until such amount is fully repaid.
2. CCCERA will recover underpayments by (a) a lump sum payment from the member, (b) installment payments from the member, (c) additional amounts added to the member's future contributions, over a period of time as determined by the Board, (d) offsets to future benefit payments to the member, over a period of time as determined by the Board or (e) a combination of the foregoing, unless the Board, in its discretion and because of legal or practical considerations, determines that another process is warranted.
3. The Board believes that considerations of cost effectiveness make it prudent and reasonable to pursue recovery of underpayments only where the cumulative total amount underpaid by the member is \$50 or more. Accordingly, the Retirement CEO is authorized to not seek recovery of any underpayments where the total amount underpaid by the member is less than \$50.
4. The Retirement CEO shall have authority, on the advice of legal counsel, to compromise recovery of underpayments when the total amount of underpayment, not including interest, is less than \$5,000. Only the Board may compromise claims in which the total amount of underpayment, not including interest, is \$5,000 or more. Among other things, the likelihood of collection, the cost of collection, the amount of possible recovery and

extreme hardship to the member will be considered by the Retirement CEO and/or the Board when determining whether to compromise a claim. Compromising claims may include a different method of repayment than is otherwise provided by this Policy and/or a partial forgiveness of the amounts underpaid.

5. The Board adopts the following procedures for accomplishing the recovery of underpaid contributions:

A. Upon discovery of an underpayment, CCCERA shall send a letter by certified mail, return receipt requested, or by express delivery service, to the member advising the member of the underpayment and proposing a repayment schedule, as follows:

i. The letter will identify the circumstances of the underpayment and the fact that adjustments will be made to all future contribution amounts.

ii. The letter will request payment to CCCERA of the past amount underpaid, subject to the provisions of this Policy.

iii. The letter will include an agreement to pay the amounts underpaid and a consent form for the spouse or beneficiaries, if applicable.

iv. The agreement to pay the amounts underpaid will provide two options, one of which may be selected by the Member:

(1) Option 1 — equal installments deducted from the Member's pay (in addition to the contributions otherwise required of the member), or benefit payments (if the Member is retired), over the same length of time that the underpayments occurred, with appropriate interest (as that phrase is defined in No. 1 above) applied for the underpayment period and the payment period. If the Member's employment terminates during the payment period, the Member shall be liable for all remaining unpaid amounts, which may be deducted from any amounts CCCERA owes the Member (in retirement benefits or otherwise), if the member does not make a lump sum payment.

(2) Option 2 — lump sum payment to CCCERA for the full amount underpaid, with appropriate interest (as that phrase is defined in No. 1 above) applied during the underpayment period.

(3) Option 3 — installment payments to CCCERA for the full amount underpaid, with appropriate interest (as that phrase is defined in No. 1 above) applied during the underpayment period.

v. The letter and agreement to pay underpaid amounts will provide that Option 1 will go into effect by default if a written response from the member is not received within 30 days following the date the letter was delivered.

B. If the amount of the underpayment, not including interest, is \$5,000 or more, CCCERA staff will attempt to contact the Member by phone to discuss the contents of the letter before the letter is sent out for delivery.

C. CCCERA may pursue, all legal remedies to collect underpayments, including making a claim on an estate or trust, if appropriate.

D. Upon the death of the Member before full repayment has been made, CCCERA shall pursue a claim or claims against the Member's estate, survivors, heirs and/or beneficiaries to recover the unpaid amounts.

CCCERA will maintain a permanent record of all amounts of underpayments and the payment to CCCERA of those underpayments.



Meeting Date
07/14/2021
Agenda Item
#14

MEMORANDUM

Date: July 14, 2021
To: CCCERA Board of Retirement
From: Christina Dunn, Deputy Chief Executive Officer
Subject: Consider and take possible action on employer contribution rates effective July 1, 2021 for Central Contra Costa Sanitary District

On June 25, 2021, Central Contra Costa Sanitary District (“District”) made a \$70,763,669 payment towards the District’s Unfunded Actuarial Accrued Liability (UAAL). Consistent with CCCERA’s Actuarial Funding policy, the District’s contribution rate will be reduced effective July 1, 2021 (the July following receipt of the payment).

Since the contribution rates scheduled to go into effect July 1, 2021 were determined in the December 31, 2019 Actuarial Valuation, it is the contribution rates in that valuation report that are being adjusted. The District has contribution rates for two retirement benefit tiers. The contribution rates before the payment can be seen on page 37 of the December 31, 2019 Actuarial Valuation. The effect of the payment is a reduction of the District’s UAAL contribution rate of 34.34% of payroll. The adjusted contribution rates, taking into account the payment towards the UAAL, are shown in the attached letter from CCCERA’s actuary, Segal Consulting.

Recommendation: Adopt the contribution rates for the Central Contra Costa Sanitary District as shown in the attached letter from Segal Consulting, effective July 1, 2021.



Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary
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180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
segalco.com

Via Email

July 7, 2021

Gail Strohl
Chief Executive Officer
Contra Costa County Employees' Retirement Association
1200 Concord Avenue, Suite 300
Concord, CA 94520

**Re: Contra Costa County Employees' Retirement Association (CCCERA)
2021/2022 Employer Contribution Rates Reflecting Central Contra Costa Sanitary
District Prepayment Towards Unfunded Actuarial Accrued Liability**

Dear Gail:

We have been provided information from CCCERA that, on June 25, 2021, Central Contra Costa Sanitary District's ("the District") made a \$70,763,669 prepayment towards their December 31, 2019 Unfunded Actuarial Accrued Liability (UAAL). This payment will be used to reduce their UAAL and decrease the District's UAAL contribution rate for their Cost Group¹ starting with the 2021/2022 Fiscal Year. As requested by the Association, we have provided in this letter the District's employer contribution rates before and after the prepayment.

The District's UAAL determined as of the December 31, 2019 Actuarial Valuation is \$70,763,669. This amount does not reflect for the passage of time through the prepayment date of June 25, 2021. Reflecting the passage of time would reduce the District's UAAL by the expected payments on the UAAL from January 1, 2020 through June 25, 2021, offset to some degree by interest accruing at the assumed annual interest rate of 7.00%. Therefore, the District's expected UAAL as of June 25, 2021 is expected to be less than the prepayment amount of \$70,763,669. Since the District has made a prepayment greater than their expected UAAL, all amortization layers from the December 31, 2019 valuation will be considered fully amortized². We understand that the District is aware that by making a prepayment that is greater than their UAAL, any such excess amount would be available to offset any future UAAL that might emerge after the date of the last valuation as of December 31, 2019.

We have also provided a breakdown of how the \$70,763,669 prepayment should be allocated between General Tier 1 and General Tier 4 (3% COLA) Basic and COLA reserves. We have based the allocation between the Basic and COLA reserves on the Cost Group #3 Basic and COLA UAAL rates as of December 31, 2019, before reflecting the \$70,763,669 prepayment. The allocation between General Tier 1 and General Tier 4 (3% COLA) is based on the Cost Group #3 payroll under the two tiers as of December 31, 2019 and assumes that the proportion

¹ Please note that the District is in its own cost group (Cost Group #3).

² Please note that in practice, the first annual valuation to show no UAAL for the District is the valuation as of December 31, 2021. This is because the prepayment that has been made, as discussed in this letter, will not be reported in the assets until CCCERA prepares its financial results as of December 31, 2021.

of payroll will remain consistent between the two tiers. This allocation is shown in the table below:

	General Tier 1	General Tier 4	Total
Basic	\$36,261,984.89	\$10,647,148.73	\$46,909,133.62
COLA	<u>18,440,178.59</u>	<u>5,414,356.79</u>	<u>23,854,535.38</u>
Total	\$54,702,163.48	\$16,061,505.52	\$70,763,669.00

Central Contra Costa Sanitary District Employer Contribution Rates After Prepayment

The employer contribution rates for each Central Contra Costa Sanitary District tier are shown as follows:

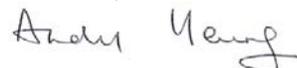
- Exhibit 1: Central Contra Costa Sanitary District Employer Contribution Rates **Before** \$70,763,669 prepayment
 - This exhibit provides the employer contribution rates for the District's Cost Group as determined in the December 31, 2019 actuarial valuation for the 2021/2022 Fiscal Year. These rates are before any consideration of \$70,763,669 prepayment.
- Exhibit 2: Central Contra Costa Sanitary District Employer Contribution Rates **After** \$70,763,669 prepayment
 - This exhibit provides the employer contribution rates for the District's Cost Group for the 2021/2022 Fiscal Year after reflecting the \$70,763,669 prepayment to pay off the District's UAAL.

Actuarial Assumptions

We assumed the 2021/2022 Fiscal Year contribution rates would be effective July 1, 2021 even though in practice the contribution rate changes may not take effect until after July 1, 2021.

These calculations are based on the December 31, 2019 actuarial valuation results including the participant data and actuarial assumptions on which that valuation was based. That valuation and these calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA and Enrolled Actuary. The undersigned is a member of the American Academy of Actuaries and meets the qualification requirements to render the actuarial opinion contained herein.

Sincerely,



Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary

EK/hy
Enclosures

cc: Christina Dunn

Contra Costa County Employees' Retirement Association
 Central Contra Costa Sanitary District (Cost Group #3)
 Employer Contribution Rates for 2021/2022 Fiscal Year
Before Reflecting \$70,763,669 Prepayment

General Tier 1			
	Basic	COLA	Total
Normal Cost	13.18%	3.78%	16.96%
UAAL	<u>22.87%</u>	<u>11.63%</u>	<u>34.50%</u>
Total	36.05%	15.41%	51.46%

General Tier 4 (3% COLA)			
	Basic	COLA	Total
Normal Cost	8.37%	2.87%	11.24%
UAAL	<u>22.87%</u>	<u>11.63%</u>	<u>34.50%</u>
Total	31.24%	14.50%	45.74%

Contra Costa County Employees' Retirement Association
 Central Contra Costa Sanitary District (Cost Group #3)
 Employer Contribution Rates for 2021/2022 Fiscal Year
After Reflecting \$70,763,669 Prepayment

General Tier 1			
	Basic	COLA	Total
Normal Cost	13.18%	3.78%	16.96%
UAAL ³	<u>0.16%</u>	<u>0.00%</u>	<u>0.16%</u>
Total	13.34%	3.78%	17.12%

General Tier 4 (3% COLA)			
	Basic	COLA	Total
Normal Cost	8.37%	2.87%	11.24%
UAAL ¹	<u>0.16%</u>	<u>0.00%</u>	<u>0.16%</u>
Total	8.53%	2.87%	11.40%

³ This represents the portion of the explicit administrative expense load (0.16% of payroll determined as of December 31, 2019) that is allocated to the employer's UAAL rate.



