CONTRA COSTA
WATER DISTRICT

2020
Retirement
Handbook

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Dear Retirement Plan Member:

The Contra Costa Water District is pleased to present you with our Retirement Handbook. Your retirement is an important event and we urge you to take the time to become familiar with the District's retirement benefits. You may also wish to encourage your dependents and beneficiaries to become familiar with the plan.

This booklet contains reference information only and is not intended to be used for official determination of your particular benefits. When you begin planning your retirement, the determination of benefits will be prepared by the District, consistent with the provisions of your Memorandum of Understanding (MOU) or Employment Agreement and the Retirement Trust Agreement provisions in effect on the date of your retirement.

The information in this booklet is reviewed and updated on an annual basis by Human Resources & Risk and is designed to provide you with important retirement benefits information in a user-friendly format. If you have any additional questions, please contact Human Resources & Risk at 925-688-8002 for assistance.

You are encouraged to plan ahead to make your retirement years the best they can be for you and your loved ones.

Sincerely,

Stephen J. Welch
General Manager

SW/SS:lc

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Introduction

PLAN DESCRIPTION

The Contra Costa Water District Retirement Plan (Retirement Plan) is a defined benefit plan. This means that upon retirement, if eligible, you will receive a monthly pension benefit that is calculated using the following information: your age, years of service, the average of your highest 12- (Classic Members) or 36- (PEPRA Members) consecutive months of base salary compensation, and the applicable defined benefit formula. Refer to the "Determining Retirement Benefits" section (page 24) for additional details.

The Other Post-Employment Benefits (OPEB) Trust was established by the Board of Directors on May 14, 2008 for the purpose of establishing a tax qualified plan to fund the long-term liability associated with OPEB benefits (retiree health insurance). The District engaged in collaborative discussions with its employees and bargaining unit representatives to identify a funding plan for the current OPEB Plan benefit that includes employee contributions. Refer to the "Other Post-Employment Benefits (OPEB)" section (page 38) for additional details.

PLAN HISTORY

The Retirement Plan for the employees of Contra Costa Water District was established by the Retirement Plan Trust Agreement (Trust Agreement) made on February 17, 1962, and subsequently amended.

On September 12, 2012, Governor Jerry Brown signed Assembly Bill 340 (Furutani), creating the Public Employees' Pension Reform Act (PEPRA). This law applies to many public employers and public pension plans, including the Contra Costa Water District's Retirement Plan. Many provisions took effect January 1, 2013. As a result, the District's Board of Directors approved an amendment (Appendix K) to the Trust Agreement to comply with the mandated changes as required by PEPRA.

MANAGEMENT AND ADMINISTRATION

A Plan Administrator appointed by the Contra Costa Water District Board of Directors administers the Retirement Plan consistent with the Trust Agreement. The Plan Administrator seeks advice from the Retirement Committee on various Retirement Plan related matters. The Retirement Plan Committee is advisory and consists of six voting members, three appointed by the Clerical/Maintenance Bargaining Unit (Local 39), and three appointed by the Board of Directors. The Committee monitors and reviews the investment performance of the Plan funds. The Committee may also review applications for disability benefits, disputes, and other special cases. All Committee recommendations are subject to review and approval by the Contra Costa Water District Board of Directors.

PURPOSE OF THE HANDBOOK

This Handbook is intended to acquaint you with the District's retirement and retiree medical (OPEB) benefits and to provide you with an easy reference to answer many of your questions or concerns. The Retirement Plan is governed by the Trust Agreement, which must be relied upon for detailed information on the defined benefit and all other details of the Retirement Plan. In every case concerning interpretation or implementation of the Plan, the Trust Agreement, as it may be amended from time to time, is the sole controlling document. This Handbook cannot be interpreted as adding to, subtracting from, or modifying any provision of the Trust Agreement. Any unanswered questions can be resolved by reference to the Trust Agreement or by contacting the District’s Human Resources & Risk.

Retirement Plan Membership

WHO IS ELIGIBLE?

Each regular status full-time employee and each project employee participates in the Retirement Plan. Part-time or temporary employees are not eligible to participate in the Retirement Plan.

The Participant employee groups are:

1. Clerical/Maintenance
2. Professional/Supervisory
3. Confidential Unit
4. Unrepresented

In addition, Board of Directors are also eligible for plan participation. Please refer to applicable sections within this Handbook for details pertaining specifically to the Board of Directors.

WHEN DOES PARTICIPATION BEGIN?

Participation begins on the first day of service as a full-time employee.

IS PARTICIPATION MANDATORY?

Yes, participation is mandatory for all eligible employees.

HOW DO I BECOME A MEMBER?

Enrollment Form

At the time you are hired for a retirement eligible position, you will be required to complete and submit a Retirement Plan Enrollment Form. This document identifies your years of service at a reciprocal agency, if applicable, for vesting purposes, and your beneficiaries.

Membership Classifications

There are two types of membership classifications:

Classic Members – Employees hired by the District on or before December 31, 2012, or individuals hired on or after January 1, 2013 who establish classic reciprocity with a public retirement system recognized by the Contra Costa Water District Retirement Plan (see "Incoming Reciprocity" on page 8) from service prior to January 1, 2013.

PEPRA Members – Employees who first become a participant of the Contra Costa Water District Retirement Plan on or after January 1, 2013, and who were either: (a) not a member of any other public retirement system (as defined in Section 7522.04 of the California Government Code) prior to that date, or (b) a member of another public retirement system prior to that date, but not subject to reciprocity with that retirement system (Government Code §7522.04).

Incoming Reciprocity

Reciprocity is an agreement among certain California public retirement systems allowing you to move from one public employer to another public employer without losing service credit for vesting purposes for retirement.

CCWD has established reciprocal agreements with the 1937 Retirement Act System ('37 County Act), public employers participating in California Public Employees' Retirement System (CalPERS) and all other public agencies maintaining reciprocity with CalPERS.

You are eligible to establish reciprocity provided you left your accumulated contributions on deposit with your former reciprocal system and did not request to begin annuity benefits, and are subsequently employed by the District as a full-time or a project employee within six months of your separation date from your previous employer without overlapping service between the two agencies.

To establish reciprocity, Human Resources & Risk will contact your previous employer to verify your date of hire, years of service credit, and your previous status as either Classic or PEPRA member with that agency.

Beneficiary Designation

The enrollment form requires that you provide the name(s) and relationship(s) of the beneficiary/ beneficiaries you designate to receive your benefits in the event of your death. You should update your beneficiary designation when a life changing event occurs.

Participants may change their beneficiary designations at any time prior to or after retirement by completing forms available in Human Resources & Risk. Once completed and submitted, the most recent beneficiary designation will be used to distribute your benefits in the event of your death; therefore, it is very important that you periodically review and update your beneficiary designation, especially if you experience a life changing event such as a marriage, birth or adoption of a child, divorce, or death of a spouse or State of California Registered Domestic Partner (RDP).

Contributions to the Plan

WHAT ARE THE CONTRIBUTION RATES FOR THE PLAN?

The Plan is funded through a combination of employer contributions, employee contributions and investment earnings. All participating members are required to contribute to the Plan. Depending upon your employee group, the District "picks-up" a percentage of the employee's contribution for Classic Members. (See chart below for the employee contribution and employer "pick-up" that may apply to you.) The pretax employee contributions are made through payroll deductions each bi-weekly pay period and are made on base pay. Overtime, shift premium, call-out/standby and other irregular pay are not included in base pay.

WHEN DO EMPLOYEE CONTRIBUTION RATES BEGIN?

Probationary employees who do not have reciprocity begin making contributions after successfully passing their probationary period (normally after six months of service). Probationary employees who have incoming reciprocity (service credit from another reciprocal agency) begin making contributions immediately.

EMPLOYEE CONTRIBUTION RATES

The following employee contribution rates are in effect as of January 1,2020:

Classic Members	Employee	Employer Pick-Up	Total Contributions
Clerical/Maintenance	8%	1%	9%
Professional/Supervisory	6.43%	3%	9.43%
Confidential Unit	6.28%	3%	9.28%
Unrepresented	4% - 6% (Depending on years of service)	2% - 0% (Depending on years of service)	6%

PEPRA Members	Employee	Employer Pick-Up	Total Contributions
All	6.50%	0%	6.50%

CAN MY CONTRIBUTION RATE CHANGE?

Yes. The contribution rates described above are established in the Memoranda of Understanding or Employment Agreement for each employee group, which are negotiated with each respective employee group and in accordance with PEPRA provisions for New Members.

DO MY CONTRIBUTIONS EARN INTEREST?

Yes. Retirement contributions are tracked for each employee, and earn 5% interest compounded annually on all employee contributions, which includes the contributions made by the District on the participant's behalf (the employer pick-up, if applicable). Interest is applied once annually to the retirement contributions every July 1. The amount of an employee's contribution balance plus interest is relevant in either of the following situations: 1) an employee separates service from the District and withdraws from the Plan; or 2) an employee predeceases retirement and the beneficiary(ies) receive a lump sum payout; or 3) the beneficiary elects to receive a lump sum payout instead of a pension payment, if eligible.

HOW WILL I KNOW MY RETIREMENT CONTRIBUTION BALANCE?

Each calendar year, in the month of April, you will receive a statement showing the balance in your Plan account as of June 30, the end of the prior fiscal year.

HOW DOES THE DISTRICT DETERMINE THAT THERE IS APPROPRIATE FUNDING FOR THE PLAN?

An actuarial valuation of the Retirement Plan is performed annually. This actuarial valuation determines the present and future obligations of the Plan to pay benefits to its members and their beneficiaries, and determines the contributions, over and above investment earnings, required of the District and Plan participants to meet those present and future obligations. In addition to employee contributions and the employer "pick-up," the District also contributes additional funds to the Retirement Plan (known as employer contribution). For 2020, the employer contribution rate is 23.86% of base pay.

Vesting

WHAT DOES "VESTING" MEAN?

"Vesting" means that you have satisfied the minimum requirements for a retirement benefit as prescribed in the Retirement Plan Trust Agreement. Please refer to CCWD Pension and OPEB Vesting Requirements chart on page 12 for additional details.

WHEN IS AN EMPLOYEE VESTED IN THE DISTRICT'S PLAN?

An employee's service retirement benefits become vested upon:

(a) completing ten years of continuous service if you are a Classic Member in the Clerical/Maintenance representation unit; or five years of continuous service if you are in the Professional/Supervisory, Unrepresented, or Confidential Unit; or five years of continuous service if you became a PEPRA Member of the Retirement Plan on or after January 1, 2013, regardless of bargaining unit; or

(b) becoming totally and permanently disabled (100%) as verified by the Social Security Administration; or

(c) attaining age 62; or

(d) establishing reciprocity with a reciprocal agency, which in combination with District service, equates to five years total service or ten years for the Clerical/Maintenance bargaining unit for Classic Members in the Clerical/Maintenance bargaining unit.

WHAT HAPPENS IF I DON'T VEST IN THE DISTRICT'S PLAN?

If you separate from your employment with the District before meeting the vesting requirements described above, you will not be eligible for retirement benefits from the District. Please see "Termination of Employment" on page 15 for more information.

CCWD Pension and OPEB Vesting Requirements

Note: Retirement date must be within 120 days of separation from District employment to be eligible for OPEB.

