

# County of Riverside



## Summary Plan Description for the County of Riverside Temporary/Part-Time Employee's Retirement Plan

## **SUMMARY PLAN DESCRIPTION**

### **INTRODUCTION**

The County of Riverside Temporary/Part-Time Employees' Retirement Plan is a Defined Benefit pension plan that the County implemented effective April 1, 1999. The purpose of the plan is to provide eligible employees with an additional source of income upon retirement.

You are required to participate in the plan if you are designated as a temporary/part-time employee and you are not eligible for participation in CalPERS. This Plan is offered in lieu of Social Security. While you are participating in this plan, neither you nor the County will pay 6.2% of your earnings to Social Security. While eligible for the Plan, you will be required to contribute 3.75% of your pay to this Plan.

Your future benefit will be based on your eligible earnings while you are participating in the Plan. For all eligible earnings, you will make contributions to the plan, and the County will also contribute to the plan on your behalf. Your retirement benefit will be based on your eligible earnings (not your contributions) while you are participating in the plan. Each year that you accumulate eligible earnings, it will increase your retirement benefit. The Plan is based on a fiscal year beginning July 1<sup>st</sup> and ending June 30<sup>th</sup>. Under no circumstances shall any employment with the County of Riverside prior to April 1, 1999, be included in the calculation of any benefit under this retirement plan.

### **NORMAL RETIREMENT**

Retirement benefits will first be payable to you no earlier than age 65. Benefits are paid monthly, beginning no later than 60 days after the end of the Plan year following your retirement date.

## **DEFERRED RETIREMENT**

You may, if you choose, work beyond age 65. If you do continue to work and have eligible earnings under this Plan, you will continue to accrue retirement benefits.

## **TERMINATION OF EMPLOYMENT**

Upon termination of employment any benefit due to you will be determined at the end of the Plan Year following your termination date. (See Payment of Benefit Section to determine how your benefit will be calculated.)

## **RE-EMPLOYMENT**

If you terminate employment and you are later re-employed by the County, your participation in the plan resumes on the date of your re-employment. Earnings used to determine prior benefits paid will not be included towards your new eligible earnings.

## **BENEFICIARY DESIGNATION**

In the event of your death before retirement, your beneficiary will be entitled to receive a lump sum payment of your contributions. This payment will include interest credited at the rate established by the plan, currently 5% annually.

It is important to keep your Beneficiary designation current. Beneficiary forms are available from the Plan Administrator. Completed forms should be returned to your Human Resource department representative.

In the event you survive your designated Beneficiary or you do not have a Beneficiary designation on file, upon your death, your retirement benefit will be paid to your surviving spouse, your dependents, your executor, or your next of kin respectively.

## PAYMENT OF BENEFITS

There are three ways to receive a benefit from this plan. The calculation of your benefit will be based on the following categories:

1. The present value of your accrued benefit is over \$5,000.
2. The present value of your accrued benefit is under \$5,000.
3. You pass away prior to receiving a retirement benefit.

### Present Value of your Accrued Benefit is Over \$5,000

If the present value of your accrued benefit is \$5,000 or greater you will be eligible for a monthly retirement benefit upon the later of the following:

A.) June 30<sup>th</sup> following the date you reach age 65 and have terminated County employment.

B.) Mandatory distributions begin no later than April 1<sup>st</sup> following the calendar year you reach age 70 ½ or upon termination of employment, whichever is later.

Your pension is determined by adding your eligible earnings (as defined under the Plan), up to the annual Social Security wage limit, for each of the years you participated in the plan. The sum of these earnings is then multiplied by two percent (2%) to determine the annual benefit. The monthly benefit is determined by dividing the annual benefit by 12. See the “Example of a Monthly Retirement Benefit Calculation” in the next column.

### Example of a Monthly Retirement Benefit Calculation

1999 eligible earnings	\$ 3,900
2000 eligible earnings	\$ 6,500
2001 eligible earnings	\$ 3,000
2002 eligible earnings	\$ 6,500
2003 eligible earnings	\$ 4,800
2004 eligible earnings	\$ 4,000
2005 eligible earnings	\$ 5,500
2006 eligible earnings	\$ 2,700
2007 eligible earnings	\$ 2,200
<b>Total Eligible Earnings:</b>	<b>\$39,100</b>

Total Eligible Earnings \$39,100 x 2% = \$782

Estimated Annual Retirement Benefit is \$782

Estimated Annual Retirement Benefit is divided by 12 months to obtain the monthly benefit:

**\$782 ÷ 12 = \$65.16 monthly benefit**

### Present Value of Your Accrued Benefit is Under \$5,000

If the Present Value of your accrued retirement benefit is under \$5,000, you will receive a lump sum payment of your accrued retirement benefits upon the later of the following:

A.) June 30<sup>th</sup> following the end of the plan year in which you terminate employment with the County of Riverside.

