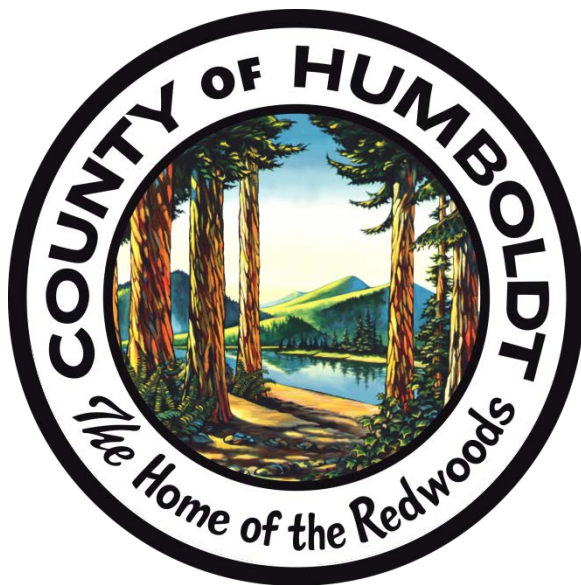


New Employee Benefits & Retirement Planning Guide



Early to Mid-Career

❖ Understand your CalPERS retirement benefits

(Classic Membership dates are for employment prior to 1/1/2013 only)

- Classic Membership (membership prior to 1/1/2013)
 - Miscellaneous formula: 2.7% @ 55 (membership prior to 7/1/2012)
<https://www.calpers.ca.gov/docs/forms-publications/local-misc-benefits.pdf>
 - Miscellaneous formula: 2% @ 55 (membership between 7/1/12 & 12/31/12)
<https://www.calpers.ca.gov/docs/forms-publications/local-misc-benefits.pdf>
 - Safety/Fire formula: 3% @ 50 (membership prior to 1/1/2013)
<https://www.calpers.ca.gov/docs/forms-publications/local-safety-benefits.pdf>
- PEPRM Membership (membership beginning 1/1/2013 or later)
 - Miscellaneous formula: 2% @ 62 (membership after 12/31/2012)
<https://www.calpers.ca.gov/docs/forms-publications/local-misc-benefits.pdf>
 - Safety/Fire formula: 2.7% @ 57 (membership after 12/31/2012)
<https://www.calpers.ca.gov/docs/forms-publications/local-safety-benefits.pdf>

Retirement formulas are used in the following manner to calculate your CalPERS pension (other factors may apply): (Percentage) X (Years of Service) X (Highest Earnings) = Pension

❖ Understanding your health benefits

- Attend New Employee Orientation held the third Thursday of every month. Contact Human Resources for time and location specifics 476-2349
- Contact the Risk Management department for enrollment, plan information can be located at
 - <https://www.calpers.ca.gov/docs/forms-publications/2017-health-benefit-summary.pdf>



Nearing Retirement



- ❖ Visit www.calpers.ca.gov to use the retirement estimate calculator (12 months prior to retirement)
- ❖ Complete the retirement allowance estimate request (approximately 6 months prior to retirement) at <https://www.calpers.ca.gov/docs/forms-publications/retirement-allowance-request.pdf>
- ❖ Review and complete the Service Retirement Application (approximately 4 months prior to retirement) by downloading the application at <https://www.calpers.ca.gov/docs/forms-publications/service-retirement-election-app.pdf> or complete online by logging into your My CalPERS account.
 - Selecting an option:
 - Unmodified Allowance Option: The highest monthly allowance provides no future benefits to beneficiaries.
 - Option 1: Provides a retirement allowance that is slightly reduced to accommodate a lump-sum payment of your remaining contributions upon death to your beneficiary.
 - Option 2: The beneficiary(ies) receives the same retirement allowance as you for the length of their life.
 - Option 3: The beneficiary(ies) receives one-half of the retirement allowance.
 - Option 4: Court Ordered Community Property option, used to enforce family law court orders.
- ❖ Health benefits will continue automatically for employees who are enrolled in a CalPERS health plan during employment. Plan availability may change depending on where you reside. PERS Choice & Care are available anywhere in the US and Internationally.
 - Beneficiaries: Health coverage is available to your beneficiary(ies) upon death if they receive a monthly benefit as a result of choosing Options 2, 3 or potentially 4.
 - CalPERS offers the following supplements to Medicare eligible annuitants:
 - PERS Select
 - PERS Choice
 - PERS Care
 - ◆ More information is available at www.anthem.com/ca/CalPERS

Social Security & Medicare

- Eligibility for Social Security begins as early as 62. For additional information on when you may be eligible for Social Security benefits:

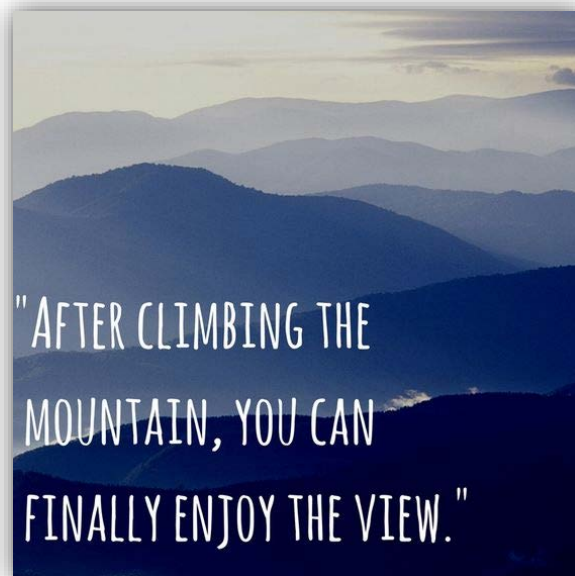
<https://www.ssa.gov/pubs/EN-05-10147.pdf>