	PENSION	OPEB (Retiree Medical Benefits)
Hired prior to 9/1/2011 Minimum age is 50 years-old	**L39:** Employee must be a retiree with a minimum of **10 years total** service which can include reciprocal service. **All Others:** Employee must be a retiree with a minimum of **5 years total** service which can include reciprocal service. Per Retirement Plan Trust Agreement, Article V, Section 1(a).	**L39:** Employee must be a retiree, therefore a minimum of **10 years total** service to receive the fully-paid medical plan premium benefit. **All Others:** Employee must be a retiree, therefore a minimum of **5 years total** service to receive the fully-paid medical plan premium benefit.
Hired on or after 9/1/2011 through 12/31/2012 Minimum age is 50 years-old	**L39:** Employee must be a retiree with a minimum of **10 years total** service which can include reciprocal service. **All Others:** Employee must be a retiree with a minimum of **5 years total** service which can include reciprocal service. Per Retirement Plan Trust Agreement, Article V, Section 1(a).	**For All Employee Groups**: Employee must be a retiree with a minimum of **5 years District** service in order to receive the fully-paid medical plan premium benefit. Employees with **less than 5 years of District** service are entitled to receive partially-paid benefits in accordance with PEMHCA. Per Code of Regulations Chapter 3.24.040
Hired on or after 1/1/2013 through 12/31/2015 Minimum age is: 50 years-old for Classic Members; 52 for PEPRA Members	**L39 Classic Members:** Employee must be a retiree with a minimum of **10 years total** service which can include reciprocal service. **All Other Classic Members:** Employee must be a retiree with a minimum of **5 years total** service which can include reciprocal service. **All PEPRA Members:** Employee must be a retiree with a minimum of **5 years total** service which can include reciprocal service from 1/1/2013 forward. See Retirement Plan Trust Agreement, Amendment No. 3, Appendix K, Section 3(c) in the Retirement Trust.	**For All Employee Groups**: Employee must be a retiree with a **minimum of 5 years District** service in order to receive the fully-paid medical plan premium benefit. Employees with **less than 5 years of District** service are entitled to receive partially-paid benefits in accordance with PEMHCA. Per Code of Regulations Chapter 3.24.040
Hired on or after 1/1/2016 Minimum age is: 50 years-old for Classic Members; 52 for PEPRA Members	**L39 Classic Members:** Employee must be a retiree with a minimum of **10 years total** service which can include reciprocal service. **All Other Classic Members:** Employee must be a retiree with a minimum of **5 years total** service which can include reciprocal service. **All PEPRA Members:** Employee must be a retiree with a minimum of **5 years total** service which can include reciprocal service from 1/1/2013 forward. See Retirement Plan Trust Agreement, Amendment No. 3, Appendix K, Section 3(c) in the Retirement Trust.	**For All Employee Groups**: Employee must be a retiree with a minimum of **10 years District** service in order to receive the fully-paid medical plan premium benefit. Employees with **less than 10 years of District** service are entitled to receive partially-paid benefits in accordance with PEMHCA. Per Code of Regulations Chapter 3.24.040

Service Credit

WHAT IS "SERVICE CREDIT" AND HOW IS IT EARNED?

"Service credit" is credit for *continuous* service from the beginning of your most recent period of regular-status full-time employment with the District until separation, without a break other than a leave of absence granted by the District for military service or other approved reasons, without intervening employment, and full employee retirement and OPEB contributions have been made. You must return to the service of the District at the expiration of your leave without intervening employment other than that for which you were granted leave.

REDEPOSIT OF WITHDRAWN CONTRIBUTIONS

As a returning Plan participant, any time prior to applying for retirement, you may redeposit your previously withdrawn contributions. In addition, you would also be required to deposit additional funds to cover interest, which would have been credited to your account had you not withdrawn those funds and remained a member of the Plan. You would then be re-credited for service for the prior participation. You may redeposit your previously withdrawn contributions to the trust fund, in a lump sum or by equal installment payments for up to 36 months. Please note that the option to redeposit contributions is available only to employees who are rehired. If you leave the District's employment, withdraw your funds, and are not ever subsequently rehired by the District, you will no longer have any right to redeposit funds and resume participation in the Retirement Plan. This includes subsequently being hired by a reciprocal agency. Once contributions are withdrawn, service credit redeposit is only possible upon return to full-time or project employment status with the District. Employees may redeposit funds using any qualified pretax funds (e.g. 457b, 401a, 403b, 408a), cash (up to IRS limitation rule for the year in which the purchase is made), or by installments using pretax payroll deductions.

PURCHASE OF ADDITIONAL RETIREMENT SERVICE CREDIT

An employee who had qualifying service with another public agency but is not eligible for retirement in that public agency's retirement system, may purchase (in whole month increments) no less than one year to a maximum of ten years of service credit in the CCWD Retirement Plan. The cost of the benefit is solely borne by the employee electing to purchase the service credit. Cost is based on whole months of retirement service credit to be purchased, the salary history during the period of service being purchased, the actuarial cost to fund the benefit using the benefit factors, and the actuarial assumptions used in the CCWD Retirement Plan valuation, which includes interest. For PEPRA employees purchasing service time, the District will utilize the Social Security limit for pre-2013 eligible service credit for employment prior to January 1, 2013. An employee who would like to exercise this option must be a regular-status full-time or project employee and be vested in the CCWD Retirement Plan. The following service qualifies for service credit purchase: federal or state employment, public school, college or university employment, county, city or special district employment, and military service including full-time National Guard service that is not otherwise counted toward retirement service time in any other retirement system. In addition, time worked for CCWD as a temporary employee may be eligible for purchase. The following service does not qualify for service credit purchase: service time included within the basis for a defined retirement benefit from another agency and service time considered for reciprocity with another CalPERS retirement system or other reciprocal system. Employees may purchase service credit using any qualified pretax funds (e.g. 457b, 401a, 403b, 408a), cash (up to IRS limitation rule for the year in which the purchase is made), or by installments using pretax payroll deductions. If you have questions regarding the purchase of retirement service credit, you should contact Human Resources & Risk.

Termination Of Employment

WHAT HAPPENS TO MY RETIREMENT PLAN CONTRIBUTIONS IF I TERMINATE EMPLOYMENT BEFORE I RETIRE?

You have two options with regard to your contributions when you terminate employment with the District before you retire. You may withdraw from the retirement system and take a distribution, or you may leave your contributions on deposit, defer your retirement, and remain a member of the CCWD Retirement Plan.

For details related to refund of Other Post-Employment Benefits (OPEB) contributions upon separation, please refer to pages 38 and 39.

You May Withdraw from the Retirement System

If you terminate employment, you may withdraw your contributions and the contributions that the District made on your behalf (employer pick-up) if applicable, plus accumulated interest. A *Distribution Election Form* must be completed to initiate this action. This means that you will no longer be a participant of the Plan and will not be eligible for retirement benefits in the future. In addition, per IRS regulations, you will also be provided with a document entitled "Special Tax Notice Regarding Plan Payments" (often referred to as a 402(f) Notice) which fully explains rollover options and associated tax implications to help you make decisions.

Withdrawing from the retirement system creates potential tax implications. Depending on your employee group, you may have been contributing to the Plan on a "pretax" basis since:

Unrepresented and Confidential Unit	March 5, 1990
Clerical/Maintenance Employees	April 16, 1990
Professional/Supervisory Employees	June 11, 1990

Therefore, as you have not been paying income tax on your contributions or on the interest credited to your account from the above corresponding date forward, such pretax contributions and all interest will be subject to special income tax withholding rules. For rollover options, please refer to the "Special Tax Notice Regarding Plan Payments" document provided to you upon separation.

If you have specific questions regarding the above, you should contact a qualified tax advisor (such as a Certified Public Accountant or an Enrolled Agent) or you may contact the Internal Revenue Service (IRS).

Remain a Member of the CCWD Retirement Plan

If you are fully vested (with at least 5 or 10 years of service depending on your bargaining unit or membership classification) or if you separate from the District and enter into a reciprocal retirement system, you can keep your funds on deposit and elect to receive retirement plan benefits in the future. This is called a "deferred" retirement.

If you defer your retirement beyond 120 days of your District separation date (do not collect a pension upon separation and plan to receive your pension at a later date beyond the 120 days), you will not be eligible for retiree medical benefits through the District. CCWD retiree medical is only available to employees directly retiring from active service from the District within 120 days of District separation.

For Classic Members: If you terminate your employment after you become vested, you may leave your contributions in the Plan and take a deferred retirement at any date after reaching age 50, but no later than age 70½. Your pension benefit will be computed based on your employee group vesting eligibility, the retirement factor in effect on the date of termination of employment, your age when benefits begin, your years of continuous service, and your highest 12 consecutive months of base pay at the time of termination of employment.

For PEPRA Members: If you terminate your employment after you become vested (with at least 5 years of service), you may leave your contributions in the Plan and take a deferred retirement at any date after reaching age 52, but no later than age 70½. Your pension benefit will be computed based on your vesting eligibility, the retirement factor in effect on the date of termination of employment, your age when benefits begin, your years of continuous service, and the average of your highest 36 consecutive months of base pay at the time of termination of employment. Maximum pensionable compensation will be capped at $126,291 (annually) effective January 1, 2020. The Plan Administrator will adjust the annual compensation limit following each actuarial valuation of the Plan based on changes to the Consumer Price Index for All Urban Consumers in accordance with §7522.10(d) of the California Government Code.

For All Members: Reciprocity is available if you leave the District and within six months take employment with a 1937 Retirement Act System ('37 County Act), public employer participating in California Public Employees' Retirement System (CalPERS), or other public agency maintaining a reciprocal system with CalPERS. Reciprocity provides the following key benefits:

1) Reciprocity allows an employee to combine service time from the District and reciprocal agencies for vesting purposes.

2) Reciprocal agencies will use a member's highest consecutive 12 (Classic Members) or 36 (PEPRA Members) months base salary when determining a retirement benefit.

Note: An employee may not have concurrent service time with CCWD and a reciprocal agency. This means that you may not be on the payroll of two agencies at the same time. Concurrent service time will negate your reciprocity benefits. Also, you must retire concurrently (on the same date) from all reciprocal agencies in order to receive the benefits created by the reciprocity. For the purpose of reciprocity, your effective retirement date is typically the day after your final day on payroll. For example, if your final day on District payroll is December 30, then your CCWD retirement effective date, and the date you would need to retire from the reciprocal system, would be December 31.

You must leave your contributions and interest on deposit with each retirement system. You must apply for reciprocity and both retirement systems must concur and confirm that reciprocity exists.

Upon retirement, you will receive a monthly retirement benefit from each entity based on the service credit you acquired with that entity and the benefit formula used by that retirement system. However, both retirement systems will use the highest consecutive 12 (Classic Members) or 36 (PEPRA Members) months base salary from either entity.

WHAT IF I DIE BEFORE I RETIRE?

Several options are available to your designated beneficiary or beneficiaries in the event of your death before retirement.

Distribution of Contributions Plus Interest

In all cases, your contributions and those contributions made by the District (employer pick-up) if applicable, with accrued interest, can be distributed in a lump sum payment to your designated beneficiary/beneficiaries.

Monthly Benefit for Classic Members

If you are a Classic Clerical/Maintenance employee and die after completing ten or more years of service, or you are a Classic Professional/Supervisory, Confidential, or Unrepresented employee and die after completing five or more years of service and you reached the minimum retirement age of 50 but before retiring, your spouse/State of California registered domestic partner (RDP) (of not less than six months) will be eligible to receive a monthly benefit for life equal to 85 percent of the unmodified benefit amount that otherwise would have been paid to you in retirement. If you do not have a spouse/RDP, but do have a child or children under the age of 21, then the monthly benefit shall be paid to the child or children in equal shares until each respectively attains age 21, with the balance remaining (if applicable) to your designated beneficiary/beneficiaries.

Monthly Benefit for PEPRA Members

If you are a PEPRA Member regardless of employee group and die after completing five or more years of service and you reached the minimum retirement age of 52 but before retiring, your spouse/RDP (of not less than six months) will be eligible to receive a monthly benefit for life equal to 85 percent of the unmodified benefit amount that otherwise would have been paid to you. If you do not have a spouse/RDP, but do have a child or children under the age of 21, then the monthly benefit shall be paid to the child or children in equal shares until each respectively attains age 21 with the balance remaining (if applicable) payable to your designated beneficiary/beneficiaries.

Distribution of Contributions and a Reduced Monthly Benefit

As an option to receiving an 85 percent monthly benefit, your spouse/State of California RDP may elect to take a lump sum payment and a reduced monthly income.

WHAT IF I BECOME DISABLED BEFORE I RETIRE?

If you become totally and permanently disabled, (as determined by the Social Security Administration and confirmed by the Retirement Plan Committee) you will become fully vested with your service years regardless of your number of years of service with the District. You will not be eligible to receive a retirement benefit until age 50 at the earliest (vesting by disability does not entitle you to automatically qualify as an eligible retiree for medical coverage).

Clerical/Maintenance Employees Only: Classic and PEPRA Members who become disabled after ten years of continuous service, and who have used all accumulated sick leave and vacation time, are entitled, prior to retirement, to a monthly disability benefit payment during their period of disability equal to 30% of current salary of the classification of the employee at the beginning of the disability. Please refer to Article X of the Retirement Trust Agreement for additional details.

RETIREMENT ELIGIBILITY

WHEN CAN I RETIRE?

Your retirement date will depend on a number of factors such as your age and years of service. The general guidelines are discussed here. However, if you have specific questions about your eligibility for retirement, please contact Human Resources & Risk. Please refer to CCWD Pension and OPEB Vesting Requirements on page 12 for additional details.

Date of Retirement

You may retire at any time after you become vested and reach age 50 for Classic Members or 52 for PEPRA Members. (Please see the Section titled "Vesting" on page 11 for more information.) Your effective retirement date typically is the day after your final day on District payroll. For example, if your last workday is December 15 then your effective retirement date is December 16, or if your last workday is December 30, then your effective retirement date is December 31. Your last day worked must be a scheduled workday. For example, if you are not scheduled to work on a Saturday or a District observed holiday, this may not be your last day worked.

HOW WILL HUMAN RESOURCES STAFF PROCESS MY RETIREMENT?