MEMORANDUM

Date: July 14, 2021
To: CCCERA Board of Retirement
From: Christina Dunn, Deputy Chief Executive Officer
Subject: Adjustment of Retirement Benefits and Contributions Resulting from Additional Compensation Pursuant to Unfair Labor Practice Case No. SF-CE-693-M

Overview

CCCERA was recently notified that after a hearing in an unfair labor practice case between the United Chief Officers Association (UCOA) and Contra Costa County Fire Protection District (District) the Public Employment Relations Board (PERB) provided the following:

- B.1. Pay to each eligible current and former member of the District's Fire Management Unit the 2.5 percent longevity differential for completing 15 years of service which was granted to other, unrepresented employees of the District but denied to Fire Management Unit employees on the basis of protected activity. The longevity benefit shall be retroactive to May 6, 2008, the date on which it was granted to unrepresented District employees, and shall affect the compensation of current and former Fire Management Unit members, *including the retirement benefits* of eligible current and former Association-represented employees, in the same manner and to the same extent as the benefit has been applied to the District's unrepresented employees. *(emphasis added)*
- B.2. The amounts owed to current and former employees as specified in B.1 above shall be compounded by interest computed at 7 percent per annum.

The additional compensation described in the PERB decision is pensionable for Legacy members under CCCERA Compensation Earnable Policy. There are 28 retired members that are affected by the additional compensation. CCCERA staff has started gathering the data to complete recalculations of the retired member's pension benefits. The underpayment of benefits will be provided to members including any applicable COLAs and interest retroactive to the date of the member's retirement.

Section B.2 of the decision provides for 7 percent interest annually to be paid to current and former employees on the underpaid compensation and retirement benefits. CCCERA received confirmation that the applicable retirement contributions were withheld from the salary payments provided to active and retired members along with associated interest. CCCERA received a request from the District to calculate and provide the interest on retirement benefits to the retired members with the agreement the District would reimburse the interest amounts to CCCERA.

Recommendation

Consider and take possible action to:

1. Collect the applicable missed employer and member retirement contributions plus interest;
2. Correct and adjust the retirement benefit calculations for the 28 affected retirees, including interest, pursuant to the unfair labor practice case No. SF-CE-693-M; and
3. Accept reimbursement from the District for the interest paid to the 28 affected retirees.



Meeting Date
07/14/2021
Agenda Item
#16

MEMORANDUM

Date: July 14, 2021
To: CCCERA Board of Retirement
From: Karen Levy, General Counsel
Subject: Consider and Take Possible Action to Amend the Retirement Board's Regulations

Background

The following amendments to the Board of Retirement's Regulations are proposed for the Board's consideration:

Regulations, Sec. II. Meetings

Clarify that the order of business at board meetings is to be set by the Board Chairperson and the CEO, and that the Chairperson may modify the order of business in his or her discretion at any time during the course of the Board meeting.

Specify that the agenda may provide for time limits on any item, including public comment, and the Board Chairperson may establish reasonable time limits on discussion items during the course of the meeting.

Insert under Section 4.b. Order of Business, Second Meeting of the Month, provisions to discuss unfinished administrative business and new administrative business.

The Board may also wish to discuss the frequency of meetings and provide direction on this topic, if desired.

Sec. III. Membership, Electronic Signatures

Insert a provision under Government Code Section 31527(i) to allow the use and acceptance of members' electronic signatures, if the electronic signatures and documents are submitted using technology the Board deems sufficient. This new Regulations provision will require that a separate policy be adopted by the Board to set forth a process by which CCCERA will ensure the integrity, security, and authenticity of the technology used. After the policy is adopted, electronic signatures and documents submitted using the approved technology will be given the same force as a signed, valid original document.

At a future date, the referenced policy will be provided for board consideration and information will be provided about the technology to be used for electronic signature and documents transmittal.

Sec. IV. Contributions and Reporting, Due Dates

Insert language to clarify that reports are due as stipulated in the regulations, unless specified in a written agreement between CCCERA and the participating employer.

Sec. XIII. Continued Employment of Partially Disabled Employees

Delete the note indicating that the section is under consideration for amendments or deletion. Update the reference to County Ordinance Code Section 38-4.402.

Additional formatting and typographical updates are reflected in the attached copy.

Process

Amendments to the Board Regulations require at least six affirmative votes of the Board of Retirement, as well as approval by the Board of Supervisors in order to become effective. (Regs. Section IX; Gov't Code Section 31525.)

Recommendation

Consider and take possible action to amend the Board Regulations as set forth above and request the approval of the County Board of Supervisors for the amendment.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**BOARD OF RETIREMENT
REGULATIONS**

Adopted 9/14/99

Amended 9/18/01

Amended 12/11/02

Amended 2/19/03

Amended 7/09/03

Amended 8/11/04

Amended 2/8/06

Amended 7/11/07

Amended 9/8/10

Amended 1/14/15

Amended 10/23/19

Amended 04/08/20

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

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

I. ADMINISTRATION

1. Name

The name of this Association is "The Contra Costa County Employees' Retirement Association" ("CCCERA" or the "Association").

2. Board

Whenever used in these Regulations, unless otherwise stated, "Board" and "Board of Retirement" mean CCCERA's Board of Retirement as defined in California Government ("Gov.") Code beginning at Section 31459.

2.1 Alternate Board Members

- A. The alternate safety, alternate appointed and alternate retiree members shall be provided with the same conference, education and manager on-site visit opportunities as all other Board members.
- B. The alternate safety, alternate appointed and alternate retiree members may participate in the deliberations of the Board or its committees including those deliberations held in closed session.
- C. Neither the alternate safety member, the alternate appointed member nor the alternate retiree member shall be entitled to serve as an officer of the Board.
- D. The alternate retiree member shall be entitled to the same compensation as the retiree member for attending a meeting, pursuant to Gov. Code Section 31521, whether or not the retiree member is in attendance at that meeting.
- E. The alternate appointed member shall be entitled to the same compensation as the fourth, fifth, sixth or ninth member, pursuant to Gov. Code Section 31520.12, whether or not the fourth, fifth, sixth or ninth members attend the meeting.

3. Election of Officers

At the first regular meeting in July, as the first order of business, the Board shall elect a Chairperson, Vice-Chairperson, and Secretary, each to hold office for a term of one year or until a successor is duly elected and qualified. The newly elected officers shall immediately be seated. The Chairperson shall establish the agenda as it relates to administrative or investment matters with the assistance of the Chief Executive Officer. Should an officer for any reason fail to complete his/her term, the Board shall select a successor for the balance of the expired term at its next regular meeting.

4. Delegation to Chief Executive Officer

In addition to the normal duties required to administer the Association on a day-to-day basis, the Chief Executive Officer is authorized to perform the following duties which are otherwise reserved for the Board:

- A. Issue subpoenas and subpoenas duces tecum under Gov. Code Section 31535.
- B. Release unclaimed funds under Gov. Code Section 31629 provided the claimant has adequately established his/her identity and makes application for the funds.
- C. Determine, under Gov. Code Section 31724, that the effective date of a member's disability retirement is a date earlier than the date the application was filed if the delay in filing was due to administrative oversight or inability to ascertain permanency and where credible documentation exists to support this fact.
- D. Accept elections for deferred retirement under Gov. Code Section 31700 and affidavits of membership under Gov. Code Section 31526.
- E. Correct prospectively any administrative error in the calculation of retirement benefits, with the issue of retroactive corrections, if any, to be reserved for the Board's exercise of discretion in accordance with the law.

5. Fiscal Year

The fiscal year for budget purposes shall be the calendar year.

II. MEETINGS

1. Regular Meetings

Regular meetings shall be held on the second and fourth Wednesday of each month at 9:00 a.m. in the Board Room of the Contra Costa County Employees' Retirement Association, 1200 Concord Avenue, Suite 350, Concord, California 94520, unless changed by the Board.

2. Quarterly Investment Review

The Board shall review investment manager performance on a quarterly basis, unless changed by the Board.

3. Special Meetings

Special meetings may be called in accordance with the Ralph M. Brown Act.

4. Rules of Order

Unless otherwise provided herein, the general conduct of the Board shall be guided by Robert's Rules of Order, Revised, 1915 edition. All other proceedings, including those of motions and decorum, shall be guided by those provisions pertaining to an "Assembly" as specified in Robert's Rules of Order.

The Chairperson will:

- A. Vote on all Questions
- B. Recognize a member or non-member entitled to speak
- C. Enforce the rules and decorum specified in these Regulations

A motion for the "Previous Question" (to "call" or cut off debate of the immediate pending question) may be made by any member without a second. If no objections are made by the members, the Chairperson will immediately "put", without debate, the question. If an objection is made, a vote is immediately required, without debate, regarding the "previous question". A vote of 2/3 of the votes cast is necessary for adoption. If adopted, the Chairperson immediately "puts", without debate, the pending question.

4.a. Order of Business, First Meeting of the Month

The usual order of business at the first meeting of the month, subject to the final setting of agenda matters by the Board Chairperson and the CEO is as follows shall be:

- A. Public Comment
- B. Approval of minutes
- C. Routine items approval
- D. Closed Session for disabilities, litigation, and personnel matters.
- E. Report out of Closed Session
- F. Unfinished administrative business
- G. New administrative business
- H. Fiduciary/Staff education
- I. Miscellaneous
 - (i) Staff Report
 - (ii) Outside Professionals' Reports
 - (iii) Trustees' comments

The Chairperson may modify the order of business in his or her discretion at any time during the course of the Board meeting. The Agenda may provide for reasonable time limits on any item, including public comment, and the Board Chairperson may establish reasonable time limits on discussion items during the course of the meeting.

4.b. Order of Business, Second Meeting of the Month

The usual order of business at the second meeting of the month, subject to the final setting of agenda matters by the Board Chairperson and the CEO is as follows shall be:

- A. Public Comment
- B. Approval of minutes
- C. Investment performance review
- D. Investment matters
- E. Actuarial matters

F. Unfinished administrative business

G. New administrative business

F.H. Miscellaneous

- (i) Staff Report
- (ii) Outside Professionals' Report
- (iii) Trustees' comments

The Chairperson may modify the order of business in his or her discretion at any time during the course of the Board meeting. The Agenda may provide for reasonable time limits on any item, including public comment, and the Board Chairperson may establish reasonable time limits on discussion items during the course of the meeting.

5. Quorum

Five voting Members of the Board present at the meeting shall constitute a quorum. No motion may be passed or business transacted without five affirmative votes.

6. Communications and Requests

Communications and requests should be made in writing and any action of the Board thereon shall be noted in the minutes.

7. Minutes

The minutes or a true copy thereof, prepared in accordance with the Ralph M. Brown Act, shall be signed by the Secretary and the Chairperson, and shall form part of the permanent records of the Board. The reason for a Board member's vote on a Board action shall be included in the minutes when requested by the member.