- Retired annuitants who receive a pension based on earnings where they paid Social Security or are part of a contract with a Social Security offset agreement should see no impact to their future Social Security benefits.
 - Retired annuitants who receive a pension based on earnings where they did not pay Social Security will have their Social Security benefits reduced by two thirds of the pension amount. For more information see the SS publications: <https://www.ssa.gov/pubs/EN-05-10007.pdf> & <https://www.ssa.gov/pubs/EN-05-10045.pdf>
 - For an estimate of future social security benefits visit: www.socialsecurity.gov/estimator or the Social Security office at 3144 Broadway, Eureka CA
- Medicare eligibility begins at age 65, you must enroll one to three months prior to your 65th birthday for benefits to be effective when you turn 65. Late enrollments may cause penalties to your monthly Medicare premium (up to 10% for each 12 month period not enrolled).
 - As Medicare does not cover all medical expenses, retirees and employees often supplement this coverage with a Medicare supplement. CalPERS offers the following supplements to Medicare:
 - PERS Select
 - PERS Choice
 - PERS Care

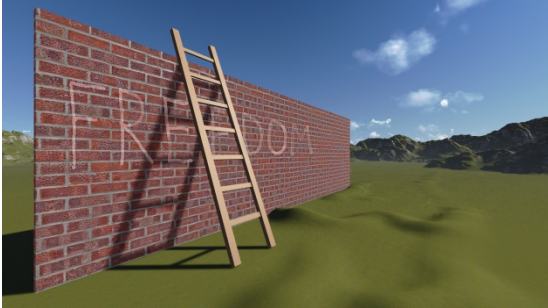


Separating from the County of Humboldt

- As a result of accrued benefit provisions of the county's compensation plans or MOUs, many employees have compensable leave balances that result in a substantial payment upon separation from the county. These payments are subject to 'flat rate' taxation in accordance with Internal Revenue Code, the following options are available when considering how to receive these funds upon separation (requests should be communicated directly to the Payroll Division):
 - Accept a disbursement of accrued benefits with no deferrals to an eligible deferred compensation account, all earnings are subject to standard taxation (Social Security, Medicare, State Disability as applicable) and flat tax rates of 25% for federal withholding tax and 6% for state withholding tax.
 - Request a disbursement of accrued benefits with partial deferral to a deferred compensation account, all earnings deferred will not be subject to federal and state withholding taxes but are subject to all other standard applicable taxation. Any portion that is not deferred will be subject to taxation as defined in the first option.
 - Request a disbursement of accrued benefits with full deferral to a deferred compensation account, all earnings deferred will not be subject to federal and state withholding taxes but are subject to all other standard applicable taxation. Deferred compensation accounts offered through Mass Mutual include 457(b) & 401a plans. Contribution limits change annually and can be found here: <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-457b-contribution-limits>
- To initiate separation from the county, employees must submit a letter of resignation to their department indicating their final date of employment.



Post Retirement



457 and 401(a) Retirement Savings Accounts

Eligibility to withdraw from, or transfer your 457 and 401(a) retirement savings accounts to retirement accounts outside the county system, begins when you terminate employment whether through retirement or any other termination. Participants are not required to remove funds from the account until the age of 70 ½.

- 457 withdrawals will be subject to State and Federal taxes and will be considered as additional income the year you take any withdrawal.
- 401(a) withdrawals will also be subject to State and Federal taxes and be considered as additional income the year you take the withdrawal. Note: If you are under 59 ½ years old any withdrawal will also be subject to a 10% penalty; unless certain conditions apply.
- Mandatory withdrawals known as Required Minimum Distributions (RMD) become effective when you turn 70 ½ years old.
- To obtain current forms for your retirement savings account contact the Participant Service Center at 1-800-528-9009.
- The services of David Vallerga, Humboldt County's Mass Mutual Education Specialist, are available to all former County employees with a Mass Mutual 457b account and 401a account. Participants do not pay additional charges for this service.
- If you have Question regarding your 457b account or 401a account, Please contact either:

Mass Mutual Participant Service Center

1-800-528-9009

OR

David Vallerga

Mass Mutual Education Specialist

dvallerga@massmutual.com

707-497-9722

Dental & Vision Benefits

- Dental and vision coverage for you and any enrolled dependents will continue through the month following your last date of employment.
- You are eligible to continue dental and/or vision coverage through the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Information will be mailed to your home address on file with the county at the time of your separation, and will include eligible dependents, associated plan rates and an election form to enroll in your COBRA benefits.
- Should you elect to enroll in the coverage, you will make your monthly premium payments directly to the County of Humboldt.
- Most employees are eligible to continue their COBRA benefits for 18 months. It then falls on the retiree to find other dental and/or vision coverage on their own.



Supplemental Life Insurance

- If you purchase Supplemental Life Insurance, you are eligible to port or convert your coverage upon separation. Information will be mailed to your home address on file with the County at the time of separation, to help you determine the new rates. You will work directly with the insurance carrier if you choose to continue the coverage.

General Information

Human Resources
(707) 476-2349

Payroll
(707) 476-2464

Risk Management
(707) 268-3669

CalPERS
(888) 225-7377

Social Security
(800) 772-1213

Mass Mutual
(800) 528-9009
or
(707) 497-9722
David Vallerga