Upon receipt of your Service Retirement Application, Human Resources & Risk will:

1. Obtain payroll pension contribution data (if reciprocal agency deferred retiree, the average of your highest 12 (Classic Members) or 36 (PEPRA Members) consecutive months of basic compensation will be confirmed with appropriate agency).
2. Calculate your pension estimate.
3. Send your pension data to the District's actuarial firm for verification. The verification process can take up to four weeks to complete.
4. Hand-deliver or mail your retirement packet containing the following documents:
    a) Cover letter explaining your retirement benefit options and providing instructions on completing your retirement forms;
    b) Irrevocable Request Form for Pension Benefit electing your benefit options and designating a joint annuitant, if applicable;
    c) Designation of Beneficiary form allowing you to identify beneficiaries for the balance of your plan contributions, if applicable;
    d) Federal and State Tax Withholding Election form informing the District at what rate you want your monthly retirement benefit taxed;
    e) Periodic Payment Change Request Form (direct deposit) that can be used to automate your monthly pension payments into your chosen bank account(s).

Human Resources & Risk staff prepare the final retirement documentation for the Plan Administrator's review and approval. All retirement requests must be finalized by the 15th of the month to be processed such that the first pension payment is issued by the first day of the following month. For example, if the required documentation is received and finalized on April 15, 2020, then the first pension payment would be received on May 1, 2020. Should the documentation not be received and finalized by the deadline of the 15th of the month prior to retiring, the initial pension payment may be delayed accordingly.

Date of Payment

Payment of your retirement benefit is not prorated for a partial month of service and will begin the first day of the month following the date you retire. However, in no event will payment begin before the first of the month following or concurrent with your 50th or 52nd birthday, as applicable.

Pre-Retirement Decisions

RETIREMENT CHECKLIST

The following is a brief checklist of items you should review before applying for retirement through Human Resources & Risk :

1. Your Retirement Eligibility – You must be at least 50 (Classic Members) or 52 (PEPRA Members) years old and vested with the retirement plan. Please see the "Vesting" section of the Handbook on page 11 for more information.

2. In order to receive your first pension payment on the first of the month, you must have a retirement date of no later than the last day of the previous month. Payment of your retirement benefit is not prorated for a partial month of service. **If 90 days' advance notice of your retirement date is not provided, your first pension payment may be delayed.**

3. Retiring with Reciprocity – If you came to the District from a reciprocal system, you must retire on the same day from both (or all) systems for the reciprocal benefits to be effective. Additionally, you will want to provide your reciprocal retirement system with sufficient time to process your retirement – **usually 90 days before your retirement date**. The reciprocal system will contact the District to obtain your employment and salary information. **You are responsible for applying for retirement through your reciprocal system(s) and providing them with any required information.**

4. Retiree Medical Program – Refer to the "Retiree Medical Benefits (OPEB)" section of this Handbook on page 32 for information about the District's retiree medical program.

5. Understand Your Pension Options – You can obtain estimates at any time from the CCWD Employee Website at http://www.ccwd-staff.com/188/Retirement. These estimates can provide you with an understanding of your future monthly pension options within various retirement scenarios (i.e., retiring at age 55, 57 or 59, etc.).

6. Divorced While Employed at the District – If you became divorced or dissolved a registered domestic partnership while employed with the District, and are participating in the CCWD Retirement Plan, you will be required to provide a copy of the divorce decree (Stipulation of Marriage Dissolution), Notice to Terminate Domestic Partnership, or Qualified Domestic Relations Order (QDRO) that addresses how the community property interest in the Retirement Plan is to be distributed. More information can be found on the potential impact of your change of status on your retirement pension on page 22.

7. Make Use of Your EAP – The Employee Assistance Program (EAP) is a resource available to help you prepare for your transition into retirement. The District sponsored EAP program offers many discounted counseling and referral services, including legal, financial, and emotional, that may assist you in your retirement planning.

8. Contact Your Deferred Compensation Provider – If you contributed to deferred compensation plan through the District or with another provider, ask to speak with a representative from your provider to understand your options on taking withdrawals after retirement.

HOW DO I APPLY FOR RETIREMENT?

You should contact Human Resources & Risk **at least 90 days in advance**. Staff will provide you with information and the necessary forms. Staff will also help you and your spouse/State of California registered domestic partner (RDP) with completing the forms and answer all your questions. Please call Human Resources & Risk to schedule an appointment.

If you believe you are entitled to Social Security or retirement benefits, contact the appropriate agency directly for information and assistance.

Please be advised that if you have reciprocity with other retirement plans, you must retire from all retirement systems on the same day to maintain reciprocity. **You are responsible for applying for retirement through your reciprocal system(s) and providing them with any required information.**

WHAT IF I DIVORCE OR DISSOLVE MY DOMESTIC PARTNERSHIP PRIOR TO RETIREMENT?

Your CCWD retirement benefits are considered community property under California law. You should contact Human Resources & Risk to see how this impacts your future retirement benefits. Human Resources & Risk staff will need a copy of your divorce decree (Stipulation of Marriage Dissolution), Notice to Terminate Domestic Partnership, or QDRO, if applicable.

Dividing your CCWD retirement benefit requires a special form known as a QDRO, usually a separate document from your dissolution decree, though, in some cases, a QDRO may be contained within the dissolution decree itself.

The District requires submission of the QDRO for review and approval. If, as written, the QDRO is acceptable to the Plan Administrator of the CCWD Retirement System, is approved, and signed by both parties and the court, the District will then consider the QDRO to be approved.

The approved QDRO will specify what portion, if any, of your benefit will be paid to your former spouse or RDP. When you begin to receive a CCWD pension benefit, the portion specified in the QDRO will be paid to your former spouse or RDP. Likewise, if you withdraw your member contributions and interest, the QDRO will govern what portion your former spouse or RDP receives.

If you and your former spouse or RDP agree that the former spouse will relinquish any and all rights to the community property in the CCWD Retirement Plan, and that you will not be dividing your CCWD pension in any manner, that agreement must be reflected in your dissolution decree or QDRO.

Failure to provide a QDRO or a copy of your dissolution decree, which states the division of retirement benefits, could impact the District's ability to process your retirement benefits. Furthermore, if a QDRO or a copy of your dissolution decree is not submitted to the District by your effective retirement date, the District will process your retirement benefits at 50% of the normal rate until such documentation is provided.

If you have divorced or dissolved your domestic partnership or are going through a divorce or dissolution of your domestic partnership, you need to contact Human Resources & Risk staff for assistance on this important matter as it relates to your benefits.

DETERMINING RETIREMENT BENEFITS

RETIREMENT BENEFITS FOR EMPLOYEES

The amount of your service retirement income will depend upon the following considerations:

Compensation

Compensation used to determine your retirement income is your average base monthly compensation paid during the 12 (Classic Members) or 36 (PEPRA Members) highest compensated consecutive months of service. Basic compensation is defined in the Trust Agreement as the amount paid by the District to an employee as a regular ("base") salary or wage, excluding amounts payable as overtime, shift premium, call-out pay, or other irregular compensation and excluding District contributions under the Plan.

For Classic Members hired on or before December 31, 2012 or employees with established classic membership reciprocity, a 12-month highest compensated consecutive period will be used to determine the benefit.

For PEPRA Members, an average of the highest 36-months compensated consecutive period will be used to determine the benefit. The Public Employees' Pension Reform Act (PEPRA) provides that a public employer shall not make contributions to qualified retirement plans on the portion of the amount of total pensionable compensation that *exceeds* the amount specified in Section 401(a)(17) of Title 26 of the United States Code. The compensation limit for 2020 is $126,291. Once a PEPRA Member, reaches the referenced 2020 contribution compensation limit, employee plan contributions will cease. The Plan Administrator will adjust the annual compensation limit following each actuarial valuation of the Plan based on changes to the Consumer Price Index for All Urban Consumers in accordance with Section §7522.10(d) of the California Government Code.

Service Credit

Service is measured from your full-time permanent/project hire date to your date of separation from District employment. This service must be continuous unless the District granted a leave of absence for military service or other reasons, and your service will not be considered broken, provided you return to District employment after the leave of absence expires and appropriate employee retirement contributions have been made for service credit during this period. The District calculates retirement service credit using full years and full months of service. For example, if an employee started working at the District on March 3, 2010 and retired on June 6, 2020, the employee would have ten years and three months, or 10.25 years, of service credit. The employee would accrue an additional month of service on the third of every month if the employee did not retire and remained an employee of the District.

Age

Your age used to determine your benefit is your age when payment begins in increments of whole months.

<u>Retirement Benefit</u>

For Classic Members hired on or before December 31, 2012 or those with established classic reciprocity, the retirement benefit is calculated through the multiplication of the average basic monthly compensation, the total years of service, and the retirement benefit factor up to the IRS maximum. Please see Retirement Benefit for Classic Members/Employee Retirement Factors table on page 26 with an effective date of January 1, 2009 for the current employees.

For PEPRA Members hired on or after January 1, 2013, the retirement benefit is calculated through the multiplication of the average basic monthly compensation (subject to a maximum), the total years of service, and the retirement benefit factor as defined under Government Code §7522.20. Please see Retirement Benefit for PEPRA Members/Employee Retirement Factors table on page 27 with an effective date of January 1, 2013.

If you separated from the District prior to January 1, 2009, please contact Human Resources & Risk at 925-688-8002 for the retirement formula that applies to you.

<u>Limits</u>

The CCWD Retirement Plan and its individual participants are subject to IRS limitations for salary and pension payments as defined in IRS Code sections 401(a)(17) and 415(b)(1)(a). These limits may be adjusted on an annual basis by the IRS.

WILL MY BENEFIT BE ADJUSTED FOR INFLATION?

The Retirement Committee annually reviews defined benefit payments in light of economic factors. A Cost of Living Adjustment (COLA) is not automatic. The Retirement Committee <u>may</u> recommend a cost of living adjustment to the Board of Directors for their approval. Typically, COLAs are considered by the Board of Directors in December, and if authorized, are made effective on January 1. An employee must have a retirement date on or before December 31 to receive a January 1 COLA. For example, if an employee retires on or before December 31, 2020, they will be eligible for a COLA on January 1, 2021 if a COLA is granted.

WILL SOCIAL SECURITY AFFECT MY PLAN BENEFIT?

No. The amount you receive as a benefit from the District's Retirement Plan is independent from your other retirement income sources, including Social Security. However, your plan benefit may affect Social Security; questions about this should be directed to the Social Security Administration.

Retirement Benefit for Classic Members

Employee Retirement Factors as A Percentage Of
Basic Compensation by Age and Service at Retirement
Effective January 1, 2009
2.35% @ Age 55