8. Committees of the Board

The Chairperson shall appoint committees as deemed necessary to carry out the business of the Board. A quorum for a Committee meeting shall consist of three Board Members. Committee meeting will be open to the public, except for meetings of ad-hoc advisory committees consisting of less than a quorum of the full Board. A Chairperson and Vice-Chairperson for each Committee will be appointed by the Board of Retirement Chairperson.

III. MEMBERSHIP

1. Exclusion from Membership – By Type of Employment

- A. All officers and employees of the County or districts shall be members of the association as provided in Article 4 under Sections 31550-31567 of the County Employees' Retirement Law of 1937 (Gov. Code Secs. 31450, et seq. "CERL"), unless excluded from membership by this Section.
- B. The following employees shall be excluded from membership:
 - (i) Temporary, seasonal or independent contract employees who are employed or re-employed for temporary service or at certain specified periods each year.
 - (ii) Intermittent or permanent-intermittent employees who are appointed to serve less than 80% of the full number of working hours required of regular employees or who actually serve less than 80% of such full number of working hours in one year as certified by their appointing authority.
 - (iii) Part-time employees whose service for the County or district is less than fifty (50) percent of the full number or working hours required of full-time employees at that employer.
 - (iv) Project employees, unless the appointing authority certifies that the project is expected to be of one year or more in duration on a greater than part-time basis.
 - (v) Provisional employees, unless they otherwise meet the requirements for reciprocal benefits with other retirement systems under Article 15 of CERL.
- C. In making its determination regarding an employee's inclusion in or exclusion from membership, the Board will not rely solely upon the term given to the type of employment. Rather, the Board will rely upon such additional facts such as the nature of the employment, its expected or actual duration, and its relationship to what is considered full-time, permanent employment.

2. Exclusion from Membership – by Compensation

Except as otherwise herein provided, all employees of the County or district who receive compensation amounting to less than one-hundred (\$100) dollars per month, and in the case of employees paid on other than a monthly basis an average of one-hundred (\$100) dollars per month for the preceding year, including maintenance valued according to the schedule adopted by the governing

body, are hereby excluded and exempted from membership in the Retirement Association. Any member of the Retirement Association whose salary is reduced to an amount less than one-hundred (\$100) dollars per month shall have the option of continuing or discontinuing his/her active membership in the Association.

3. Exclusion from Membership – by Waiver

2.1 Exclusion from Membership – by Waiver

Newly hired employees age 60 and older may waive membership as authorized by Gov. Code Section 31552. Any such waiver of membership shall be effective only if it is submitted to the CCCERA Chief Executive Officer within 90 days of the employee's date of hire; provided, however, that the Chief Executive Officer may, in his/her sole and reasonable discretion, waive the time limitation if the newly hired employee establishes good cause for such a waiver.

34. Certifications

Every employee of the County or district within the county whose employees are members of the Association shall, upon entry into the Association, complete a sworn statement as provided for in Gov. Code Section 31526(b). A certified copy of the member's birth certificate or other evidence of birth may be required by the Board.

It shall be the employer's responsibility to assure compliance with this section. The Board shall assess the employer five hundred (\$500) dollars per employee for every month or fraction thereof that the required certification is not submitted. The Board shall notify the employer in writing of the imposition of assessment at least thirty days before the assessment.

5. Electronic Signatures

Pursuant to Government Code Section 31527(i), the Board may use and accept a document requiring a signature that is submitted by a member using an electronic signature, if the document and electronic signature are submitted using technology the Board deems sufficient, as set forth in a policy adopted by the Board, to ensure its integrity, security, and authenticity. A document submitted pursuant to the Board-adopted policy shall be given the same force as a signed, valid original document.

IV. CONTRIBUTIONS AND REPORTING

1. Leave of Absence

When a leave of absence without pay is less than a full calendar month, the full monthly contribution, if available from the member's salary, shall be deducted from the member's earnable compensation and service credit shall be given for a full calendar month. If the amount of the member's salary for the applicable period is less than the contributions due, then no deduction shall be made for service credit. (Gov. Code section 31527, subd. (a).)

Members on stipendiary educational leaves shall continue to make contributions.

2. Due Dates

Each employer shall report to the Association in a manner and frequency as determined by the Board sufficient for the Board to credit contributions and service to each member's record.

Unless otherwise specified in a written agreement between CCCERA and the participating employer, reports shall be due no later than the tenth of each month for the previous month's payroll and shall be accompanied by member and employer contributions. If the tenth of the month falls on a weekend or holiday, the due date shall be the last working day before the tenth. Reports, which are unreadable or incorrect, shall not be accepted and shall be returned to the employer.

Reports and contributions received after the due date shall be considered late and subject to a late reporting penalty equal to: the prime rate in effect on the due date computed on a daily, non-compounding basis and applied to the contributions due.

3. Drops in Payroll

Whenever the employer's reportable payroll drops to a level which is lower than 70% of its payroll during the same period in the preceding year, the Board may investigate the cause. Whenever the employer's reportable payroll drops to a level which is lower than 50% of its payroll during the same period in the preceding year, the Board shall investigate the cause. If the Board determines that the cause is other than temporary it shall determine the amount of contributions due from the employer to continue paying its share of any unfunded liability. This amount shall then be due from the employer in addition to any contributions made on the reduced payroll.

4. Employer Certification

Each report as specified in Section IV.2 shall include or be accompanied by a certification, under penalty of perjury, as to its accuracy. The certification shall be made by a duly authorized representative of the employer.

V. SERVICE

1. Leave of Absence

When a member returns from a medical leave of absence without pay, the member shall receive credit for up to 12 months of the leave time if the member pays an amount equal to what he or she would have paid, including any amount that would have been paid by the member's employer on the member's behalf (i.e., subvented), had he or she not taken the leave together with the interest that such amount would have earned had it been on deposit. Calculation of the cost of the leave purchase and the method of payment for such leave shall be as provided in Gov. Code Section 31646.

2. Prior Service

In establishing the length of prior service for any member entitled to credit therefore, official payroll records or other official records shall be controlling. In the event that any of such records are unavailable, the Board, in its discretion, may accept affidavits of the employee, affidavits of the employee's employer, affidavits of fellow employees or such other sworn evidence as the Board determines to be pertinent.

For the purpose of these Regulations, credit for prior service for a per diem employee entitling the employee to a full year's credit towards retirement shall mean 200 or more workdays of service rendered in any one calendar year including leave of absence, vacation and sick leave duly granted, but not more than one year of credit shall be allowed for service in any one calendar year. Service of less than 200 workdays in any one calendar year shall be credited on the pro-rata basis of 250 workdays per year.

Prior service shall include all service for the employer and all service while on leave from the employer for military duty, which is prior to the establishment of the retirement system.

3. Sick Leave Credit

The following provisions govern the use of sick leave credit toward service credit at retirement under Government Code Sections 31641.01 as adopted by the County Board of Supervisors.

- A. The total hours of sick leave accumulated by the member on the date of retirement, at the rate of one day for each one day earned, shall be certified as to its accuracy in writing under penalty of perjury by the duly authorized representative of the employer.

- B. The Association shall convert the total sick leave into years and fractions of a year using the following equivalencies:
 - (i) For firefighters, accumulated sick leave hours at retirement shall be divided by 2,912 (average number of working hours per year for a firefighter).
 - (ii) For all other members, the accumulated sick leave hours at retirement shall be divided by 2,000 hours (average number of working hours per year).
- C. The formula used to determine the sick leave service credit value shall be the same as used for the member's service category at the time of retirement.

4. Service Purchase

Any member who elects to purchase prior public service under Government Code Section 31641.2, prior nonmembership service under Government Code Section 31641.5, prior service under Government Code Section 31648, or military service under Government Code Section 31649.5, shall be eligible to make the purchase anytime before applying for retirement.

Any member who elects to purchase prior public service under Government Code Section 31641.2, prior nonmembership service under Government Code Section 31641.5, prior service under Government Code Section 31648 or military service under Government Code Section 31649.5 shall be permitted to make such purchase in installment payments as provided for in Section V, paragraph 6 of these Regulations.

5. Redeposit of Withdrawn Contributions

On redeposit, a member must pay withdrawn contributions plus any interest as defined in Gov. Code Section 31472.1, subject to Section V, paragraph 8.

The redeposit will exclude contributions subvented by the employer under Gov. Code Secs. 31581.1 31581.2 and 31630, and exclude any Cost of Living (COL) contributions that were not otherwise paid by members as a result of a transfer of excess surplus funds for that year.

6. Installment Payments

Whenever a member elects to purchase prior public service (Gov. Code Sec. 31641.2), prior nonmembership service (Gov. Code Sec. 31641.5), prior military service (Gov. Code Sec. 31649.5), prior service (Gov. Code Sec. 31648), or leave of absence service (Gov. Code Sec. 31646), or elects to redeposit withdrawn

service (Gov. Code Sec. 31652), and the member elects to make such purchase or redeposit in installment payments, the following shall govern:

- A. The amount of service represented by each installment payment shall be computed by dividing the amount of the installment payment by the total cost of purchase or redeposit, and multiplying the resulting percent by the total service being purchased or redeposited.
- B. The member's service credit record shall be increased to reflect each installment payment as it is received and shall be applied to the most recent service for which credit is available.
- C. The member's account balance shall be increased to reflect each installment payment as it is received. Unless otherwise certified by the employer, the installment payment will be deemed and credited as after-tax member contributions.
- D. If the member dies, requests a refund, or retires either for service or disability, no further installments shall be accepted. Any benefit payable thereafter shall recognize or include service purchased or redeposited and account balances to date.
- E. If multiple periods of service are eligible for purchase or redeposit, the cost of each period shall be separately computed and any installments shall apply to the most recent service period first.
- F. Unless otherwise prohibited by law (leave of absence without pay under Gov. Code Sec. 31646, prior public service under Gov. Code Sec. 31641.2, and prior nonmembership service under Gov. Code Sec. 31641.5), the member shall be eligible to make installment payments so long as he or she continues to be actively employed.

As for service purchased under Government Code Sections 31641.5 and 31646, such payments may be made by lump sum or by installment payments over a period not to exceed the length of time for which the member has elected to receive credit, in the manner otherwise provided for in this paragraph 6.

As for service purchased under Government Code Section 31641.2, such payments may be made during active employment as a member by lump sum or by installment payments over a period not to exceed five years.

- G. A member may elect installment payments by monthly payroll deductions on a post tax basis.
 - (i) A Purchase Contract must be signed for payroll deductions.

- (ii) All payroll deduction Purchase contracts must be paid in full by the member's retirement date or within 120 days of termination.
- (iii) Service credit is posted to member's account at the completion of the contractual payments.