B.) Mandatory distributions begin no later than April 1<sup>st</sup> following the calendar year you reach age 70 ½ or upon termination of employment, whichever is later.

The lump sum payment you will receive will be the present value of your *future* retirement benefit. (Note: This is NOT a return of contributions and will not equal your contributions to the plan.)

To determine the present value of your future retirement benefit, your monthly benefit amount is multiplied by an actuarial age factor which brings the value of your future benefit into the equivalent of today's dollars. This age factor is based on your age at the end of the plan year in which you terminate employment. See Attachment A for the actuarial age factor chart used to determine the present value calculations below.

For example the **Present Value** of \$65.16 is:

- A. \$346.34 at age 30
- B. \$511.92 at age 35
- C. \$1,128.93 at age 45.
- D. \$2,577.00 at age 55
- E. \$6,408.65 at age 65

In the example above, options A, B, C and D, have a Present Values that are under \$5,000. (Note: In option E above, the participant would be eligible for the monthly benefit of \$65.16 as the Present Value is greater than \$5,000.)

### Death Benefits

In the event that you should pass away before receiving a retirement benefit, your Beneficiary will be entitled to receive a lump sum payment of your contributions, plus interest credited at the rate established by the plan, currently 5% annually.

In the event that you should pass away after retirement payments have begun, all payments from the plan will cease. This plan has no provision for a continuance to a surviving beneficiary.

### Death Benefit Calculation

In the example below, the Participant began contributing to the Plan in 2001 and terminated prior to June 30, 2003.

<b>2001</b>	
2001 Employee Contributions	\$ 5.92
5% Interest	3.30
<b>2001 Total</b>	69.22
<b>2002</b>	
2002 Employee Contributions	\$ 501.79
Prior Year Total	69.22
Total to Date	571.01
5% Interest	28.55
<b>2002 Total</b>	599.56
<b>2003</b>	
2003 Employee Contributions	589.32
Prior Year Total	599.56
Total to Date	\$1,188.88
5% Interest	59.44
<b>2003 Total</b>	\$1,248.32
<b>Return of Contributions with 5% interest in this example is: \$1,248.32</b>	

Your beneficiary may elect to receive either a lump-sum return of contributions in cash or your beneficiary may choose to roll this distribution another qualified retirement plan. (See “*Taxation on Distribution.*”)

### IF YOU BECOME INELIGIBLE

You may, in the future, become ineligible for the Plan. Your retirement benefit will remain with the plan until you terminate from County employment. Your retirement benefits will be based only on the earnings you receive while covered under this Plan.

Should you die before a distribution (e.g. Present Value or a single monthly retirement benefit), then your beneficiary will be provided your benefit as described under “*Death Benefits.*”

## **HOW TO APPLY FOR RETIREMENT BENEFITS**

When you are ready to retire or terminate employment, contact the Plan Administrator for an estimate of the benefits payable to you and the forms you will need to complete.

## **TAXATION ON DISTRIBUTIONS**

Retirement distributions are taxable to you in the year in which you or your beneficiary receives the distribution. You will receive a 1099 at the end of the calendar year in which you received a distribution from this Plan. The County will deduct the required taxes whenever possible. Please note that the County is not required to deduct federal or state taxes if the distribution you receive from the Plan is less than \$200.

In addition to federal and state taxes, distributions from retirement plans before normal retirement age are also subject to an excise tax, currently 10%. Normal retirement age is generally defined age 59 ½ but can be a lower age if you begin to receive a regular and consistent pension, such as CalPERS.

For Present Value distributions greater than \$200 but less than \$5,000 or for Death Benefits, you or your beneficiary may choose to receive either a lump-sum distribution or a rollover into another qualified retirement plan.

Rolling your retirement lump sum distribution into an Individual Retirement Account (IRA) and deferring the receipt of the benefit until you reach age 59 ½ or normal retirement age will eliminate the excise tax for early distribution of a retirement benefit. Additionally, you or your beneficiary will defer the federal and state taxes until the distribution of the benefit is actually received.

You are encouraged to see professional tax advice on your distributions options and taxation of your distribution.

## **PLAN ADMINISTRATOR**

County of Riverside  
Pension Plan Administrator  
Human Resources, Employee Benefits  
4080 Lemon Street  
P.O. Box 1569  
Riverside, CA 92502-1569

The Part-Time & Temporary Employees' Retirement Plan Document is available online at [www.workforceexchange.net](http://www.workforceexchange.net). If you have any questions regarding your benefits under this plan, please contact Human Resources, Employee Benefits and ask to speak to a retirement specialist at (951) 955-4981.