	AGE										
Years of Service	50	51	52	53	54	55	56	57	58	59	60 or over
5	8.38%	8.94%	9.56%	10.23%	10.96%	11.75%	12.06%	12.36%	12.67%	12.98%	13.29%
6	10.05%	10.73%	11.48%	12.28%	13.16%	14.10%	14.47%	14.83%	15.20%	15.58%	15.95%
7	11.73%	12.52%	13.39%	14.33%	15.35%	16.45%	16.88%	17.31%	17.73%	18.18%	18.60%
8	13.40%	14.31%	15.30%	16.37%	17.54%	18.80%	19.29%	19.78%	20.27%	20.77%	21.26%
9	15.08%	16.10%	17.22%	18.42%	19.73%	21.15%	21.70%	22.25%	22.80%	23.37%	23.92%
10	16.76%	17.88%	19.13%	20.47%	21.93%	23.50%	24.11%	24.72%	25.33%	25.97%	26.58%
11	18.43%	19.67%	21.04%	22.52%	24.12%	25.85%	26.52%	27.19%	27.87%	28.56%	29.24%
12	20.11%	21.46%	22.95%	24.56%	26.31%	28.20%	28.93%	29.67%	30.40%	31.16%	31.89%
13	21.78%	23.25%	24.87%	26.61%	28.50%	30.55%	31.34%	32.14%	32.93%	33.76%	34.55%
14	23.46%	25.04%	26.78%	28.66%	30.70%	32.90%	33.76%	34.61%	35.47%	36.35%	37.21%
15	25.13%	26.83%	28.69%	30.70%	32.89%	35.25%	36.17%	37.08%	38.00%	38.95%	39.87%
16	26.81%	28.61%	30.61%	32.75%	35.08%	37.60%	38.58%	39.56%	40.53%	41.55%	42.53%
17	28.48%	30.40%	32.52%	34.80%	37.27%	39.95%	40.99%	42.03%	43.07%	44.14%	45.18%
18	30.16%	32.19%	34.43%	36.84%	39.47%	42.30%	43.40%	44.50%	45.60%	46.74%	47.84%
19	31.84%	33.98%	36.35%	38.89%	41.66%	44.65%	45.81%	46.97%	48.13%	49.34%	50.50%
20	33.51%	35.77%	38.26%	40.94%	43.85%	47.00%	48.22%	49.44%	50.67%	51.94%	53.16%
21	35.19%	37.56%	40.17%	42.98%	46.04%	49.35%	50.63%	51.92%	53.20%	54.53%	55.81%
22	36.86%	39.34%	42.08%	45.03%	48.24%	51.70%	53.04%	54.39%	55.73%	57.13%	58.47%
23	38.54%	41.13%	44.00%	47.08%	50.43%	54.05%	55.46%	56.86%	58.27%	59.73%	61.13%
24	40.21%	42.92%	45.91%	49.12%	52.62%	56.40%	57.87%	59.33%	60.80%	62.32%	63.79%
25	41.89%	44.71%	47.82%	51.17%	54.81%	58.75%	60.28%	61.81%	63.33%	64.92%	66.45%
26	43.56%	46.50%	49.74%	53.22%	57.01%	61.10%	62.69%	64.28%	65.87%	67.52%	69.10%
27	45.24%	48.29%	51.65%	55.26%	59.20%	63.45%	65.10%	66.75%	68.40%	70.11%	71.76%
28	46.92%	50.07%	53.56%	57.31%	61.39%	65.80%	67.51%	69.22%	70.93%	72.71%	74.42%
29	48.59%	51.86%	55.47%	59.36%	63.58%	68.15%	69.92%	71.69%	73.47%	75.31%	77.08%
30	50.27%	53.65%	57.39%	61.41%	65.78%	70.50%	72.33%	74.17%	76.00%	77.90%	79.74%
31	51.94%	55.44%	59.30%	63.45%	67.97%	72.85%	74.74%	76.64%	78.53%	80.50%	82.39%
32	53.62%	57.23%	61.21%	65.50%	70.16%	75.20%	77.16%	79.11%	81.07%	83.10%	85.05%
33	55.29%	59.02%	63.13%	67.55%	72.35%	77.55%	79.57%	81.58%	83.60%	85.69%	87.71%
34	-	60.80%	65.04%	69.59%	74.55%	79.90%	81.98%	84.05%	86.13%	88.29%	90.37%
35	-	-	66.95%	71.64%	76.74%	82.25%	84.39%	86.53%	88.67%	90.89%	93.02%
36	-	-	-	73.69%	78.93%	84.60%	86.80%	89.00%	91.20%	93.48%	95.68%
37	-	-	-	-	81.12%	86.95%	89.21%	91.47%	93.73%	96.08%	98.34%
38	-	-	-	-	-	89.30%	91.62%	93.94%	96.27%	98.68%	100.00%
39	-	-	-	-	-	-	94.03%	96.42%	98.80%	100.00%	100.00%
40	-	-	-	-	-	-	-	98.89%	100.00%	100.00%	100.00%
41	-	-	-	-	-	-	-	-	100.00%	100.00%	100.00%
42	-	-	-	-	-	-	-	-	-	100.00%	100.00%
43	-	-	-	-	-	-	-	-	-	-	100.00%

The above factors shall be interpolated to give credit for full months of service over full years.

Retirement Benefit for PEPRA Members

Employee Retirement Factors as A Percentage Of
Basic Compensation by Age and Service at Retirement
Effective January 1, 2013
2.0% @ Age 62

	Age															
Years of Service	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67+
5	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%	11.00%	11.50%	12.00%	12.50%
6	6.00%	6.60%	7.20%	7.80%	8.40%	9.00%	9.60%	10.20%	10.80%	11.40%	12.00%	12.60%	13.20%	13.80%	14.40%	15.00%
7	7.00%	7.70%	8.40%	9.10%	9.80%	10.50%	11.20%	11.90%	12.60%	13.30%	14.00%	14.70%	15.40%	16.10%	16.80%	17.50%
8	8.00%	8.80%	9.60%	10.40%	11.20%	12.00%	12.80%	13.60%	14.40%	15.20%	16.00%	16.80%	17.60%	18.40%	19.20%	20.00%
9	9.00%	9.90%	10.80%	11.70%	12.60%	13.50%	14.40%	15.30%	16.20%	17.10%	18.00%	18.90%	19.80%	20.70%	21.60%	22.50%
10	10.00%	11.00%	12.00%	13.00%	14.00%	15.00%	16.00%	17.00%	18.00%	19.00%	20.00%	21.00%	22.00%	23.00%	24.00%	25.00%
11	11.00%	12.10%	13.20%	14.30%	15.40%	16.50%	17.60%	18.70%	19.80%	20.90%	22.00%	23.10%	24.20%	25.30%	26.40%	27.50%
12	12.00%	13.20%	14.40%	15.60%	16.80%	18.00%	19.20%	20.40%	21.60%	22.80%	24.00%	25.20%	26.40%	27.60%	28.80%	30.00%
13	13.00%	14.30%	15.60%	16.90%	18.20%	19.50%	20.80%	22.10%	23.40%	24.70%	26.00%	27.30%	28.60%	29.90%	31.20%	32.50%
14	14.00%	15.40%	16.80%	18.20%	19.60%	21.00%	22.40%	23.80%	25.20%	26.60%	28.00%	29.40%	30.80%	32.20%	33.60%	35.00%
15	15.00%	16.50%	18.00%	19.50%	21.00%	22.50%	24.00%	25.50%	27.00%	28.50%	30.00%	31.50%	33.00%	34.50%	36.00%	37.50%
16	16.00%	17.60%	19.20%	20.80%	22.40%	24.00%	25.60%	27.20%	28.80%	30.40%	32.00%	33.60%	35.20%	36.80%	38.40%	40.00%
17	17.00%	18.70%	20.40%	22.10%	23.80%	25.50%	27.20%	28.90%	30.60%	32.30%	34.00%	35.70%	37.40%	39.10%	40.80%	42.50%
18	18.00%	19.80%	21.60%	23.40%	25.20%	27.00%	28.80%	30.60%	32.40%	34.20%	36.00%	37.80%	39.60%	41.40%	43.20%	45.00%
19	19.00%	20.90%	22.80%	24.70%	26.60%	28.50%	30.40%	32.30%	34.20%	36.10%	38.00%	39.90%	41.80%	43.70%	45.60%	47.50%
20	20.00%	22.00%	24.00%	26.00%	28.00%	30.00%	32.00%	34.00%	36.00%	38.00%	40.00%	42.00%	44.00%	46.00%	48.00%	50.00%
21	21.00%	23.10%	25.20%	27.30%	29.40%	31.50%	33.60%	35.70%	37.80%	39.90%	42.00%	44.10%	46.20%	48.30%	50.40%	52.50%
22	22.00%	24.20%	26.40%	28.60%	30.80%	33.00%	35.20%	37.40%	39.60%	41.80%	44.00%	46.20%	48.40%	50.60%	52.80%	55.00%
23	23.00%	25.30%	27.60%	29.90%	32.20%	34.50%	36.80%	39.10%	41.40%	43.70%	46.00%	48.30%	50.60%	52.90%	55.20%	57.50%
24	24.00%	26.40%	28.80%	31.20%	33.60%	36.00%	38.40%	40.80%	43.20%	45.60%	48.00%	50.40%	52.80%	55.20%	57.60%	60.00%
25	25.00%	27.50%	30.00%	32.50%	35.00%	37.50%	40.00%	42.50%	45.00%	47.50%	50.00%	52.50%	55.00%	57.50%	60.00%	62.50%
26	26.00%	28.60%	31.20%	33.80%	36.40%	39.00%	41.60%	44.20%	46.80%	49.40%	52.00%	54.60%	57.20%	59.80%	62.40%	65.00%
27	27.00%	29.70%	32.40%	35.10%	37.80%	40.50%	43.20%	45.90%	48.60%	51.30%	54.00%	56.70%	59.40%	62.10%	64.80%	67.50%
28	28.00%	30.80%	33.60%	36.40%	39.20%	42.00%	44.80%	47.60%	50.40%	53.20%	56.00%	58.80%	61.60%	64.40%	67.20%	70.00%
29	29.00%	31.90%	34.80%	37.70%	40.60%	43.50%	46.40%	49.30%	52.20%	55.10%	58.00%	60.90%	63.80%	66.70%	69.60%	72.50%
30	30.00%	33.00%	36.00%	39.00%	42.00%	45.00%	48.00%	51.00%	54.00%	57.00%	60.00%	63.00%	66.00%	69.00%	72.00%	75.00%
31	31.00%	34.10%	37.20%	40.30%	43.40%	46.50%	49.60%	52.70%	55.80%	58.90%	62.00%	65.10%	68.20%	71.30%	74.40%	77.50%
32	32.00%	35.20%	38.40%	41.60%	44.80%	48.00%	51.20%	54.40%	57.60%	60.80%	64.00%	67.20%	70.40%	73.60%	76.80%	80.00%
33	33.00%	36.30%	39.60%	42.90%	46.20%	49.50%	52.80%	56.10%	59.40%	62.70%	66.00%	69.30%	72.60%	75.90%	79.20%	82.50%
34	34.00%	37.40%	40.80%	44.20%	47.60%	51.00%	54.40%	57.80%	61.20%	64.60%	68.00%	71.40%	74.80%	78.20%	81.60%	85.00%
35	35.00%	38.50%	42.00%	45.50%	49.00%	52.50%	56.00%	59.50%	63.00%	66.50%	70.00%	73.50%	77.00%	80.50%	84.00%	87.50%
36	36.00%	39.60%	43.20%	46.80%	50.40%	54.00%	57.60%	61.20%	64.80%	68.40%	72.00%	75.60%	79.20%	82.80%	86.40%	90.00%
37	37.00%	40.70%	44.40%	48.10%	51.80%	55.50%	59.20%	62.90%	66.60%	70.30%	74.00%	77.70%	81.40%	85.10%	88.80%	92.50%
38	38.00%	41.80%	45.60%	49.40%	53.20%	57.00%	60.80%	64.60%	68.40%	72.20%	76.00%	79.80%	83.60%	87.40%	91.20%	95.00%
39	39.00%	42.90%	46.80%	50.70%	54.60%	58.50%	62.40%	66.30%	70.20%	74.10%	78.00%	81.90%	85.80%	89.70%	93.60%	97.50%
40	40.00%	44.00%	48.00%	52.00%	56.00%	60.00%	64.00%	68.00%	72.00%	76.00%	80.00%	84.00%	88.00%	92.00%	96.00%	100.00%
41	41.00%	45.10%	49.20%	53.30%	57.40%	61.50%	65.60%	69.70%	73.80%	77.90%	82.00%	86.10%	90.20%	94.30%	98.40%	102.50%
42	42.00%	46.20%	50.40%	54.60%	58.80%	63.00%	67.20%	71.40%	75.60%	79.80%	84.00%	88.20%	92.40%	96.60%	100.80%	105.00%
43	43.00%	47.30%	51.60%	55.90%	60.20%	64.50%	68.80%	73.10%	77.40%	81.70%	86.00%	90.30%	94.60%	98.90%	103.20%	107.50%
44	44.00%	48.40%	52.80%	57.20%	61.60%	66.00%	70.40%	74.80%	79.20%	83.60%	88.00%	92.40%	96.80%	101.20%	105.60%	110.00%
45	45.00%	49.50%	54.00%	58.50%	63.00%	67.50%	72.00%	76.50%	81.00%	85.50%	90.00%	94.50%	99.00%	103.50%	108.00%	112.50%

Notes

1. A member may retire for service under this section after five years of service and upon reaching 52 years of age [California Government Code 7522.20. (a)].
2. Pensionable compensation used to calculate the defined benefit shall be limited by either 100% or 120% of the PEPRA compensation limit depending on Social Security eligibility. [California Government Code 7522.10. (c)(2)].

WHAT ARE THE MONTHLY BENEFIT OPTIONS FOR ME AND MY SPOUSE/STATE OF CALIFORNIA REGISTER DOMESTIC PARTNER (RDP)?

You may have your pension paid under one of the five options listed below. With four "Joint Annuitant" options, the pension amount that you, as a retiree, receive during your lifetime is actuarially adjusted based on the difference between you and your spouse's/State of California RDP's (RDP) life expectancy; the greater the difference, the bigger the impact on your pension benefit.

NORMAL FORM ("UNMODIFIED" OPTION)

Your pension benefit is payable to you over your lifetime only. If you pass away before payments exceed your contributions plus credited interest, your beneficiary/beneficiaries will receive the remaining unpaid balance. If you pass away after payments equal or exceed your contribution plus interest, your beneficiary/beneficiaries will not receive any retirement plan benefits.