7. Conversion of Tier II Service Credit

Once a member elects or by resolution has been placed into Tier III membership under Gov. Code Sec 31755 he or she is eligible to convert all or any part of Tier II service credit to Tier III service credit.

The member's cost shall be the difference between the total amount he or she and the employer paid into the Association under Tier II and what would have been contributed during the same time if the employee had been under Tier III, together with interest as defined in Section 31472.1, subject to Section V, paragraph 8.

8. Forgiveness of Interest

In cases where a member is redepositing withdrawn contributions, purchasing service credit or converting service credit in accordance with this Section V, interest shall not include the most recently credited interest amount if all of the following conditions are met:

- A. The member requested a calculation of the cost of the purchase or conversion more than three months prior to the June 30 or December 31 interest crediting date.
- B. The member received the requested calculation after the June 30 or December 31 interest crediting date.
- C. Within 30 days of receipt of the requested calculation the member pays all or a part of the cost with a lump sum payment.

VI. COMPENSATION

1. **Compensation for Retirement Purposes.**

The Board has adopted a Board Compensation Policy listing items of compensation that are included in “compensation”, “compensation earnable”, and “final compensation” as defined in Government Code Sections 31460, 31461, and 31462.1. The Retirement Association will provide each employer with a copy of the Board Compensation Policy. Each employer is required to transmit promptly to the Retirement Association, contributions on each item of compensation listed in the Compensation Policy as includible in “compensation”.

2. **New or changed pay items.**

Each employer shall report to the Association in writing within 30 days of any of the following events:

- A. A new pay item is created.
- B. There has been a change in either an existing pay item or the conditions under which the pay item is computed, accrued or paid.
- C. Notification received after the 30 days adoption shall be considered late and shall be assessed as defined in Section IV.2.
- D. Upon notification, the Board shall determine whether the pay item is included in “compensation” as defined in Section 31460.

VII. NORMAL RETIREMENT AGE AND BONA FIDE SEPARATIONS

Normal Retirement Age

For purposes of applying the Pension Protection Act of 2006 (“PPA”) and complying with other applicable tax-related laws (such as restrictions on in-service distributions), effective July 1, 2007, the “Normal Retirement Age” for CCCERA members shall be the age set forth in CERL retirement formula for an unreduced benefit that applies to each CCCERA member immediately preceding the effective date of his or her retirement from a CCCERA employer. For example, the Normal Retirement Age for a member who earns retirement service immediately before retirement under a “3% at 50” retirement formula (Gov. Code section 31664.1) is 50 years of age. The Normal Retirement Age for a member who earns retirement service immediately before retirement under a “2% at 55” retirement formula (Gov. Code section 31676.16) is 55 years of age.

Notwithstanding the foregoing, Normal Retirement Age for CCCERA members shall in no event be earlier than (i) age 55 for CCCERA members who are not Qualified Public Safety Employees (as defined in Internal Revenue Code section 72(t)(10)(B)) immediately prior to their retirement; and (ii) age 50 for CCCERA members who are Qualified Public Safety Employees.

The Board may change or further refine its determination of Normal Retirement Age as described herein in order to comply with any rules or regulations of the Internal Revenue Service or other applicable law. The Board’s current determinations of Normal Retirement Age are based upon the findings and conclusions set forth in Board of Retirement Resolutions 2007-1 and 2007-2.

Bona Fide Separation from Service

A) In order to comply with tax law restrictions on in-service distributions, a member who retires at an age younger than Normal Retirement Age, as defined herein, may not enter into an agreement, either oral or written, prior to the date the member's retirement commences, to be reemployed while retired by the same CCCERA employer, regardless of the length of the member's break in service after retirement. The member must acknowledge in writing to CCCERA at the time of retirement that the member has been informed of these requirements and limitations on post-retirement employment and that no prearrangement to be reemployed while retired exists.

B) A member who retires at an age younger than Normal Retirement Age, as defined herein, must have at least a continuous 90-day break in service from the date of the member's last day of employment prior to being reemployed while retired by the member’s prior CCCERA employer.

C) If a member is reemployed without compliance with subsections (A) and (B) above, the retired member's retirement benefits from CCCERA must cease as soon as practicable upon discovery by CCCERA and will not resume until the member has a bona fide separation from service or reaches Normal Retirement Age, whichever occurs first.

D) A member may return to work prior to the time specified in section (B) above for emergency situations as defined in Government Code Section 8558 and under the return to work restrictions specified in Government Code Section 7522.56 *et seq.* However, prior to returning to work, the retiree must have incurred a bona fide break in service and cannot have entered into a prearranged agreement to be reemployed by the same employer.

E) The definitions, limitations and requirements contained herein shall be provided to every CCCERA member who inquires about retirement.

VIII. WITHDRAWALS

1. Discontinued Service

The service of a member will be considered “discontinued” under Gov. Code Section 31628 only if the member has actually terminated employment and either the termination is due to lay-off or the member is not reemployed by that employer for a period of 45 days.

The service of a member will not be considered discontinued if the member continues to work for the employer or for another participating employer, even if the member’s work schedule is below the minimum number of hours required to qualify for coverage. In these cases interest will continue to be credited to the member's account.

2. Account Withdrawals

All requests to withdraw an account must be in writing.

All payments of an account balance shall be in the form of either or both of the following:

- A. A lump sum distribution
- B. A rollover to an IRA or a new employer’s Qualified Plan per current IRS guidelines.

3. Interest Crediting

Interest is credited to the account of a pending refund request on June 30th or December 31st if the funds have been on deposit for six months or more in accordance with Gov. Code Section 31591.

A member who continues employment in a non-covered position will have interest credited to his/her account.

4. Account Reinstatement

A member who has appealed a dismissal and has been reinstated by the employer is allowed to redeposit withdrawn retirement contributions, plus interest, and will be reinstated as of the original date of membership in the Association.

IX. NEW PARTICIPATING EMPLOYERS (Section 31557)

All officers and employees of any newly participating district shall become members of the Association as provided in Section 31557.

- A. An actuarial valuation shall be made to determine liability.
- B. The district shall pay the cost of the valuation.

**X. PARTICIPATING EMPLOYER WITHDRAWAL
(SECTIONS 31564 AND 31564.2)**

An employer, by resolution, may withdraw its employees from membership in the Association as provided in Government Code sections 31564 and 31564.2.

- A. Upon notification by an employer that it is considering withdrawing from the Association, the Association will provide the employer with a copy of the Association's Employer Termination Policy.
- B. An employer shall comply with the Association's Employer Termination Policy to ensure the actuarial soundness of the retirement system.

XI. DISPENSING WITH RECALCULATION FOR MINOR DISCREPANCY

1. Closed Accounts

The Board authorizes the Chief Executive Officer to refrain from collecting an under payment or refunding an overpayment of accumulated contributions from a member who has terminated from the association and cannot be located, whenever the amount is fifty dollars (\$50) or less.

2. Active, Deferred and Retiree Accounts

The association may dispense with issuing any check whenever the retroactive liability is less than five dollars (\$5).

XII. APPLICATIONS FOR DISABILITY RETIREMENT

(Adopted: Retirement Board – June 14, 1977)

(Approved: Board of Supervisors – June 28, 1977)

1. Application Form

An application for service-connected or nonservice-connected disability retirement shall be filed on the Application for Disability Retirement form prescribed by the Board of Retirement, and shall include either a completed Physician's Statement or another form of medical report to support the Application.

2. Effective Date Of Disability Retirement Allowance

(a) The effective date of a disability retirement allowance shall be established pursuant to Gov. Code Section 31724.

(b) The applicant may apply to have the disability retirement allowance become effective earlier than the date the application is filed upon a showing the application was delayed due to administrative oversight or by the inability to determine the permanency of the disability until after the date following the last day for which the applicant received regular compensation, by completing the applicable section of the Application for Disability Retirement form. The failure of the applicant to apply for an earlier effective date at the time the application is filed shall constitute a waiver of the right to apply for an earlier effective date.

3. Denial Without Prejudice

(a) In the event the medical advisor's recommendation is to deny the disability application (without prejudice), the member may submit additional medical information to support the application and/or request a hearing within six (6) months of notice of the denial.

(b) In the event the medical advisor's recommendation is to grant the disability application, the Board of Retirement will review the recommendation and take action on the application for disability retirement. If the Board denies the application (without prejudice), the member may request a hearing within six (6) months of notice of the denial.

4. Request For Hearing

Any applicant for disability retirement shall, upon request, be entitled to a hearing, at the sole discretion of the Board of Retirement, before the Board, or

before a referee appointed by the Board pursuant to Gov. Code section 31533. Any such request for hearing shall be in writing, and shall be made within 30 days after notice of the Board's action denying the application is mailed by certified or registered mail to the applicant. An application is deemed made on the date mailed if mailed by certified or registered mail, on the date postmarked if mailed by first class mail and received, or on the date received by the Association, whichever is earlier.

5. Judicial Review

In any matter in which the party or applicant is entitled to judicial review of any action taken by the Board of Retirement, the petition to the court must be filed within 90 days from the date the notice of the Board's decision is delivered to the party or applicant, or served by certified or registered mail upon the party or applicant or the party's or applicant's attorney.

The procedure for hearings on disability retirement applications that the Board of Retirement or a Referee holds in connection with determination of disability retirement benefits under CERL shall be set forth in the Board of Retirement's separate policy regarding the same.

XIII. CONTINUED EMPLOYMENT OF PARTIALLY DISABLED EMPLOYEES

(Approved: Board of Supervisors – May 9, 1972)

~~NOTE: This entire section (formerly Section 10) is under consideration for either a complete rewrite and renumbering, or deletion. Below is a reproduction of Section 10 as created in 1972.~~

Section 10.1 – Purpose

This regulation governs the procedures for the continued employment of partially disabled members pursuant to Government Code Section 31725.5 and County Ordinance Code Section ~~246838-4.402~~.

Section 10.2 – Definitions

In this regulation, unless otherwise specifically provided, or required by the context, these terms have these meanings:

- A. “Reassignment” means the appointment (pursuant to the Statute, the ordinance and this regulation) of a member to a position, with duties different from, and compensation earnable higher, lower, or the same as, the position for which he is incapacitated.
- B. “Board” means the Board of Retirement (Retirement Board).
- C. “Chief Executive Officer” means the Retirement Administrator as defined in Government Code Section 31522.
- D. “Incapacitated for the performance of his/her duties” means the permanent inability of the member, due to physical or mental causes, to perform the duties of his/her specific position.
- E. “Committee” means the Rehabilitation Committee.
- F. “Governing Body” means the Board of Supervisors or the elected officials governing a district.
- G. “District” is defined in Government Code Section 31468.

Section 10.3 – Rehabilitation Committee

- A. A Rehabilitation Committee is hereby established for the purpose of recommending whether a member shall be reassigned.