## **IMPORTANT NOTICE**

The preceding information is intended to provide you with a summary of the retirement plan which has been implemented for eligible temporary/part-time employees. Consequently, regardless of any inferences the reader may draw from this information, if there is any conflict between this information and the Plan Document, the Plan Document shall prevail. No statement in this summary should be considered a legally binding interpretation, enlargement, or amendment of the provisions within the Plan Document of applicable Federal law.

The County of Riverside reserves the right to amend or terminate this plan. All participants and any persons claiming any interest in the plan may be bound by any amendments.

This plan is not in any way to be deemed a contract between the County and any employee, and it in no way affects the employment contract of any Employee.

By authority of the County of Riverside Human Resources and Benefits, located in Riverside, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, and state and federal laws. NO person is authorized to provide benefits information not contained in these source documents, and information not contained in

these source documents cannot be relied upon and having been authorized by the County of Riverside. Source documents are available for inspection upon request (951) 955-4981. What is written here does NOT constitute a guarantee of plan coverage or benefits. Particular roles and eligibility requirements must be met before benefits can be received.

The County of Riverside intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees and plan beneficiaries are subject to change or termination at the time of contract renewal or at any time the County or the governing authorities. The County of Riverside also reserves the right to determine new premiums, employer contributions and monthly costs at any time. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones describe here. Contact your Human Resources Office for more information.

## **GLOSSARY**

Accrued Benefit: A Participant's monthly benefit under Payment of Benefits Section to which the Participant is entitled at Normal Retirement Date, or Late Retirement Date, based on years of Benefit Accrual Service and eligible earnings at the date of determination. The Participant's Accrued Benefit shall always be 100% vested.

Actuarial Age Factor: A benefit with the same actuarial value, using the Plan's actuarial assumptions, as the benefit it replaces. As of the date of the adoption of this Plan, the Plan's actuarial assumptions are an 8% interest rate, and the Unisex Projected (UP) 1984 Mortality Table (Age Factor Chart). However, the Employer reserves the right to amend the Plan to change these actuarial assumptions (retroactively or prospectively), except to the extent that such change would adversely affect the tax qualified status of the Plan, on the

recommendation of the Plan's independent actuary.

Beneficiary: The person or person designated by a Participant, in writing in the manner at the time specified by the Plan Administrator, on a Beneficiary designation form filed with the Plan Administrator; in the absence of this designation and filing, the person or persons designated in Section 6.03.

Effective Date: The Effective Date of this Plan is April 1, 1999, and is applicable to the first payroll period that includes April 1, 1999 and not before. Under no circumstances shall pay earned for periods before April 1, 1999, be included as Compensation.

### Eligible Earnings:

Base pay actually received by an active Participant from the Employer, while covered by the Plan with the following exceptions: Annual Compensation shall be limited to lesser of \$160,000 (or such other amount as provided under Code Section 401(a)(17) of the Code determined as of the first day of a calendar year by the Secretary of the Treasury) and to the applicable Taxable Wage Base for old age/survivor pensions in effect on the first day of each calendar year period. Base pay shall be determined under standard and established practices of the Employer (W2 wages). The following items are examples of what is excluded from base pay (and are not intended to be the only items that are excluded):

1. Overtime pay,
2. Bonuses or,
3. single-sum amounts receive on account of death or separation for service under a bona fide vacation, compensatory time or sick pay plan, or under severance pay plans. For purposes of this Plan, Compensation shall include Employer Code Section 414(h) Contributions.

Under no circumstances shall pay earned for periods before April 1, 1999, be included as Compensation.

Employee: Any person employed within the meaning of Code Section 2121(b) and Treasury Regulations 31.3121(b)(7)-2(d)(2) as a part-time, seasonal or temporary employee by the Employer for whom Social Security contributions would be made but for the Employee's coverage under this Plans and who is not covered under any other retirement system as defined in Code Section 3121(b)(7)(F) maintained by the Employer. (Employee shall not include a Rehired Annuitant to the extent that he/she is deemed to be a qualified participant under Treasury Regulation 31.3121(b)(7)-2(d)(4)). Employees shall also not include persons employed in more than one position with the Employer, if such person is a member of a retirement system as defined in Code Section 3121(b) with respect to services performed in one of those positions and is a qualified participant in such system under Treasury Regulations 313121(b)(7)-2, or persons employed in a position that, based on the job classification system, is in an ineligible group for purposes of participation in the Plan.

Employee Contributions: Employee contributions shall be made at a rate of 3.75% of eligible earnings per pay period.

Employer: The County of Riverside, State of California

Employer Code Section 414(h)(2) Contributions: Contributions made by the Employee but designated as Employer contributions for purposes of tax deferral under Code Section 414(h)(2). These contributions result in the reduction of a Participant's actual pay. Participants do not have the option to receive these contributions, or an equivalent amount, directly instead of having them paid by the Employer into the Plan. These contributions are treated as pre-tax Employer Contributions pursuant to Section 414(h)(2) and not available to be added to the Employee's Account Balance.