JOINT ANNUITANT OPTIONS

Joint Annuitant Options, unlike the Normal Form (Unmodified) option, provide for continuing pension payments to your surviving spouse/RDP in the event of your death. You can select from one of following Joint Annuitant Options:

50% Joint Annuitant Option

The amount of your pension under this option is a lower amount than the Normal Form ("Unmodified" Option) benefit. You will receive the pension over your lifetime with 50% of your benefit continued over the lifetime of your spouse/RDP, if your spouse/RDP survives you.

50% Joint Annuitant with Restoration Option

The amount of your pension under this option is a lower amount than the Normal Form ("Unmodified" Option) benefit. You will receive the pension over your lifetime with 50% of your benefit continued over the lifetime of your spouse/RDP, if your spouse/RDP survives you. If your spouse/RDP predeceases you, your pension benefit will be restored to the full amount of the Normal Form ("Unmodified" Option).

100% Joint Annuitant Option

The amount of your pension under this option is a lower amount than the Normal Form ("Unmodified" Option) benefit or the 50% Joint Annuitant benefit. You will receive the pension over your lifetime with 100% of your benefit continued over the lifetime of your spouse/RDP, if your spouse/RDP survives you.

100% Joint Annuitant with Restoration Option

The amount of your pension under this option is a lower amount than the Normal Form ("Unmodified" Option) benefit or the 50% Joint Annuitant benefit. You will receive the pension over your lifetime with 100% of your benefit continued over the lifetime of your spouse/RDP, if your spouse/RDP survives you. If your spouse/RDP predeceases you, your pension benefit will be restored to the full amount of the Normal Form (“Unmodified” Option).

Post-Retirement Employment

IF I RETIRE FROM THE DISTRICT AND SUBSEQUENTLY BECOME REEMPLOYED BY THE DISTRICT, WHAT WILL HAPPEN TO MY RETIREMENT BENEFIT?

Subject to limited exceptions, retirees of the District must be reinstated if they work for the District post-retirement. "Reinstatement" means that payment of the Participant's CCWD retirement income will cease, and the Participant will resume membership in the Plan. Please refer to Administrative Procedure II-8 or contact Human Resources & Risk for additional information.

IF I RETIRE FROM THE DISTRICT AND SUBSEQUENTLY SERVE ON A STATE BOARD OR COMMISSION WITH PAY, WHAT WILL HAPPEN TO MY RETIREMENT BENEFIT?

If a retired Participant who is receiving retirement income is first appointed on or after January 1, 2013, to a full-time, salaried position on a state board or commission, the Participant must immediately notify the Plan Administrator of the appointment. Upon receipt of the notice, the Administrator will suspend payment of the Participant's retirement income. Any retirement allowance that the Participant was entitled to receive at the time of the appointment will be reinstated upon notice from the Participant of resignation or retirement from the appointment.

Felony Convictions

IF I AM CONVICTED OF A JOB-RELATED FELONY WHILE ACTIVELY EMPLOYED, WHAT WILL HAPPEN TO MY RETIREMENT BENEFIT?

If an employee is convicted of a felony for conduct arising out of or in the performance of the employee's official duties, in pursuit of their employment, or in connection with obtaining salary, disability, retirement, service retirement or other benefits, the employee will forfeit accrued rights and benefits from the earliest date of the commission of any felony until the conviction date and will not accrue further benefits (Government Code §7522.70 – 7522.74).

<u>**Retiree Medical Benefits (OPEB)**</u>

In conjunction with applicable Memoranda of Understanding (MOU) and Employment Agreements (EA), the Contra Costa Water District Code of Regulations Chapter 3.24 governs the provision of retirement medical benefits for employees retiring from the District. The following information is provided for your reference. For full details, please refer to the District's Code of Regulations, applicable Memoranda of Understanding or Employment Agreements, Side Letter Agreement, the CalPERS Health Program Guide, and the current CalPERS Health Benefit Summary. Also, reference the heading entitled "Covered Retiree Medical Benefits" herein this "Retiree Medical Benefits (OPEB)" section, for important details about the level of benefits paid by the District.

The information provided herein is a summary of current information and is not a guarantee of what may happen in the future. Benefits are subject to the terms and conditions of the medical plan policies and all retirements must be in accordance with the rules of the District and CalPERS, and the regulations of the Public Employees' Medical and Hospital Care Act (PEMHCA). The District is subject to PEMHCA (the laws that govern our health program) for as long as the District is a PEMHCA-contracting employee group. If a termination resolution is submitted to CalPERS for the employee group, then the District is no longer subject to PEMHCA for that terminating group.

ELIGIBILITY FOR RETIREMENT MEDICAL

To receive the fully-paid medical plan premium benefit, employees hired on or after September 1, 2011 through December 31, 2015 shall be subject to a five (5) year District service vesting period and employees hired on or after January 1, 2016 shall be subject to a ten (10) year District service vesting period to be eligible upon retirement from the District. Reciprocal agency service and purchase of service credit does not count toward the 5- or 10-year District vesting service requirement for the fully-paid medical plan premium benefits. Employees hired prior to September 1, 2011 are only subject to District service vesting requirements District service eligibility requirements and would be eligible for the fully-paid medical plan premium benefit upon meeting retirement eligibility and retiring from District employment. While contracting with CalPERS for medical benefits and in compliance with PEMHCA, employees who do not meet the above-stated vesting requirements are entitled to receive partially-paid medical plan premiums, which are a percentage of the PEMHCA minimum. A percentage of the PEMHCA minimum is provided as long as the retiree or their surviving spouse/RDP is enrolled in and pays their portion of their CalPERS medical plan premium. Should the District no longer contract with CalPERS for medical benefits, PEMHCA requirements do not apply and the percentage of the PEMHCA minimum would no longer be provided to the retiree and/or their surviving spouse/RDP. Please refer to CCWD Pension and OPEB Vesting Requirements on page 12 for additional details.

If you resign or leave the District for any reason and subsequently decide to retire, your retirement date must be within 120 days of separation from District employment to be eligible for retiree medical benefits, whether fully-paid or partially-paid by the District. Separation from District employment within 120 days is based on the last date worked which is also the last day on Payroll, in order to be eligible for retiree medical benefits. The last day on Payroll must be a scheduled workday, not a day off due to a holiday or a Saturday or Sunday as applicable.

WHAT HAPPENS TO MY MEDICAL INSURANCE ONCE I RETIRE?

If eligible, upon retiring from District employment, you will be entitled to receive a medical insurance benefit as follows:

- If the employee retires within 30 days of their separation date and the retiree is enrolled in a CalPERS health plan, the health plan will continue into retirement without a break.

- If the employee retires between and including the 31st day up to and including the 120th day of separation and they are enrolled in a CalPERS health plan, they will not automatically continue coverage, however, the retiree is eligible to enroll self and eligible family members in a CalPERS health plan within 60 days of the retirement date or at a later date according to CalPERS rules and regulations.

- If an employee retires within 120 days of their separation date but is not enrolled in a CalPERS health plan at the time of retirement, the retiree may enroll in a CalPERS health plan at a later date subject to CalPERS rules and regulations.

If you **defer** your retirement, meaning you leave District employment prior to retiring from the CCWD Retirement Plan, and you retire beyond 120 days of your District separation date, you **will not** receive any medical insurance coverage from the District. To receive medical insurance benefits, you must retire within 120 days from active employment from the District. Should you retire beyond 120 days of your District separation date, you are entitled to a return of your OPEB employee contributions plus interest, to be distributed after the 120 days has passed.

WHAT HAPPENS TO MY SPOUSE/STATE OF CALIFORNIA REGISTERED DOMESTIC PARTNER'S (RDP) AND ELIGIBLE CHILDREN'S (IF APPLICABLE) MEDICAL BENEFIT COVERAGE AFTER MY DEATH?

Refer to the section "Covered Retiree Medical Benefits" on page 35 herein the "Retiree Medical Benefits (OPEB)," for important details about the level of benefits paid by the District.

For Local 39 Clerical/Maintenance Employees who retire <u>on or after</u> July 1, 2000; for Local 21 Professional/Supervisory Employees who retire <u>on or after</u> November 9, 2015; and for Confidential and Unrepresented Employees who retire <u>on or after</u> October 3, 2016:

If you retire from the District, (within 120 days of employment separation as detailed under "Eligibility for Retirement Medical") the District provides medical insurance for you, your same spouse/RDP, and eligible children throughout your lifetime. If you select the **unmodified** retirement benefit option: 1) your spouse/RDP is eligible to continue to receive medical benefits, even if you predecease them, until your spouse/RDP reaches age 65, and 2) your eligible child(ren)'s medical coverage will continue through the end of the month following your death. If you predecease your spouse/RDP, and you select a **Joint Annuitant** option at the time you retired, naming your spouse/RDP as Joint Annuitant, your surviving spouse/RDP is eligible to continue to receive medical benefits from the District throughout their lifetime, your non-disabled child(ren)'s is (are) eligible to continue to receive medical benefits for the lifetime of your surviving spouse/RDP or until the non-disabled child(ren) reaches age 26, whichever occurs first.

For Local 39 Clerical/Maintenance Employees who retired before July 1, 2000; for Local 21 Professional/Supervisory Employees who retired before November 9, 2015; and for Confidential and Unrepresented Employees who retired before October 3, 2016:
If you selected the **unmodified** retirement benefit option, your same spouse/RDP and child(ren)'s medical coverage continues through the end of the month following the retiree's death. If you predecease your spouse/RDP, and you selected a **Joint Annuitant** option at the time you retired, naming your spouse/RDP as Joint Annuitant, your surviving spouse/RDP is eligible to continue to receive fully paid medical benefits until spouse/RDP reaches age 65 then surviving spouse/RDP pays monthly premium minus District-paid PEMHCA minimum. Your non-disabled child(ren) is (are) eligible to receive partially-paid medical benefits for the lifetime of your surviving spouse/RDP or until the non-disabled child(ren) reach(es) age 26, whichever occurs first.

NOTE: For the Joint Annuitant options in the preceding two paragraphs, the adult non-disabled eligible child(ren) may elect to pay for the full cost of temporarily continuing coverage upon ineligibility for the District medical coverage.

CAN I CHANGE MY MEDICAL PLAN AFTER I RETIRE?

Yes, CalPERS allows retirees to participate in Annual Open Enrollment plus there are qualifying life changes during the year which may allow retirees to make changes to their medical plans outside of Open Enrollment. Please refer to the CalPERS current Health Benefit Summary, the CalPERS Health Program Guide, and/or the CalPERS webpage: https://www.calpers.ca.gov/page/active-members/health-benefits for details about Open Enrollment and making changes to your medical plan outside of Open Enrollment. You may also contact Human Resources & Risk staff at (925) 688-8002. Any changes a retiree makes may result in a retiree contribution for certain plan choices.

RETIREE ENROLLMENT INFORMATION

Employees and their eligible dependents do not need to be enrolled in a District-sponsored medical plan at time of retirement to be eligible for retiree medical benefits. Employees may opt-out from medical plan coverage while still employed and/or at time of retirement if they are already covered through a different provider and may re-enroll at a later date, subject to CalPERS eligibility requirements and timelines (Open Enrollment, Special Enrollment, or Late Enrollment).

WILL MOVING OUT OF THE AREA AFFECT MY MEDICAL PLAN COVERAGE?

Moving your residence after retirement could require a change of your medical plan if you move out of your current medical plan service area. Please refer to the CalPERS 2020 Health Benefit Summary, the CalPERS Health Program Guide, and/or the CalPERS webpage: https://www.calpers.ca.gov/page/active-members/health-benefits for details about moving out of a medical plan's service area.

Moving Out of Selected Core Plan Service Area

If a retiree in a core plan moves to an area not serviced by that core plan, the District will pay the premium for the out of region core medical plan selected by the retiree in accordance with all applicable provisions.

COVERED RETIREE MEDICAL BENEFITS

Core Plan Selection

Subject to the eligibility requirements of CalPERS and CCWD, for all employees who retire from the District, the District will provide eligible retirees a medical insurance benefit (plan design) equal to that of the "core" plan (Kaiser Permanente HMO, HealthNet SmartCare HMO, PERS Choice PPO) of the employee's choice at the time of retirement. Retirees enrolled in a core plan at retirement may be eligible for reimbursement through a Third Party Administration (TPA), of additional out-of-pocket costs (i.e., copay and deductible differences) caused by plan design changes post retirement. Retirees that choose to leave their initial core plan at any time, other than allowed exceptions[1], will forever forfeit the benefit plan design and the retirees will be ineligible for Third Party Administrator TPA reimbursement. As applicable to the District-service vesting requirement, the District will pay the full premium cost of the core plan they were enrolled in at the time of their retirement or the initial plan they select post-employment as long as it is a core plan (if they were not enrolled in a District sponsored plan at the time of retirement). Further, the retiree upon reaching the age of 65 must remain in the same comparable Medicare core plan and enroll in Medicare. *[A CalPERS Medicare supplement plan is currently not available through HealthNet SmartCare; therefore, HealthNet SmartCare Medicare eligible retirees must select a different plan. These retirees who select a different core Medicare plan (Kaiser Senior Advantage or PERS Choice Medicare Supplement) are eligible to continue to receive the fully paid medical plan benefits -. Please refer to the next section for retirees who select a non-core Medicare plan.]*

[1]Exceptions: 1) when a retiree relocates to an area not serviced by their initial core plan and they select a new core plan; 2) the Health Net core plan retiree becomes Medicare eligible and selects Kaiser Senior Advantage or PERS Choice Med Supp; and 3) should the core plan no longer be offered by CalPERS and the retiree selects a new core plan.