- B. Except as provided by Section 10.7, this committee shall consist of the following:
 - a. The permanent members are a member of the Board designated by it; and the County Administrator, Director of Personnel and County Health Officer or their designees; and the Chief Executive Officer or his/her designee, who serves as secretary without a vote.
 - b. The appointing authority within the department or district to which the reassignment is proposed or his/her (its) designee.
 - c. The employee and/or his/her designee, unless he waives membership.

Section 10.4 – Procedure

- A. After an application for disability is filed, the Chief Executive Officer shall consult with the Board’s medical advisor, the member employee and others as necessary, to determine whether a reassignment appears feasible (in view of the member employee’s condition) if the Board later finds the member employee to be incapacitated for the performance of his/her duties. If a reassignment appear feasible to the Chief Executive Officer, he shall convene the permanent members of the Committee and the employee or his/her designee, and they shall explore the practicabilities of returning the member employee to his/her previous position or reassigning, rehabilitating and/or retraining him/her.
- B. When a department or district is located to which a reassignment appears feasible, the appointing authority within it shall be added to the Committee (pursuant to Section 10.3B(2) above).
- C. The Committee may make its recommendation to the Board at any time before or after Board action on the application for disability retirement.

Section 10.5 – Reassignment

After the Board determines that the member employee is incapacitated for the performance of his/her duties, he shall be reassigned, in lieu of being retired for disability, if the appointing authority in the department or district in which he is to be employed and the Governing Body agree to his/her appointment and the appointment is made in accordance with any applicable merit or Civil Service system rules.

Section 10.6 – Later Retirement

If a member who has accepted reassignment is voluntarily or involuntarily separated from the service thereafter, his/her retirement benefits and rights, including those of his/her beneficiaries, shall be determined as if he were being retired on the date of this

later separation for the same type of disability retirement as he would have received had he been retired originally instead of reassigned, but a new application may be filed for disability retirement based on his/her job connected injury or disease occurring after the first application was filed, and his/her rights and benefits (including Cost-of-Living retirement adjustments) shall not be less than those to which he would be entitled if he retires for service on the date of his/her later separation.

Section 10.7

In a district for which the Board of Supervisors is not the governing body, the Chief Executive Officer shall request the district to appoint to the Committee those personnel with functions similar to those of the County Administrator and Director of Personnel; and such other personnel shall then service on the Committee in lieu of the County Administrator and Director of Personnel.

XIV. AMENDMENT OF REGULATIONS

Amendments to these regulations require 6 affirmative votes of the Board.

XV. HISTORY

Adopted: 9/14/1999

Amended: 9/18/2001, 12/11/2002, 2/19/2003, 7/9/2003, 8/11/2004, 2/8/2006, 7/11/2007, 9/8/2010, 1/14/2015, 10/23/2019, 4/8/2020, 7/14/2021

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**BOARD OF RETIREMENT
REGULATIONS**

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

I. ADMINISTRATION

1. Name

The name of this Association is "The Contra Costa County Employees' Retirement Association" ("CCCERA" or the "Association").

2. Board

Whenever used in these Regulations, unless otherwise stated, "Board" and "Board of Retirement" mean CCCERA's Board of Retirement as defined in California Government ("Gov.") Code beginning at Section 31459.

2.1 Alternate Board Members

- A. The alternate safety, alternate appointed and alternate retiree members shall be provided with the same conference, education and manager on-site visit opportunities as all other Board members.
- B. The alternate safety, alternate appointed and alternate retiree members may participate in the deliberations of the Board or its committees including those deliberations held in closed session.
- C. Neither the alternate safety member, the alternate appointed member nor the alternate retiree member shall be entitled to serve as an officer of the Board.
- D. The alternate retiree member shall be entitled to the same compensation as the retiree member for attending a meeting, pursuant to Gov. Code Section 31521, whether or not the retiree member is in attendance at that meeting.
- E. The alternate appointed member shall be entitled to the same compensation as the fourth, fifth, sixth or ninth member, pursuant to Gov. Code Section 31520.12, whether or not the fourth, fifth, sixth or ninth members attend the meeting.

3. Election of Officers

At the first regular meeting in July, as the first order of business, the Board shall elect a Chairperson, Vice-Chairperson, and Secretary, each to hold office for a term of one year or until a successor is duly elected and qualified. The newly elected officers shall immediately be seated. The Chairperson shall establish the agenda as it relates to administrative or investment matters with the assistance of the Chief Executive Officer. Should an officer for any reason fail to complete his/her term, the Board shall select a successor for the balance of the expired term at its next regular meeting.

4. Delegation to Chief Executive Officer

In addition to the normal duties required to administer the Association on a day-to-day basis, the Chief Executive Officer is authorized to perform the following duties which are otherwise reserved for the Board:

- A. Issue subpoenas and subpoenas duces tecum under Gov. Code Section 31535.
- B. Release unclaimed funds under Gov. Code Section 31629 provided the claimant has adequately established his/her identity and makes application for the funds.
- C. Determine, under Gov. Code Section 31724, that the effective date of a member's disability retirement is a date earlier than the date the application was filed if the delay in filing was due to administrative oversight or inability to ascertain permanency and where credible documentation exists to support this fact.
- D. Accept elections for deferred retirement under Gov. Code Section 31700 and affidavits of membership under Gov. Code Section 31526.
- E. Correct prospectively any administrative error in the calculation of retirement benefits, with the issue of retroactive corrections, if any, to be reserved for the Board's exercise of discretion in accordance with the law.

5. Fiscal Year

The fiscal year for budget purposes shall be the calendar year.

II. MEETINGS

1. Regular Meetings

Regular meetings shall be held on the second and fourth Wednesday of each month at 9:00 a.m. in the Board Room of the Contra Costa County Employees' Retirement Association, 1200 Concord Avenue, Suite 350, Concord, California 94520, unless changed by the Board.

2. Quarterly Investment Review

The Board shall review investment manager performance on a quarterly basis, unless changed by the Board.

3. Special Meetings

Special meetings may be called in accordance with the Ralph M. Brown Act.

4. Rules of Order

Unless otherwise provided herein, the general conduct of the Board shall be guided by Robert's Rules of Order, Revised, 1915 edition. All other proceedings, including those of motions and decorum, shall be guided by those provisions pertaining to an "Assembly" as specified in Robert's Rules of Order.

The Chairperson will:

- A. Vote on all Questions
- B. Recognize a member or non-member entitled to speak
- C. Enforce the rules and decorum specified in these Regulations

A motion for the "Previous Question" (to "call" or cut off debate of the immediate pending question) may be made by any member without a second. If no objections are made by the members, the Chairperson will immediately "put", without debate, the question. If an objection is made, a vote is immediately required, without debate, regarding the "previous question". A vote of 2/3 of the votes cast is necessary for adoption. If adopted, the Chairperson immediately "puts", without debate, the pending question.

4.a. Order of Business, First Meeting of the Month

The usual order of business at the first meeting of the month, subject to the final setting of agenda matters by the Board Chairperson and the CEO is as follows:

- A. Public Comment
- B. Approval of minutes
- C. Routine items approval
- D. Closed Session for disabilities, litigation, and personnel matters.
- E. Report out of Closed Session
- F. Unfinished administrative business
- G. New administrative business
- H. Fiduciary/Staff education
- I. Miscellaneous
 - (i) Staff Report
 - (ii) Outside Professionals' Reports
 - (iii) Trustees' comments

The Chairperson may modify the order of business in his or her discretion at any time during the course of the Board meeting. The Agenda may provide for reasonable time limits on any item, including public comment, and the Board Chairperson may establish reasonable time limits on discussion items during the course of the meeting.

4.b. Order of Business, Second Meeting of the Month

The usual order of business at the second meeting of the month, subject to the final setting of agenda matters by the Board Chairperson and the CEO is as follows:

- A. Public Comment
- B. Approval of minutes
- C. Investment performance review
- D. Investment matters
- E. Actuarial matters
- F. Unfinished administrative business

G. New administrative business

H. Miscellaneous

- (i) Staff Report
- (ii) Outside Professionals' Report
- (iii) Trustees' comments

The Chairperson may modify the order of business in his or her discretion at any time during the course of the Board meeting. The Agenda may provide for reasonable time limits on any item, including public comment, and the Board Chairperson may establish reasonable time limits on discussion items during the course of the meeting.

5. Quorum

Five voting Members of the Board present at the meeting shall constitute a quorum. No motion may be passed or business transacted without five affirmative votes.

6. Communications and Requests

Communications and requests should be made in writing and any action of the Board thereon shall be noted in the minutes.

7. Minutes

The minutes or a true copy thereof, prepared in accordance with the Ralph M. Brown Act, shall be signed by the Secretary and the Chairperson, and shall form part of the permanent records of the Board. The reason for a Board member's vote on a Board action shall be included in the minutes when requested by the member.

8. Committees of the Board

The Chairperson shall appoint committees as deemed necessary to carry out the business of the Board. A quorum for a Committee meeting shall consist of three Board Members. Committee meeting will be open to the public, except for meetings of ad-hoc advisory committees consisting of less than a quorum of the full Board. A Chairperson and Vice-Chairperson for each Committee will be appointed by the Board of Retirement Chairperson.

III. MEMBERSHIP

1. Exclusion from Membership – By Type of Employment

- A. All officers and employees of the County or districts shall be members of the association as provided in Article 4 under Sections 31550-31567 of the County Employees' Retirement Law of 1937 (Gov. Code Secs. 31450, et seq. "CERL"), unless excluded from membership by this Section.
- B. The following employees shall be excluded from membership:
- (i) Temporary, seasonal or independent contract employees who are employed or re-employed for temporary service or at certain specified periods each year.
 - (ii) Intermittent or permanent-intermittent employees who are appointed to serve less than 80% of the full number of working hours required of regular employees or who actually serve less than 80% of such full number of working hours in one year as certified by their appointing authority.
 - (iii) Part-time employees whose service for the County or district is less than fifty (50) percent of the full number or working hours required of full-time employees at that employer.
 - (iv) Project employees, unless the appointing authority certifies that the project is expected to be of one year or more in duration on a greater than part-time basis.
 - (v) Provisional employees, unless they otherwise meet the requirements for reciprocal benefits with other retirement systems under Article 15 of CERL.
- C. In making its determination regarding an employee's inclusion in or exclusion from membership, the Board will not rely solely upon the term given to the type of employment. Rather, the Board will rely upon such additional facts such as the nature of the employment, its expected or actual duration, and its relationship to what is considered full-time, permanent employment.