Employment Date: The first day on which a person is an Employee of the Employer.

Entry Date: The Effective Date, the Employment Date, or the first day the person becomes an Employee, whichever occurs later.

Inactive Participant: Any Participant who has become ineligible to participate in the Plan due to his/her becoming covered under another plan that meets the definition of a retirement system as defined in Code Section 3121(b)(7)(F) and regulations there under, or to the extent that the Employer is paying tax under Code Section 3111(a) with respect to such individual, or while employed in an ineligible group or classification as described in Section 2.11 herein.

Interest Credited: Employee contributions shall be credited at the rate of 5% per annum, compounded annually, on the last day of each plan year. The crediting will apply to the Employee's Account Balance as of the end of the previous Plan Year and contributions made during the first half of the current Plan Year. The Employer reserves the right to amend the Plan to change the amount of the Employee Crediting Rate credited on Employee Contributions; any new such rate shall apply on and after the effective date on such rate to all Employee Contributions, whether made prior to or after the date of the change in the Employee Crediting Rate.

Late Retirement Date: The date as of which a Participant who has postponed retirement after his Normal Retirement Date actually retires. A Participant who elects to postpone his retirement shall receive full credit for Benefit Accrual Service and Compensation after age 65.

Normal Retirement Age: The Participant's sixty-fifth birthday.

Normal Retirement Date: The first day of the month coinciding with or immediately preceding a Participant's Normal Retirement Age.

Participant: Any Employee who meets the eligibility criteria in the Introduction of the Plan. Employees continue to be Participants during Plan Year they are employed by the Employer. The term Participant also includes Inactive Participants unless clearly stated otherwise.

Period of Severance: The period beginning with the Severance from Service Date and ending with the date immediately preceding the Employee's Reemployment Date with the Employer.

Plan: The County of Riverside Part-Time & Temporary Employees Retirement Plan, as set forth herein, and as it is amended from time to time.

Plan Administrator: The person or persons appointed by the Employer or its delegate with the powers and duties described in the Plan Document and in the Trust Agreement. The Plan Administrator shall be the Employer if no persons are appointed.

Plan Year: The accounting period of this Plan and the Trust is the 12-consecutive-month period beginning July 1 and ending the following June 30. The Plan Year will also be the limitation year for purposes of Code Section 415.

Reemployment Date: The first date following a Period of Severance.

Terminated Participant: Any Participant who is no longer in the Plan due to termination of employment.

Severance from Service Date: The later of the date the Employee retires, dies, or otherwise separates from service; or fails to return to active work within three working days following the expiration of an approved leave of absence.

Termination of Employment:

- a) Dismissal for any reason;
- b) Refusal or failure to return to work within three working days after date requested by the Employer;
- c) Failure to return to work within three working days of the conclusion of an approved leave of absence;
- d) Voluntary termination, including retirement; or;
- c) Death

Trust: The fund established under the Trust Agreement from contributions made by the Employer or deemed made by the Employer pursuant to Code Section 414(h) according to Plan provisions and from which any distributions under the Plan are made.

Valuation Date: The last date of each Plan Year, or such other valuation dates as may be designated by the Plan Administrator.

**ATTACHMENT A**

<b>AGE FACTOR</b>	
18	1.3370
19	1.3990
20	1.4638
21	1.5317
22	1.6028
23	1.6772
24	1.7551
25	1.8366
26	1.9220
27	2.0114
28	2.1051
29	2.2031
30	2.3057
31	2.4132
32	2.5258
33	2.6436
34	2.7670
35	2.8962
36	3.0315
37	3.1732
38	3.3215
39	3.4770
40	3.6399
41	3.8107
42	3.9898
43	4.1775
44	4.3744
45	4.5809
46	4.7975
47	5.0248
48	5.2634
49	5.5141
50	5.7776
51	6.0547
52	6.3463
53	6.6535
54	6.9775
55	7.3194
56	7.6806

<b>AGE FACTOR</b>	
57	8.0631
58	8.4689
59	8.9004
60	9.3599
61	9.8501
62	10.3750
63	10.9380
64	11.5446
65	12.1995
66	11.8771
67	11.5534
68	11.2272
69	10.8964
70	10.5603
71	10.2179
72	9.8701
73	9.5193
74	9.1654
75	8.8088
76	8.4506
77	8.0918
78	7.7369
79	7.3872
80	7.0437
81	6.7073
82	6.3789
83	6.0591
84	5.7445
85	5.4357
86	5.1320
87	4.8346
88	4.5488
89	4.2759
90	4.0168
91	3.7731
92	3.5417
93	3.3251
94	3.1231