Non-Core Plan Selection

As applicable to District-service vesting requirements, for eligible retirees who retire with a non-core plan or select a non-core plan post retirement, the District agrees to pay the cost of the non-core plan, up to the highest of the three core plans for the retiree's applicable selection (employee only, employee +1, employee +2) capped at the Kaiser family (employee +2) plan rate. The retiree is responsible to pay for any cost exceeding the District's contribution by way of post-tax pension deduction.

Medicare Integration

As specified by the District's Code of Regulations, Chapter 3.24.020 and as required by CalPERS, when you and/or your spouse/State of California RDP reach age 65, each must sign up for Medicare (Parts A and B). In addition, you and your spouse/RDP (if applicable) must enroll in a CalPERS designated Medicare plan. Your retirement medical plan will become supplemental to Medicare. Failure to enroll in Medicare as required, as well as a designated Medicare health plan, will result in cancellation of the medical benefit coverage. Should this happen, the retiree may request re-enrollment through an Administrative Review Process within 90 days of the date the coverage is cancelled. **Medicare costs as established by the federal government are paid solely by the participant and not the District.**

Accordingly, once the retiree and/or the spouse/RDP reaches the age of 65 they are required to enroll in Medicare and any supplement insurance plan offered by CalPERS. Medical plan insurance benefits shall be integrated with Medicare for the rest of the retiree and their spouse/RDP lifetimes. As applicable to District-service vesting requirements, **the District will continue to fund medical insurance up to the highest of the two core Medicare plans (Kaiser Senior Advantage and PERS Choice Medicare Supplement) for the retiree's applicable selection** for the retiree, the retiree's same eligible spouse/RDP, and same other eligible dependents at the time of retirement. See "Change in Eligible Dependent(s) Status" below for additional provisions.

Change in Medical Plan After Retirement within the Core Plans

As applicable to District-service vesting requirements, if a retiree chooses to enroll in a different core plan than the core plan selected at the time of retirement, the District agrees to pay up to the cost of the full family Kaiser Plan premium (employee +2). Retirees who elect to enroll in a core health plan which has a higher premium cost than that for the full family Kaiser Plan are responsible for payment of any cost exceeding the full family Kaiser Plan premium. This payment shall be made by way of post-tax pension deduction.

Change in Eligible Dependent(s) Status

Should a spouse/RDP or other eligible dependent no longer be eligible for coverage, the District will pay the full premium cost of a "core" plan for the new lower coverage level (employee only or employee plus one) for which the retiree is eligible. Retirees may add a new spouse/RDP or new eligible dependents post retirement, but the cost of additional spouses/RDPs and/or additional other eligible dependents (beyond those eligible at time of retirement) will be paid by the retiree by way of a pension deduction. Should the retiree pre-decease their added spouse/RDP/dependents or should the cost for dependent coverage fail to be made, the dependent(s) medical insurance coverage will be terminated. Continuation of coverage may be available through the Consolidated Omnibus Budget Reconciliation Act (COBRA) or through CalPERS and CCWD reinstatement provisions.

Retiree Pension Deduction

Should the pension check be insufficient to pay for the retiree's share of their medical premium due to selecting a non-core plan, and/or adding a new spouse/RDP and/or other eligible dependents, or for any other reason, the retiree is responsible to submit a check payable to CCWD to arrive no later than the 5th of each month for which the premium is due. Failure of a retiree to make a timely payment for the retiree's portion of the premium cost will result in termination of the retiree's and applicable dependents medical insurance coverage and the retiree is subject to CalPERS and CCWD reinstatement provisions.

Surviving Spousal Benefit

In compliance with PEMHCA, lifetime spousal/RDP medical insurance coverage is available through CalPERS for all employees who select a joint and survivor option at the time of retirement. After the retiree's death, if the retiree selected a joint and survivor option at the time of retirement naming their spouse/RDP as beneficiary, medical benefit eligibility will continue for the lifetime of the spouse/RDP.

District will pay the full premium** until spouse/RDP reaches age 65 then the PEMHCA minimum of $20.85 per month in 2020 for surviving spouse/RDP and eligible child(ren) benefits	District will pay full premium** for eligible surviving spouse/RDP and eligible child(ren) benefits
Local 39 retirements **prior to** July 1, 2000	Local 39 retirements **on or after** July 1, 2000
Local 21 retirements **prior to** November 9, 2015	Local 21 retirements **on or after** November 9, 2015
Confidential and Unrepresented employee retirements **prior to** October 3, 2016	Confidential and Unrepresented employee retirements **on or after** October 3, 2016

**Subject to provisions regarding (core/non-core) plan selection and eligible dependents rules.

Surviving spouses/RDPs who select a plan requiring a contribution, including those where the District pays the PEMHCA minimum, will be subject to the same retiree pension deduction provisions previously detailed.

DO I LOSE MY DENTAL, VISION, AND EMPLOYEE ASSISTANCE PROGRAM INSURANCE WHEN I RETIRE?

The District does not pay for vision, dental, or employee assistance program (EAP) insurance premiums after you retire. However, federal COBRA law and state CalCOBRA law allows retirees to continue for certain periods of time, your group dental, vision, and EAP insurance if you pay the full monthly premiums for the COBRA coverage and longer for CalCOBRA provision. If you do not opt for COBRA coverage upon retirement, you will no longer be eligible for coverage through the District. CalPERS offers dental and vision benefits through some Medicare supplement plans. Retirees selecting dental and/or vision benefits from CalPERS are solely responsible for the additional premium costs and will be billed directly.

WHAT ABOUT LIFE INSURANCE?

Upon retirement, retirees will no longer be covered under the District's active employee life insurance plan. The District currently provides a $5,000 life insurance policy for retirees who retire directly from the District as opposed to resignation or any other non-retirement separation. You will also have the option to convert and/or port your active employee life insurance policy to an individual policy at your sole expense; however, the rates for an individual policy may differ from the District's group rates for active employees.

WHAT HAPPENS TO MY SICK LEAVE WHEN I RETIRE?

You may be eligible to have a percentage of your sick leave balance paid out as cash with your final paycheck from the District. The sellback schedule is based upon your years of service. See your applicable Memorandum of Understanding or your Employment Agreement for more information.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Other Post-Employment Benefits (OPEB) Trust (Trust) was established by the Board of Directors on May 14, 2008 for the purpose of establishing a tax qualified plan to fund the long-term liability associated with OPEB benefits (retiree health insurance). The District engaged in collaborative discussion with its employees and bargaining unit representatives to identify a funding plan for the current OPEB Plan benefit that includes employee contributions. All District employee groups and their bargaining unit representatives agreed to commence employee contributions to the OPEB Trust starting September 1, 2011. All employees who participate in the Contra Costa Water District Retirement Plan currently contribute 4% of their base pay on a pretax basis in 2020. OPEB contributions commence on the first day of employment for regular full-time and project employees. The contribution rate is reviewed annually at the end of each calendar year in compliance with your applicable Memoranda of Understanding or Employment Agreement adjustment provisions.

The District currently contracts with CalPERS for group medical benefits for active employees and retirees. To be eligible to enroll or continue enrollment in the CalPERS group medical plan as a retiree, according to CalPERS rules, all three requirements must be met:

1. Separate and retire within 120 days
2. Receive a monthly retirement allowance (pension payment)
3. Be eligible for group health (medical) benefits at time of separation

In alignment with the CalPERS requirements stated above, below is a summary of the possible scenarios by which a refund of employee OPEB contributions by the District would and would not be granted:

EMPLOYEES NOT ELIGIBLE FOR RETIREMENT AT OR WITHIN 120 DAYS OF SEPARATION; OPEB WILL BE REFUNDED AT TIME OF SEPARATION:

Should a District employee who is not eligible for retirement under the Retirement Plan of the Contra Costa Water District (Retirement Plan) at time of separation from District employment or within 120 days following separation from District employment (does not meet the

minimum age vesting requirement during the 120 days), separate from District employment including death, all employee contributions, plus 5% interest per annum, compounded annually, in accordance with current computational procedures, will be returned to the employee upon separation (or to the designated OPEB beneficiary/ies upon death) within three weeks. The distribution would be a taxable event, with no option to roll-over or otherwise tax-defer the distribution. The separating employee is not eligible for retiree medical benefits because the employee is not eligible for retirement.

EMPLOYEES RETIRE WITHIN 120 DAYS; OPEB IS NOT REFUNDED:

Should an employee who is eligible for retirement under the Retirement Plan, separate from District employment and retire under the Retirement Plan immediately or within 120 days of their separation from District employment, eligibility for retiree medical benefits, whether fully-paid or partially-paid by the District, remains valid for their lifetime (at the fully-paid or partially paid benefit they were eligible for at the time of their separation from District employment, subject to the January 4, 2017 MOU Amendments), and no employee OPEB contributions or interest will be returned. This holds true even if the employee is eligible for retiree medical benefits but is not allowed to participate directly due to CalPERS rules disallowing double coverage (e.g., employee/retiree is covered by a spouse or registered domestic partner "RDP"). The retiree would be allowed to participate in the District's CalPERS medical plan should spousal or RDP coverage cease (e.g., coverage lost due to loss of coverage by spouse/RDP, death, divorce, or dissolution of registered domestic partnership) or should there be other life changes where the retiree later decides to enroll in District-sponsored coverage, subject to CalPERS enrollment rules and limitations.

ELIGIBLE FOR RETIREMENT – RETIRING AFTER 120 DAYS:

OPEB REFUNDED AFTER 120 DAYS:

Should an employee who is eligible for retirement under the Retirement Plan at time of separation from District employment or within 120 days following their separation from District employment (meets the minimum age vesting requirement during the 120 days), retire more than 120 days after their separation from District employment, eligibility for District retiree medical benefits ceases, it cannot be reinstated at any time in the future, and all employee OPEB contributions, plus 5% interest per annum, compounded annually, in accordance with current computational procedures, will be returned after the 120 days have passed. The OPEB refund will be paid to the employee from the District's general fund (via a live check within three weeks after the employee's retirement date). The distribution would be a taxable event, included on the employee's year-end IRS W-2 form, with no option to rollover or otherwise tax-defer the distribution. Accordingly, and per page 4 of the Amendment to the

MOU dated January 4, 2017 with Stationary Engineers, Local 39 and with IFPTE, Local 21: "For those eligible for retiree medical and who do not retire within the 120 days, the OPEB distribution will not be dispersed until after the 120 calendar days." As retirement monthly payments do not commence until an employee retires, this also means that no pension payments will be made until the retirement is effective after the 120-day period.

LUMP SUM PENSION PAYMENT:
Should an employee who is eligible for retirement under the Retirement Plan at time of separation from District employment retire more than 120 days after their separation from District employment, but within 150 days after their separation from District employment, an additional lump sum pension payment will be provided under the Retirement Plan as follows for those who meet all the terms and conditions below:

I. Subject to all of the terms and conditions, if a participant who is eligible to retire under the Retirement Plan upon separation from District employment retire more than 120, but not more than 150 days following the participant's separation from District employment, the amount of the monthly pension benefit payable to the participant beginning at the participant's effective retirement date will equal the monthly pension benefit amount that would have been payable to the participant, under the form of payment elected by the participant, had the participant retired at the participant's separation from District employment. Such monthly pension benefit amount will be calculated based on the terms of the Retirement Plan in effect, and the participant's age and service, as of the participant's separation from District employment. The participant will receive a one-time lump sum payment under the Retirement Plan in an amount equal to the sum of the monthly pension benefit payments, calculated as described in the preceding sentence, the participant would have received during the period beginning on the participant's separation from District employment and ending on the 120th day after the participant's separation from District employment, unadjusted for interest. The following provides an example:

   - An employee eligible to retire separates from District employment on March 15. The 120th day is July 13. The employee selected July 14 as their effective retirement date. In this case, the employee is entitled to a lump sum payment of four months of pension benefits: April, May, June, and July. Regular monthly pension benefits will begin on August 1.