2. Exclusion from Membership – by Compensation

Except as otherwise herein provided, all employees of the County or district who receive compensation amounting to less than one-hundred (\$100) dollars per month, and in the case of employees paid on other than a monthly basis an average of one-hundred (\$100) dollars per month for the preceding year, including maintenance valued according to the schedule adopted by the governing

body, are hereby excluded and exempted from membership in the Retirement Association. Any member of the Retirement Association whose salary is reduced to an amount less than one-hundred (\$100) dollars per month shall have the option of continuing or discontinuing his/her active membership in the Association.

3. Exclusion from Membership – by Waiver

Newly hired employees age 60 and older may waive membership as authorized by Gov. Code Section 31552. Any such waiver of membership shall be effective only if it is submitted to the CCCERA Chief Executive Officer within 90 days of the employee's date of hire; provided, however, that the Chief Executive Officer may, in his/her sole and reasonable discretion, waive the time limitation if the newly hired employee establishes good cause for such a waiver.

4. Certifications

Every employee of the County or district within the county whose employees are members of the Association shall, upon entry into the Association, complete a sworn statement as provided for in Gov. Code Section 31526(b). A certified copy of the member's birth certificate or other evidence of birth may be required by the Board.

It shall be the employer's responsibility to assure compliance with this section. The Board shall assess the employer five hundred (\$500) dollars per employee for every month or fraction thereof that the required certification is not submitted. The Board shall notify the employer in writing of the imposition of assessment at least thirty days before the assessment.

5. Electronic Signatures

Pursuant to Government Code Section 31527(i), the Board may use and accept a document requiring a signature that is submitted by a member using an electronic signature, if the document and electronic signature are submitted using technology the Board deems sufficient, as set forth in a policy adopted by the Board, to ensure its integrity, security, and authenticity. A document submitted pursuant to the Board-adopted policy shall be given the same force as a signed, valid original document.

IV. CONTRIBUTIONS AND REPORTING

1. Leave of Absence

When a leave of absence without pay is less than a full calendar month, the full monthly contribution, if available from the member's salary, shall be deducted from the member's earnable compensation and service credit shall be given for a full calendar month. If the amount of the member's salary for the applicable period is less than the contributions due, then no deduction shall be made for service credit. (Gov. Code section 31527, subd. (a).)

Members on stipendiary educational leaves shall continue to make contributions.

2. Due Dates

Each employer shall report to the Association in a manner and frequency as determined by the Board sufficient for the Board to credit contributions and service to each member's record.

Unless otherwise specified in a written agreement between CCCERA and the participating employer, reports shall be due no later than the tenth of each month for the previous month's payroll and shall be accompanied by member and employer contributions. If the tenth of the month falls on a weekend or holiday, the due date shall be the last working day before the tenth. Reports, which are unreadable or incorrect, shall not be accepted and shall be returned to the employer.

Reports and contributions received after the due date shall be considered late and subject to a late reporting penalty equal to: the prime rate in effect on the due date computed on a daily, non-compounding basis and applied to the contributions due.

3. Drops in Payroll

Whenever the employer's reportable payroll drops to a level which is lower than 70% of its payroll during the same period in the preceding year, the Board may investigate the cause. Whenever the employer's reportable payroll drops to a level which is lower than 50% of its payroll during the same period in the preceding year, the Board shall investigate the cause. If the Board determines that the cause is other than temporary it shall determine the amount of contributions due from the employer to continue paying its share of any unfunded liability. This amount shall then be due from the employer in addition to any contributions made on the reduced payroll.

4. Employer Certification

Each report as specified in Section IV.2 shall include or be accompanied by a certification, under penalty of perjury, as to its accuracy. The certification shall be made by a duly authorized representative of the employer.

V. SERVICE

1. Leave of Absence

When a member returns from a medical leave of absence without pay, the member shall receive credit for up to 12 months of the leave time if the member pays an amount equal to what he or she would have paid, including any amount that would have been paid by the member's employer on the member's behalf (i.e., subvented), had he or she not taken the leave together with the interest that such amount would have earned had it been on deposit. Calculation of the cost of the leave purchase and the method of payment for such leave shall be as provided in Gov. Code Section 31646.

2. Prior Service

In establishing the length of prior service for any member entitled to credit therefor, official payroll records or other official records shall be controlling. In the event that any of such records are unavailable, the Board, in its discretion, may accept affidavits of the employee, affidavits of the employee's employer, affidavits of fellow employees or such other sworn evidence as the Board determines to be pertinent.

For the purpose of these Regulations, credit for prior service for a per diem employee entitling the employee to a full year's credit towards retirement shall mean 200 or more workdays of service rendered in any one calendar year including leave of absence, vacation and sick leave duly granted, but not more than one year of credit shall be allowed for service in any one calendar year. Service of less than 200 workdays in any one calendar year shall be credited on the pro-rata basis of 250 workdays per year.

Prior service shall include all service for the employer and all service while on leave from the employer for military duty, which is prior to the establishment of the retirement system.

3. Sick Leave Credit

The following provisions govern the use of sick leave credit toward service credit at retirement under Government Code Sections 31641.01 as adopted by the County Board of Supervisors.

- A. The total hours of sick leave accumulated by the member on the date of retirement, at the rate of one day for each one day earned, shall be certified as to its accuracy in writing under penalty of perjury by the duly authorized representative of the employer.
- B. The Association shall convert the total sick leave into years and fractions of a year using the following equivalencies:
 - (i) For firefighters, accumulated sick leave hours at retirement shall be divided by 2,912 (average number of working hours per year for a firefighter).
 - (ii) For all other members, the accumulated sick leave hours at retirement shall be divided by 2,000 hours (average number of working hours per year).
- C. The formula used to determine the sick leave service credit value shall be the same as used for the member's service category at the time of retirement.

4. Service Purchase

Any member who elects to purchase prior public service under Government Code Section 31641.2, prior nonmembership service under Government Code Section 31641.5, prior service under Government Code Section 31648, or military service under Government Code Section 31649.5, shall be eligible to make the purchase anytime before applying for retirement.

Any member who elects to purchase prior public service under Government Code Section 31641.2, prior nonmembership service under Government Code Section 31641.5, prior service under Government Code Section 31648 or military service under Government Code Section 31649.5 shall be permitted to make such purchase in installment payments as provided for in Section V, paragraph 6 of these Regulations.

5. Redeposit of Withdrawn Contributions

On redeposit, a member must pay withdrawn contributions plus any interest as defined in Gov. Code Section 31472.1, subject to Section V, paragraph 8.

The redeposit will exclude contributions subvented by the employer under Gov. Code Secs. 31581.1 31581.2 and 31630, and exclude any Cost of Living (COL) contributions that were not otherwise paid by members as a result of a transfer of excess surplus funds for that year.

6. Installment Payments

Whenever a member elects to purchase prior public service (Gov. Code Sec. 31641.2), prior nonmembership service (Gov. Code Sec. 31641.5), prior military service (Gov. Code Sec. 31649.5), prior service (Gov. Code Sec. 31648), or leave of absence service (Gov. Code Sec. 31646), or elects to redeposit withdrawn service (Gov. Code Sec. 31652), and the member elects to make such purchase or redeposit in installment payments, the following shall govern:

- A. The amount of service represented by each installment payment shall be computed by dividing the amount of the installment payment by the total cost of purchase or redeposit, and multiplying the resulting percent by the total service being purchased or redeposited.
- B. The member's service credit record shall be increased to reflect each installment payment as it is received and shall be applied to the most recent service for which credit is available.
- C. The member's account balance shall be increased to reflect each installment payment as it is received. Unless otherwise certified by the employer, the installment payment will be deemed and credited as after-tax member contributions.
- D. If the member dies, requests a refund, or retires either for service or disability, no further installments shall be accepted. Any benefit payable thereafter shall recognize or include service purchased or redeposited and account balances to date.
- E. If multiple periods of service are eligible for purchase or redeposit, the cost of each period shall be separately computed and any installments shall apply to the most recent service period first.
- F. Unless otherwise prohibited by law (leave of absence without pay under Gov. Code Sec. 31646, prior public service under Gov. Code Sec. 31641.2, and prior nonmembership service under Gov. Code Sec. 31641.5), the member shall be eligible to make installment payments so long as he or she continues to be actively employed.

As for service purchased under Government Code Sections 31641.5 and 31646, such payments may be made by lump sum or by installment payments over a period not to exceed the length of time for which the member has elected to receive credit, in the manner otherwise provided for in this paragraph 6.

As for service purchased under Government Code Section 31641.2, such payments may be made during active employment as a member by lump sum or by installment payments over a period not to exceed five years.

- G. A member may elect installment payments by monthly payroll deductions on a post tax basis.
 - (i) A Purchase Contract must be signed for payroll deductions.
 - (ii) All payroll deduction Purchase contracts must be paid in full by the member's retirement date or within 120 days of termination.
 - (iii) Service credit is posted to member's account at the completion of the contractual payments.

7. Conversion of Tier II Service Credit

Once a member elects or by resolution has been placed into Tier III membership under Gov. Code Sec 31755 he or she is eligible to convert all or any part of Tier II service credit to Tier III service credit.

The member's cost shall be the difference between the total amount he or she and the employer paid into the Association under Tier II and what would have been contributed during the same time if the employee had been under Tier III, together with interest as defined in Section 31472.1, subject to Section V, paragraph 8.

8. Forgiveness of Interest

In cases where a member is redepositing withdrawn contributions, purchasing service credit or converting service credit in accordance with this Section V, interest shall not include the most recently credited interest amount if all of the following conditions are met:

- A. The member requested a calculation of the cost of the purchase or conversion more than three months prior to the June 30 or December 31 interest crediting date.
- B. The member received the requested calculation after the June 30 or December 31 interest crediting date.
- C. Within 30 days of receipt of the requested calculation the member pays all or a part of the cost with a lump sum payment.

VI. COMPENSATION

1. Compensation for Retirement Purposes.

The Board has adopted a Board Compensation Policy listing items of compensation that are included in “compensation”, “compensation earnable”, and “final compensation” as defined in Government Code Sections 31460, 31461, and 31462.1. The Retirement Association will provide each employer with a copy of the Board Compensation Policy. Each employer is required to transmit promptly to the Retirement Association, contributions on each item of compensation listed in the Compensation Policy as includible in “compensation”.

2. New or changed pay items.

Each employer shall report to the Association in writing within 30 days of any of the following events:

- A. A new pay item is created.
- B. There has been a change in either an existing pay item or the conditions under which the pay item is computed, accrued or paid.
- C. Notification received after the 30 days adoption shall be considered late and shall be assessed as defined in Section IV.2.
- D. Upon notification, the Board shall determine whether the pay item is included in “compensation” as defined in Section 31460.