II. This lump sum pension payment will be paid to the employee from the Retirement Plan within three weeks after the employee's effective retirement date as long as they submit a completed District Service Retirement Application form at least 90 days in advance of the effective retirement date. Failure to submit a completed District Service Retirement Application form at least 90 days in advance of the retirement date will result in a delayed lump sum pension payment, with no adjustment for interest. This lump sum payment will be included on the year-end IRS 1099-R Form or as otherwise required to be reported for federal and state tax purposes.

III. Under no circumstances will the lump sum pension payment exceed four months of Contra Costa Water District (District) pension benefits applicable to the specific District retiree. The District lump sum pension payment does not include payments for pension benefits from any other pension systems. For example, those with established retirement system reciprocity, who delay retirement beyond 120 days in order to retire from both/all reciprocal systems on the same date, are not entitled to compensation by the District for delayed pension benefits from any such reciprocal retirement system(s).

IV. In accordance with the Retirement Plan, pension benefits are provided for whole months only beginning on the first day of the month following the effective date of retirement. In other words, the Retirement Plan does not provide partial month pension benefits.

V. It is the intent of the parties to the Agreement that this lump sum pension payment shall not result in any additional net cost to the Retirement Plan beyond the net cost that the Retirement Plan would have incurred under the OPEB distribution and pension eligibility rules that applied immediately before the transition to CalPERS medical on March 1, 2017.

VI. In an effort to replicate, to the extent possible, conditions prior to the transition to CalPERS medical, while the effective retirement date will be more than 120 days and fewer than 151 days following separation from District employment, the retirement benefit (monthly pension payment) will be calculated using age and service credits as of the time of separation from District employment and the monthly pension payment will commence following the effective retirement date (which will be from 121 through 150 days following separation of service) in the normal course of the Retirement Plan administration.

VII. The lump sum payment will be calculated, based on the monthly pension payment in (v) above to reflect pension payments that would have been made during the 120-day wait period. Should this 120-day through 150-day waiting period cross January 1 of any year and there is a Board-approved retiree Cost of Living Adjustment (COLA) effective that same January 1, as aforementioned the monthly pension will be calculated as if the employee retired the day immediately following District separation. The following provides an example of such lump sum pension payment calculation:

- If an employee separates from service on November 30 and retires on March 31, the 120-day lump sum payment would include one of the months (December) at the actuarial determined amount as of the time of separation, plus three of the months (January, February, and March) of pension benefits at the same amount plus the Board-approved COLA for each of the three months. The regular monthly ongoing pension payments would commence on April 1 (and would include said COLA).

VIII. Provision of the lump sum pension payment described above from the Retirement Plan will be contingent upon the amendment of the Retirement Plan to provide for that benefit. All parties agree to affirmatively support such an amendment by virtue of their signatures to this Side Letter Agreement.

IX. Employees who retire after 120 days who are eligible to retire at time of separation from District employment and who retire more than 150 days after separation from District employment are not entitled to receive the lump sum pension payment or OPEB medical coverage, but are entitled to the refund of OPEB contributions as provided for in Section 3(a) above.

X. Upon employee request, the District will provide an employee who has submitted a District "Application for Service Retirement," as soon as practical following the request, a formal letter specifying the estimated amount of the lump sum values of the pension and OPEB refund.

The refund of employee OPEB contributions as described in (a) above, and the lump sum pension payment described in (b) above, will be offered to a participant who separates from District employment on or before November 8, 2021, provided the participant satisfies the conditions described above.

In the event that any of the provisions above conflict with the Retirement Plan (as amended to accommodate the provisions above), the provisions of the Retirement Plan will prevail. Employees are requested to complete the Authorization of Payment for Final Wages in the Event of Death form to designate their beneficiary/beneficiaries for the OPEB funds in the event of their passing.

OPEB is governed by the Amended and Restated Other Post-Employment Benefits Trust Agreement and CCWD's Code of Regulations, which must be relied upon for detailed information on the defined benefit and all other details. In every case concerning interpretation or implementation of OPEB, the Trust Agreement, as it may be amended from time to time, is the sole controlling document. The Handbook cannot be interpreted as adding to, subtracting from, or modifying any provision of the Trust Agreement. Any unanswered questions can be resolved by reference to the Trust Agreement or by contacting the District's Human Resources & Risk staff.

Retirement Benefit for Board of Directors (Who Took Office Before January 1, 2013)

CONTRIBUTION

Each Director is automatically a member of the District's Retirement Plan (Plan) and contributes 1% (post-tax) of compensation paid to the Plan. Directors begin contributions upon the first day of service as a Director.

VESTING

Board of Directors become vested after ten (10) years of continuous service.

DATE OF RETIREMENT

Full retirement age is 62, which provides you with a full retirement benefit formula of 2.35% at age 62. However, you may retire at any time after you become vested (10 years of service) and reach age 55, at a reduced "early" retirement benefit.

RETIREMENT BENEFIT

The benefit is the average basic monthly compensation paid over the 36 highest compensated consecutive months during the last five years of the Director's service, multiplied by a factor in the table on page 46 determined by the length of time of the Director's continuous service and the Director's age at the commencement of payment of retirement income.

DISABILITY RETIREMENT

If you become totally and permanently disabled, (as determined by the Social Security Administration and confirmed by the Retirement Plan Committee) your retirement benefits earned to your date of disablement will become fully vested with your active service years regardless of your number of years of service with the District. You will not be eligible to receive a retirement benefit until age 55.

DATE OF PAYMENT

Payment of your retirement benefit will begin the first day of the month following the date you retire. However, in no event will payment begin before the first of the month following or concurrent with your 55th birthday.

WHAT IF I DIE BEFORE I RETIRE?

Several options are available to your designated beneficiary in the event of your death before retirement.

Distribution of Contributions Plus Interest

In all cases, your contribution with accrued interest, can be distributed in a lump sum payment to your designated beneficiary.

Monthly Benefit

If you are a member of the Board of Directors and die on or after reaching 55 years of age and after completing ten or more years of service, but before retiring, your spouse/State of California registered domestic partner (RDP) (of not less than six months) will be eligible to receive a monthly benefit for life equal to 50 percent of the amount that otherwise would have been paid to you.

DEFERRED RETIREMENT

If you are fully vested, you can keep your funds on deposit and elect to receive retirement benefits at any date after age 55, but no later than age 70½. This is called "deferred retirement."

You must complete an *Election to Remain a Member of the Retirement System Form* to initiate this action. You will also receive a copy of IRS 402(f) Notice form entitled "Special Tax Notice Regarding Plan Payments" which provides information regarding rollover options and associated tax implications upon separation.

TERMINATION PRIOR TO VESTING

If your incumbency is terminated before you qualify for retirement benefits, you will be paid in a lump sum the total amount you contributed to the plan plus interest earned. The interest is calculated at 5%, which is the interest earning rate applied to retirement funds in the Contra Costa Water District Retirement Plan.

BENEFIT PAYMENT OPTIONS

You may have your pension paid under one of the six options listed below. With four "Joint Annuitant" options, the pension amount that you, as a retiree, receive during your lifetime is actuarially adjusted based on the difference between you and your surviving spouse's/RDP's life expectancy; the greater the difference, the bigger the impact on your pension benefit.

LUMP SUM BENEFIT

You can opt to have a lump sum payment representing the value of contributions made by you to the plan plus accrued interest. If you select a lump sum payment, you will not be eligible for a monthly benefit.

NORMAL FORM ("UNMODIFIED" OPTION)

Your pension benefit is payable to you over your lifetime only. If you pass away before payments exceed your contributions plus credited interest, your beneficiary or beneficiaries will receive the remaining unpaid balance. If you pass away after payments equal or exceed your contribution plus interest, your beneficiary will not receive any retirement plan benefits.

JOINT ANNUITANT OPTIONS

Joint Annuitant Options, unlike the Normal Form (Unmodified) option, provide for continuing pension payments to your surviving spouse/RDP in the event of your death. You can select from one of following Joint Annuitant Options:

<u>50% Joint Annuitant Option</u>

The amount of your pension under this option is a lower amount than the Normal Form ("Unmodified" Option) benefit. You will receive the pension over your lifetime with 50% of your benefit continued over the lifetime of your spouse/RDP, if your spouse/RDP survives you.

<u>50% Joint Annuitant with Restoration Option</u>

The amount of your pension under this option is a lower amount than the Normal Form ("Unmodified" Option) benefit. You will receive the pension over your lifetime with 50% of your benefit continued over the lifetime of your spouse/RDP, if your spouse/RDP survives you. If your spouse/RDP predeceases you, your pension benefit will be restored to the full amount of the Normal Form ("Unmodified" Option).

<u>100% Joint Annuitant Option</u>

The amount of your pension under this option is a lower amount than the Normal Form ("Unmodified" Option) benefit or the 50% Joint Annuitant benefit. You will receive the pension over your lifetime with 100% of your benefit continued over the lifetime of your spouse/RDP, if your spouse/RDP survives you.

<u>100% Joint Annuitant with Restoration Option</u>

The amount of your pension under this option is a lower amount than the Normal Form ("Unmodified" Option) benefit or the 50% Joint Annuitant benefit. You will receive the pension over your lifetime with 100% of your benefit continued over the lifetime of your spouse/RDP, if your spouse/RDP survives you. If your spouse/RDP predeceases you, your pension benefit will be restored to the full amount of the Normal Form ("Unmodified" Option).

RETIREMENT MEDICAL

<u>If you first served *prior* to January 1, 1995</u>

If you retire from the District with at least 12 years of service and first served on the legislative body prior to January 1, 1995, you are eligible to have medical insurance paid 100% by the District. If you retire directly from the District, the District provides medical insurance for you, your spouse/RDP, and eligible children (if applicable) throughout **your** lifetime. After your death, if you selected a Joint Annuitant option at the time of your retirement, your spouse/RDP will continue to receive medical coverage until your spouse/RDP reaches age 65, but your children's coverage will cease the first of the month following your death.

<u>If you first served *on or after* January 1, 1995</u>

If you were elected on or after January 1, 1995, upon your retirement, you may continue your medical benefits through the District's medical plan on a self-pay basis. (Government Code §53201).

MEDICARE AND YOU

At age 65, you and your spouse/RDP <u>must</u> sign up for Medicare Parts A and B and a designated Medicare health plan. At that time, your health plan will become supplemental to Medicare. District payment towards monthly medical insurance premiums will be in accordance with the section titled Covered Retiree Medical Benefits. **Medicare costs are established by the federal government, and are the sole responsibility of the participant, not the District.**

Directors' Retirement Benefit Factors
(Who Take office Before January 1, 2013)

As a Percentage of Basic Compensation
By Age and Service at Retirement (Effective January 1, 2009)
2.35% at age 62

	AGE							
YEARS OF SERIVCE	55	56	57	58	59	60	61	62 or over
10	11.02%	11.77%	12.62%	13.54%	14.55%	22.09%	22.80%	23.50%
11	12.12%	12.95%	13.88%	14.89%	16.00%	24.30%	25.07%	25.85%
12	13.23%	14.13%	15.14%	16.24%	17.46%	26.51%	27.35%	28.20%
13	14.33%	15.31%	16.41%	17.60%	18.91%	28.72%	29.63%	30.55%
14	15.43%	16.48%	17.67%	18.95%	20.37%	30.93%	31.91%	32.90%
15	16.53%	17.66%	18.93%	20.30%	21.82%	33.14%	34.19%	35.25%
16	17.63%	18.84%	20.19%	21.66%	23.27%	35.34%	36.47%	37.60%
17	18.74%	20.01%	21.45%	23.01%	24.73%	37.55%	38.75%	39.95%
18	19.84%	21.19%	22.72%	24.36%	26.18%	39.76%	41.03%	42.30%
19	20.94%	22.37%	23.98%	25.72%	27.64%	41.97%	43.31%	44.65%
20	22.04%	23.55%	25.24%	27.07%	29.09%	44.18%	45.59%	47.00%
21	23.15%	24.72%	26.50%	28.43%	30.55%	46.39%	47.87%	49.35%
22	24.25%	25.90%	27.76%	29.78%	32.00%	48.60%	50.15%	51.70%
23	25.35%	27.08%	29.02%	31.13%	33.46%	50.81%	52.43%	54.05%
24	26.45%	28.26%	30.29%	32.49%	34.91%	53.02%	54.71%	56.40%
25	27.55%	29.43%	31.55%	33.84%	36.37%	55.23%	56.99%	58.75%
26	28.66%	30.61%	32.81%	35.19%	37.82%	57.43%	59.27%	61.10%
27	29.76%	31.79%	34.07%	36.55%	39.28%	59.64%	61.55%	63.45%
28	30.86%	32.97%	35.33%	37.90%	40.73%	61.85%	63.83%	65.80%
29	31.96%	34.14%	36.60%	39.25%	42.18%	64.06%	66.11%	68.15%
30	33.06%	35.32%	37.86%	40.61%	43.64%	66.27%	68.39%	70.50%
31	34.17%	36.50%	39.12%	41.96%	45.09%	68.48%	70.66%	72.85%
32	35.27%	37.68%	40.38%	43.32%	46.55%	70.69%	72.94%	75.20%
33	36.37%	38.85%	41.64%	44.67%	48.00%	72.90%	75.22%	77.55%
34		40.03%	42.91%	46.02%	49.46%	75.11%	77.50%	79.90%
35			44.17%	47.38%	50.91%	77.32%	79.78%	82.25%
36				48.73%	52.37%	79.52%	82.06%	84.60%
37					53.82%	81.73%	84.34%	86.95%
38						83.94%	86.62%	89.30%
39						86.15%	88.90%	91.65%
40						88.36%	91.18%	94.00%
41						90.57%	93.46%	96.35%
42							95.74%	98.70%
43								100.00%

The above factors shall be interpolated to give credit for full months of service over full years.