VII. NORMAL RETIREMENT AGE AND BONA FIDE SEPARATIONS

Normal Retirement Age

For purposes of applying the Pension Protection Act of 2006 (“PPA”) and complying with other applicable tax-related laws (such as restrictions on in-service distributions), effective July 1, 2007, the “Normal Retirement Age” for CCCERA members shall be the age set forth in CERL retirement formula for an unreduced benefit that applies to each CCCERA member immediately preceding the effective date of his or her retirement from a CCCERA employer. For example, the Normal Retirement Age for a member who earns retirement service immediately before retirement under a “3% at 50” retirement formula (Gov. Code section 31664.1) is 50 years of age. The Normal Retirement Age for a member who earns retirement service immediately before retirement under a “2% at 55” retirement formula (Gov. Code section 31676.16) is 55 years of age.

Notwithstanding the foregoing, Normal Retirement Age for CCCERA members shall in no event be earlier than (i) age 55 for CCCERA members who are not Qualified Public Safety Employees (as defined in Internal Revenue Code section 72(t)(10)(B)) immediately prior to their retirement; and (ii) age 50 for CCCERA members who are Qualified Public Safety Employees.

The Board may change or further refine its determination of Normal Retirement Age as described herein in order to comply with any rules or regulations of the Internal Revenue Service or other applicable law. The Board’s current determinations of Normal Retirement Age are based upon the findings and conclusions set forth in Board of Retirement Resolutions 2007-1 and 2007-2.

Bona Fide Separation from Service

A) In order to comply with tax law restrictions on in-service distributions, a member who retires at an age younger than Normal Retirement Age, as defined herein, may not enter into an agreement, either oral or written, prior to the date the member's retirement commences, to be reemployed while retired by the same CCCERA employer, regardless of the length of the member's break in service after retirement. The member must acknowledge in writing to CCCERA at the time of retirement that the member has been informed of these requirements and limitations on post-retirement employment and that no prearrangement to be reemployed while retired exists.

B) A member who retires at an age younger than Normal Retirement Age, as defined herein, must have at least a continuous 90-day break in service from the date of the member's last day of employment prior to being reemployed while retired by the member’s prior CCCERA employer.

C) If a member is reemployed without compliance with subsections (A) and (B) above, the retired member's retirement benefits from CCCERA must cease as soon as practicable upon discovery by CCCERA and will not resume until the member has a bona fide separation from service or reaches Normal Retirement Age, whichever occurs first.

D) A member may return to work prior to the time specified in section (B) above for emergency situations as defined in Government Code Section 8558 and under the return to work restrictions specified in Government Code Section 7522.56 *et seq.* However, prior to returning to work, the retiree must have incurred a bona fide break in service and cannot have entered into a prearranged agreement to be reemployed by the same employer.

E) The definitions, limitations and requirements contained herein shall be provided to every CCCERA member who inquires about retirement.

VIII. WITHDRAWALS

1. Discontinued Service

The service of a member will be considered “discontinued” under Gov. Code Section 31628 only if the member has actually terminated employment and either the termination is due to lay-off or the member is not reemployed by that employer for a period of 45 days.

The service of a member will not be considered discontinued if the member continues to work for the employer or for another participating employer, even if the member’s work schedule is below the minimum number of hours required to qualify for coverage. In these cases interest will continue to be credited to the member's account.

2. Account Withdrawals

All requests to withdraw an account must be in writing.

All payments of an account balance shall be in the form of either or both of the following:

- A. A lump sum distribution
- B. A rollover to an IRA or a new employer’s Qualified Plan per current IRS guidelines.

3. Interest Crediting

Interest is credited to the account of a pending refund request on June 30th or December 31st if the funds have been on deposit for six months or more in accordance with Gov. Code Section 31591.

A member who continues employment in a non-covered position will have interest credited to his/her account.

4. Account Reinstatement

A member who has appealed a dismissal and has been reinstated by the employer is allowed to redeposit withdrawn retirement contributions, plus interest, and will be reinstated as of the original date of membership in the Association.

IX. NEW PARTICIPATING EMPLOYERS (Section 31557)

All officers and employees of any newly participating district shall become members of the Association as provided in Section 31557.

- A. An actuarial valuation shall be made to determine liability.
- B. The district shall pay the cost of the valuation.

**X. PARTICIPATING EMPLOYER WITHDRAWAL
(SECTIONS 31564 AND 31564.2)**

An employer, by resolution, may withdraw its employees from membership in the Association as provided in Government Code sections 31564 and 31564.2.

- A. Upon notification by an employer that it is considering withdrawing from the Association, the Association will provide the employer with a copy of the Association's Employer Termination Policy.
- B. An employer shall comply with the Association's Employer Termination Policy to ensure the actuarial soundness of the retirement system.

XI. DISPENSING WITH RECALCULATION FOR MINOR DISCREPANCY

1. Closed Accounts

The Board authorizes the Chief Executive Officer to refrain from collecting an under payment or refunding an overpayment of accumulated contributions from

a member who has terminated from the association and cannot be located, whenever the amount is fifty dollars (\$50) or less.

2. Active, Deferred and Retiree Accounts

The association may dispense with issuing any check whenever the retroactive liability is less than five dollars (\$5).

XII. APPLICATIONS FOR DISABILITY RETIREMENT

(Adopted: Retirement Board – June 14, 1977)

(Approved: Board of Supervisors – June 28, 1977)

1. Application Form

An application for service-connected or nonservice-connected disability retirement shall be filed on the Application for Disability Retirement form prescribed by the Board of Retirement, and shall include either a completed Physician's Statement or another form of medical report to support the Application.

2. Effective Date Of Disability Retirement Allowance

(a) The effective date of a disability retirement allowance shall be established pursuant to Gov. Code Section 31724.

(b) The applicant may apply to have the disability retirement allowance become effective earlier than the date the application is filed upon a showing the application was delayed due to administrative oversight or by the inability to determine the permanency of the disability until after the date following the last day for which the applicant received regular compensation, by completing the applicable section of the Application for Disability Retirement form. The failure of the applicant to apply for an earlier effective date at the time the application is filed shall constitute a waiver of the right to apply for an earlier effective date.

3. Denial Without Prejudice

(a) In the event the medical advisor's recommendation is to deny the disability application (without prejudice), the member may submit additional medical information to support the application and/or request a hearing within six (6) months of notice of the denial.

(b) In the event the medical advisor's recommendation is to grant the disability application, the Board of Retirement will review the recommendation and take action on the application for disability retirement. If the Board denies the

application (without prejudice), the member may request a hearing within six (6) months of notice of the denial.

4. Request For Hearing

Any applicant for disability retirement shall, upon request, be entitled to a hearing, at the sole discretion of the Board of Retirement, before the Board, or before a referee appointed by the Board pursuant to Gov. Code section 31533. Any such request for hearing shall be in writing, and shall be made within 30 days after notice of the Board's action denying the application is mailed by certified or registered mail to the applicant. An application is deemed made on the date mailed if mailed by certified or registered mail, on the date postmarked if mailed by first class mail and received, or on the date received by the Association, whichever is earlier.

5. Judicial Review

In any matter in which the party or applicant is entitled to judicial review of any action taken by the Board of Retirement, the petition to the court must be filed within 90 days from the date the notice of the Board's decision is delivered to the party or applicant, or served by certified or registered mail upon the party or applicant or the party's or applicant's attorney.

The procedure for hearings on disability retirement applications that the Board of Retirement or a Referee holds in connection with determination of disability retirement benefits under CERL shall be set forth in the Board of Retirement's separate policy regarding the same.

XIII. CONTINUED EMPLOYMENT OF PARTIALLY DISABLED EMPLOYEES

(Approved: Board of Supervisors – May 9, 1972)

Section 10.1 – Purpose

This regulation governs the procedures for the continued employment of partially disabled members pursuant to Government Code Section 31725.5 and County Ordinance Code Section 38-4.402.

Section 10.2 – Definitions

In this regulation, unless otherwise specifically provided, or required by the context, these terms have these meanings:

- A. “Reassignment” means the appointment (pursuant to the Statute, the ordinance and this regulation) of a member to a position, with duties different from, and compensation earnable higher, lower, or the same as, the position for which he is incapacitated.
- B. “Board” means the Board of Retirement (Retirement Board).
- C. “Chief Executive Officer” means the Retirement Administrator as defined in Government Code Section 31522.
- D. “Incapacitated for the performance of his/her duties” means the permanent inability of the member, due to physical or mental causes, to perform the duties of his/her specific position.
- E. “Committee” means the Rehabilitation Committee.
- F. “Governing Body” means the Board of Supervisors or the elected officials governing a district.
- G. “District” is defined in Government Code Section 31468.

Section 10.3 – Rehabilitation Committee

- A. A Rehabilitation Committee is hereby established for the purpose of recommending whether a member shall be reassigned.
- B. Except as provided by Section 10.7, this committee shall consist of the following:

- a. The permanent members are a member of the Board designated by it; and the County Administrator, Director of Personnel and County Health Officer or their designees; and the Chief Executive Officer or his/her designee, who serves as secretary without a vote.
- b. The appointing authority within the department or district to which the reassignment is proposed or his/her (its) designee.
- c. The employee and/or his/her designee, unless he waives membership.

Section 10.4 – Procedure

- A. After an application for disability is filed, the Chief Executive Officer shall consult with the Board’s medical advisor, the member employee and others as necessary, to determine whether a reassignment appears feasible (in view of the members employee’s condition) if the Board later finds the member employee to be incapacitated for the performance of his/her duties. If a reassignment appear feasible to the Chief Executive Officer, he shall convene the permanent members of the Committee and the employee or his/her designee, and they shall explore the practicabilities of returning the member employee to his/her previous position or reassigning, rehabilitating and/or retraining him/her.
- B. When a department or district is located to which a reassignment appears feasible, the appointing authority within it shall be added to the Committee (pursuant to Section 10.3B(2) above).
- C. The Committee may make its recommendation to the Board at any time before or after Board action on the application for disability retirement.

Section 10.5 – Reassignment

After the Board determines that the member employee is incapacitated for the performance of his/her duties, he shall be reassigned, in lieu of being retired for disability, if the appointing authority in the department or district in which he is to be employed and the Governing Body agree to his/her appointment and the appointment is made in accordance with any applicable merit or Civil Service system rules.

Section 10.6 – Later Retirement

If a member who has accepted reassignment is voluntarily or involuntarily separated from the service thereafter, his/her retirement benefits and rights, including those of his/her beneficiaries, shall be determined as if he were being retired on the date of this later separation for the same type of disability retirement as he would have received had he been retired originally instead of reassigned, but a new application may be filed for disability retirement based on his/her job connected injury or disease

occurring after the first application was filed, and his/her rights and benefits (including Cost-of-Living retirement adjustments) shall not be less than those to which he would be entitled if he retires for service on the date of his/her later separation.

Section 10.7

In a district for which the Board of Supervisors is not the governing body, the Chief Executive Officer shall request the district to appoint to the Committee those personnel with functions similar to those of the County Administrator and Director of Personnel; and such other personnel shall then service on the Committee in lieu of the County Administrator and Director of Personnel.

XIV. AMENDMENT OF REGULATIONS

Amendments to these regulations require 6 affirmative votes of the Board.

XV. HISTORY

Adopted: 9/14/1999

Amended: 9/18/2001, 12/11/2002, 2/19/2003, 7/9/2003, 8/11/2004, 2/8/2006, 7/11/2007, 9/8/2010, 1/14/2015, 10/23/2019, 4/8/2020, 7/14/2021

Meeting Date
07/14/2021
Agenda Item
#17a.

SACRS Board of Directors and Program Committee Meetings
August 30-31, 2021
San Diego, CA

The Board of Directors meeting is a day-long retreat for in depth discussion on progress and future planning. The Program Committee will focus on preparation for the Fall conference.

Meeting: SACRS Board of Directors

Date: August 30

Time: 9:30 am – 4 pm

Location: Paradise Point Hotel, San Diego

Attendees: SACRS BOD and Committee Chairs

Meeting: SACRS Program Committee

Date: August 31

Time: 9:30 am – 1 pm

Location: Paradise Point Hotel, San Diego

Attendees: SACRS BOD, Program Committee Members



Meeting Date
07/14/2021
Agenda Item
#17b.

National Conference on Public Employee Retirement Systems *The Voice for Public Pensions*

NCPERS FALL Conference



In an effort to get our conference schedule back on track for 2022, we will host our FALL Conference, in-person, at it's original scheduled time of year.

About the FALL Conference

Recognizing the need for valuable education in a time when face-to-face meetings have been interrupted by a global pandemic, we decided to create the **Financial, Actuarial, Legislative & Legal (FALL) Conference**.

The FALL Conference is where public pension trustees, staff, and the industry partners that service them, can come together to learn, exchange ideas, strategize solutions, and make valuable connections.

This two-day program is structured in three tracks that will equip attendees with valuable insights on **Financial, Actuarial, Legislative & Legal** matters impacting public pensions.

Please be assured, this event will be hosted in accordance with all CDC and New York state COVID-19 safety practices and guidelines (i.e. masks, temperature checks, social distancing and any other requirements).



Meeting Date
07/14/2021
Agenda Item
#17c.

Virtual Program Principles for Trustees 2021

Featuring abbreviated sessions from CALAPRS popular annual program for new public pension fund trustees

About The Program

Public Pension Fund Trustees bear a heavy fiduciary burden. On a cumulative basis, California's Constitution holds our members' **350** Trustees accountable for the stewardship of more than **\$450** Billion in retirement fund assets. **40** California public pension systems belong to CALAPRS. For many years, Trustees of our member retirement systems have participated in CALAPRS' unique training programs presented exclusively for California public retirement system board members.

The in-person Principles of Pension Governance for Trustees program held at Pepperdine University has been postponed until 2022. However, to continue CALAPRS' mission of providing education for trustees during these unprecedented times, we have arranged with our faculty of subject-matter experts to present abbreviated versions of several key educational topics from this program in an online format in 2021.

It is our hope that those who attend the online program this year will be able to join us next year as well, to experience the full educational program and the full agenda of important topics and networking that are offered in-person at Pepperdine.

Who Should Attend?

The course is for Trustees. Attendance is recommended within the first year after assuming office. Experienced Trustees will use the program as a comprehensive refresher course.

Faculty

The Course will be taught by public pension practitioners, including Consultants, Actuaries, Investment Managers, & Administrators.

How to Participate – The Virtual Platform

The program will be held using the Zoom Meeting platform and attendees will need to participate using their computer or mobile tablet in order to access the visual portion of the sessions. Audio may be accessed by dialing in by phone or through computer audio using the Zoom platform. Detailed access instructions will be sent to each participant upon registration.

CALAPRS plans to make this course interactive and allow attendees the option to enable their audio and video and participate actively in the discussion, as facilitated by the moderators. In addition, a chat box will be available for attendees to communicate with each other in writing, as well as a written Q&A feature to submit questions directly to the presenters / moderators.

The Curriculum

All course materials are based on actual California public pension fund law, policies, practices and problems.

Tuesday, September 28, 2021

8:30 – 10:00am PT

Fiduciary Duty and Sound Decision Making

- Identify and discuss the fiduciary duties that are applicable to public pension board members in California. (Duty of Loyalty & Duty of Care)
- Board meeting process – Motions, seconds, etc.
- Eight questions Board members should ask themselves before making a decision
- Not so hypothetical hypotheticals

Presented by:

Chris Waddell, Senior Counsel, Olson Remcho

10:00-10:30am Break

10:30am-12:00pm PT

Key Issues in Disability Retirement

- Understand purpose and types of disability retirement
- Discuss the standards and elements of disability retirement
- Understand the role of staff and trustees, as well as considerations for board members

Presented by:

Suzanne Jenike, Assistant CEO, External Operations, Orange County Employees Retirement System

Wednesday, September 29, 2021

8:30am-12:00pm PT (Break 10:00-10:30am)

Investment Policy Basics & Overseeing the Investment Program

- Linking the liabilities to the asset portfolio
- The roles of trustees, staff and advisors in the decision-making process
- How to design and implement a successful strategic investment program
- How asset allocations are selected
- Best practices for implementation and monitoring of investment programs

Presented by:

*Tim Price, Chief Investment Officer, Contra Costa County Employees' Retirement Association
Scott Whalen, Executive Vice President, Verus Investments*

Thursday, September 30, 2021

8:30am-12:00pm PT (Break 10:00-10:30am)

Addressing Pension Liabilities

- Role of an actuary & purposes of an actuarial valuation
- Walk through an actuarial valuation and report
- Role of assumptions and methods
- Understanding actuarial gains and losses
- Overview of actuarial gains and losses, UAAL, and asset smoothing methods

Presented by:

Paul Angelo, FSA, Senior Vice President & Actuary, Segal Consulting

Todd Tauzer, FSA, CERA, FCA, MAAA, Vice President & Actuary, Segal Consulting

Registration & Pricing

Registration is open to any current trustee from a CALAPRS member retirement system. Registration is open online at www.calaprs.org.

Pricing is as follows:

- Full virtual program (all 3 sessions): \$500

Register now at www.calaprs.org/events

Questions?

Contact register@calaprs.org or 415-764-4860 and a member of the CALAPRS staff will be happy to assist you.

Meeting Date
07/14/2021
Agenda Item
#17d.



Join us for an invitation-only, three-day intensive training program led by experts who will cover a wide range of topics, including best practices in fund governance, tools for risk management, trends in sustainable investment, oversight of private investment, manager selection and oversight, global strategy, and maximizing portfolio returns.

COVID-19: ValueEdge Advisors takes the safety of its guests seriously and is continuously monitoring information and following guidance from the Centers for Disease Control and Prevention (CDC) and local health departments regarding COVID-19. As the situation evolves, so will our approach to keeping you safe. Please continue to check back for the latest information regarding our safety protocols.

SESSIONS AGENDA

TUESDAY, OCTOBER 26, 2021

6:00 pm – 6:10 pm **Welcome and Opening Remarks**

Speakers: TBD

6:10 pm – 7:15 pm **Session 1: Keynote Address**

Speakers: TBD

WEDNESDAY, OCTOBER 27, 2021

8:00 am – 9:00 am **Session 2: Pandemic Aftershocks: Implications for Investing, Governance, and Globalism**

In the aftermath of the COVID-19 pandemic, farsighted analysts examine and forecast what changes to the global economy, specific industries, and interpersonal relations will result. From labor/management issues, risk management, and readiness to public policy and litigation practices, we ask what new habits, processes, and policies are likely to take hold that will impact fund management over the long term.

Speakers: TBD

9:00 am – 10:00 am **Session 3: General Counsels' Roundtable**

From accounting practices and disclosures, to cybersecurity and data privacy, to human resources and employment practices, the role of the fund general counsel/CCO has growing strategic and operational implications to successful fund management. Seasoned fund officers in law and compliance share perspectives on the evolving demands on their jobs in public policy debates, investment mandates, stakeholder relations, securities litigation, and fund governance.

Speakers: TBD

10:00 am – 10:15 am **Networking Break**

10:15 am – 11:15 am **Session 4: New Approaches to Responsible Investment**

From climate change to board diversity to the opioid crisis, pension funds are facing new responsibilities and opportunities in sustainability and responsible investing. How are leading funds responding to the challenge?

Speakers: TBD

11:15 am – 12:00 pm **Session 5: What Were They Thinking?**

A seasoned advisor to corporate directors gets you inside the boardroom and discusses how boards function, what happens when they don't function well, and what they need to hear from investors.

Speakers: TBD

12:00 pm – 1:00 pm **Lunch**

1:00 pm – 2:00 pm **Session 6: Embracing Change in a World of Anxiety**

In a transformative time, a renowned psychologist gives practical advice for professionals to reduce stress and toxic thinking while embracing opportunity and new potential.

Speakers: TBD

2:00 pm – 3:00 pm **Session 7: Recoveries and Remedies: Protecting Your Portfolio Through Securities Litigation**

Leading securities lawyers and fund managers present case studies on the successful use of securities litigation by pension funds to improve returns, reduce risk, and repair troubled companies in their portfolios.

Speakers: TBD

3:00 pm – 4:00 pm **Session 8: Legal Developments Abroad**

International experts and experienced asset managers cover the issues facing investors protecting their rights around the world, including international monitoring, foreign recoveries, claims funding for securities traded on non-U.S. exchanges, and third-party funding issues.

Speakers: TBD

THURSDAY, OCTOBER 28, 2021

8:00 am – 9:00 am **Session 9: Best Practices in Fund Governance**
Pension fund leaders share innovative insights and information on what works best in fund management and stakeholder accountability.
Speakers: TBD

9:00 am – 10:00 am **Session 10: How Big Data and Technology Are Changing the Investment Business**
Technology is transforming every field of human activity. Robots are replacing people in fund management and stockpicking activities. How you can benefit and what you should fear from emerging developments in machine learning, AI, and Big Data.
Speakers: TBD

10:00 am – 10:15 am **Networking Break**

10:15 am – 11:00 am **Session 11: Emerging Issues in Investing and Governance**
Perceptive thinkers and veteran practitioners discuss the changing landscape of pension fund management, investment stewardship, and boardroom practices.
Speakers: TBD

11:00 am – 12:00 pm **Session 12: Living and Laughing in America**
A celebrated comedian provides insights into life in post-pandemic America.
Speakers: TBD

12:00 pm – 12:10 pm **Closing Remarks**
Speakers: TBD

2021 PUBLIC FUNDS FORUM

SAN DIEGO, CALIFORNIA
OCTOBER 26-28, 2021