Retirement Benefit for Board of Directors
(Those Who Take Office for the First Time on or After January 1, 2013)

CONTRIBUTION

Each Director is automatically a member of the District's Retirement Plan and contributes at least 50% pre-tax of the normal cost of the defined benefit plan. Directors begin contributions upon the first day of service as a Director.

VESTING

Board of Directors become vested after five (5) years of continuous service.

DATE OF RETIREMENT

Full retirement age is 62, which provides you with a retirement benefit formula of 2% at age 62. However, you may retire at any time after you become vested (with at least five years of service) and reach age 52, at a reduced "early" retirement benefit.

DISABILITY RETIREMENT

If you become totally and permanently disabled, (as determined by the Social Security Administration and confirmed by the Retirement Plan Committee) you will become fully vested with your service years regardless of your number of years of service with the District. You will not be eligible to receive a retirement benefit until age 52.

RETIREMENT BENEFIT

The benefit is the average basic monthly compensation paid over the 36 consecutive months immediately preceding retirement, or any other period of at least 36 consecutive months designated by the retiring board member in the retirement application, multiplied by a factor in the table shown on page 50 by the length of time of the Director's continuous service and the Director's age at the commencement of payment of retirement income.

DATE OF PAYMENT

Payment of your retirement benefit will begin the first day of the month following the date you retire. However, in no event will payment begin before the first of the month following or concurrent with your 52nd birthday.

WHAT IF I DIE BEFORE I RETIRE?

Several options are available to your designated beneficiary in the event of your death before retirement.

Distribution of Contributions Plus Interest

In all cases, your contributions with accrued interest, can be distributed in a lump sum payment to your designated beneficiary.

Monthly Benefit

If you are a member of the Board of Directors and die on or after reaching 52 years of age and after completing five or more years of service, but before retiring, your spouse/State of

California registered domestic partner (RDP) (of not less than six months) will be eligible to receive a monthly benefit for life equal to 50 percent of the amount that otherwise would have been paid to you.

DEFERRED RETIREMENT

If you are fully vested, you can keep your funds on deposit and elect to receive retirement benefits at any date after age 52, but no later than age 70½. This is called "deferred retirement."

You must complete an *Election to Remain a Member of the Retirement System Form* to initiate this action. You will also receive a copy of IRS 402(f) Notice form entitled "Special Tax Notice Regarding Plan Payments" which provides information regarding rollover options and associated tax implications upon separation.

TERMINATION PRIOR TO VESTING

If your incumbency is terminated before you qualify for retirement benefits, you will be paid in a lump sum the total amount you contributed to the plan plus interest earned. The interest is calculated at 5%, which is the interest earning rate applied to retirement funds in the Contra Costa Water District Retirement Plan.

BENEFIT PAYMENT OPTIONS

You may have your pension paid under one of the six options listed below. With four "Joint Annuitant" options, the pension amount that you, as a retiree, receive during your lifetime is actuarially adjusted based on the difference between you and your surviving spouse's/RDP's life expectancy; the greater the difference, the bigger the impact on your pension benefit.

LUMP SUM BENEFIT

You can opt to have a lump sum payment representing the value of contributions made by you to the plan plus accrued interest. If you select a lump sum payment, you will not be eligible for a monthly benefit.

NORMAL FORM ("UNMODIFIED" OPTION)

Your pension benefit is payable to you over your lifetime only. If you die before payments equal your contributions plus credited interest, your beneficiary or beneficiaries will receive the remaining unpaid balance. If you die after payments equal your contribution plus interest, your beneficiary will not receive any retirement plan benefits.

JOINT ANNUITANT OPTIONS

Joint Annuitant Options, unlike the Normal Form (Unmodified) option, provide for continuing pension payments to your surviving spouse/RDP in the event of your death. You can select from one of the following Joint Annuitant Options:

50% Joint Annuitant Option

The amount of your pension under this option is a lower amount than the Normal Form ("Unmodified" Option) benefit. You will receive the pension over your lifetime with 50% of your benefit continued over the lifetime of your spouse/RDP, if your spouse/RDP survives you.

50% Joint Annuitant with Restoration Option

The amount of your pension under this option is a lower amount than the Normal Form ("Unmodified" Option) benefit. You will receive the pension over your lifetime with 50% of your benefit continued over the lifetime of your spouse/RDP, if your spouse/RDP survives you. If your spouse/RDP predeceases you, your pension benefit will be restored to the full amount of the Normal Form ("Unmodified" Option).

100% Joint Annuitant Option

The amount of your pension under this option is a lower amount than the Normal Form ("Unmodified" Option) benefit or the 50% Joint Annuitant benefit. You will receive the pension over your lifetime with 100% of your benefit continued over the lifetime of your spouse/RDP, if your spouse/RDP survives you.

100% Joint Annuitant with Restoration Option

The amount of your pension under this option is a lower amount than the Normal Form ("Unmodified" Option) benefit or the 50% Joint Annuitant benefit. You will receive the pension over your lifetime with 100% of your benefit continued over the lifetime of your spouse/RDP, if your spouse/RDP survives you. If your spouse/RDP predeceases you, your pension benefit will be restored to the full amount of the Normal Form ("Unmodified" Option).

RETIREMENT MEDICAL

Upon retirement, you may continue your medical benefits through the District's medical plan on a self-pay basis only. (See Government Code 53201).

Directors' Retirement Benefit Factors
(Who Take office After January 1, 2013)

As a Percentage of Basic Compensation

By Age and Service at Retirement (Effective January 1, 2013)

2% at age 62

Years of Service	Age															
	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67+
5	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%	11.00%	11.50%	12.00%	12.50%
6	6.00%	6.60%	7.20%	7.80%	8.40%	9.00%	9.60%	10.20%	10.80%	11.40%	12.00%	12.60%	13.20%	13.80%	14.40%	15.00%
7	7.00%	7.70%	8.40%	9.10%	9.80%	10.50%	11.20%	11.90%	12.60%	13.30%	14.00%	14.70%	15.40%	16.10%	16.80%	17.50%
8	8.00%	8.80%	9.60%	10.40%	11.20%	12.00%	12.80%	13.60%	14.40%	15.20%	16.00%	16.80%	17.60%	18.40%	19.20%	20.00%
9	9.00%	9.90%	10.80%	11.70%	12.60%	13.50%	14.40%	15.30%	16.20%	17.10%	18.00%	18.90%	19.80%	20.70%	21.60%	22.50%
10	10.00%	11.00%	12.00%	13.00%	14.00%	15.00%	16.00%	17.00%	18.00%	19.00%	20.00%	21.00%	22.00%	23.00%	24.00%	25.00%
11	11.00%	12.10%	13.20%	14.30%	15.40%	16.50%	17.60%	18.70%	19.80%	20.90%	22.00%	23.10%	24.20%	25.30%	26.40%	27.50%
12	12.00%	13.20%	14.40%	15.60%	16.80%	18.00%	19.20%	20.40%	21.60%	22.80%	24.00%	25.20%	26.40%	27.60%	28.80%	30.00%
13	13.00%	14.30%	15.60%	16.90%	18.20%	19.50%	20.80%	22.10%	23.40%	24.70%	26.00%	27.30%	28.60%	29.90%	31.20%	32.50%
14	14.00%	15.40%	16.80%	18.20%	19.60%	21.00%	22.40%	23.80%	25.20%	26.60%	28.00%	29.40%	30.80%	32.20%	33.60%	35.00%
15	15.00%	16.50%	18.00%	19.50%	21.00%	22.50%	24.00%	25.50%	27.00%	28.50%	30.00%	31.50%	33.00%	34.50%	36.00%	37.50%
16	16.00%	17.60%	19.20%	20.80%	22.40%	24.00%	25.60%	27.20%	28.80%	30.40%	32.00%	33.60%	35.20%	36.80%	38.40%	40.00%
17	17.00%	18.70%	20.40%	22.10%	23.80%	25.50%	27.20%	28.90%	30.60%	32.30%	34.00%	35.70%	37.40%	39.10%	40.80%	42.50%
18	18.00%	19.80%	21.60%	23.40%	25.20%	27.00%	28.80%	30.60%	32.40%	34.20%	36.00%	37.80%	39.60%	41.40%	43.20%	45.00%
19	19.00%	20.90%	22.80%	24.70%	26.60%	28.50%	30.40%	32.30%	34.20%	36.10%	38.00%	39.90%	41.80%	43.70%	45.60%	47.50%
20	20.00%	22.00%	24.00%	26.00%	28.00%	30.00%	32.00%	34.00%	36.00%	38.00%	40.00%	42.00%	44.00%	46.00%	48.00%	50.00%
21	21.00%	23.10%	25.20%	27.30%	29.40%	31.50%	33.60%	35.70%	37.80%	39.90%	42.00%	44.10%	46.20%	48.30%	50.40%	52.50%
22	22.00%	24.20%	26.40%	28.60%	30.80%	33.00%	35.20%	37.40%	39.60%	41.80%	44.00%	46.20%	48.40%	50.60%	52.80%	55.00%
23	23.00%	25.30%	27.60%	29.90%	32.20%	34.50%	36.80%	39.10%	41.40%	43.70%	46.00%	48.30%	50.60%	52.90%	55.20%	57.50%
24	24.00%	26.40%	28.80%	31.20%	33.60%	36.00%	38.40%	40.80%	43.20%	45.60%	48.00%	50.40%	52.80%	55.20%	57.60%	60.00%
25	25.00%	27.50%	30.00%	32.50%	35.00%	37.50%	40.00%	42.50%	45.00%	47.50%	50.00%	52.50%	55.00%	57.50%	60.00%	62.50%
26	26.00%	28.60%	31.20%	33.80%	36.40%	39.00%	41.60%	44.20%	46.80%	49.40%	52.00%	54.60%	57.20%	59.80%	62.40%	65.00%
27	27.00%	29.70%	32.40%	35.10%	37.80%	40.50%	43.20%	45.90%	48.60%	51.30%	54.00%	56.70%	59.40%	62.10%	64.80%	67.50%
28	28.00%	30.80%	33.60%	36.40%	39.20%	42.00%	44.80%	47.60%	50.40%	53.20%	56.00%	58.80%	61.60%	64.40%	67.20%	70.00%
29	29.00%	31.90%	34.80%	37.70%	40.60%	43.50%	46.40%	49.30%	52.20%	55.10%	58.00%	60.90%	63.80%	66.70%	69.60%	72.50%
30	30.00%	33.00%	36.00%	39.00%	42.00%	45.00%	48.00%	51.00%	54.00%	57.00%	60.00%	63.00%	66.00%	69.00%	72.00%	75.00%
31	31.00%	34.10%	37.20%	40.30%	43.40%	46.50%	49.60%	52.70%	55.80%	58.90%	62.00%	65.10%	68.20%	71.30%	74.40%	77.50%
32	32.00%	35.20%	38.40%	41.60%	44.80%	48.00%	51.20%	54.40%	57.60%	60.80%	64.00%	67.20%	70.40%	73.60%	76.80%	80.00%
33	33.00%	36.30%	39.60%	42.90%	46.20%	49.50%	52.80%	56.10%	59.40%	62.70%	66.00%	69.30%	72.60%	75.90%	79.20%	82.50%
34	34.00%	37.40%	40.80%	44.20%	47.60%	51.00%	54.40%	57.80%	61.20%	64.60%	68.00%	71.40%	74.80%	78.20%	81.60%	85.00%
35	35.00%	38.50%	42.00%	45.50%	49.00%	52.50%	56.00%	59.50%	63.00%	66.50%	70.00%	73.50%	77.00%	80.50%	84.00%	87.50%
36	36.00%	39.60%	43.20%	46.80%	50.40%	54.00%	57.60%	61.20%	64.80%	68.40%	72.00%	75.60%	79.20%	82.80%	86.40%	90.00%
37	37.00%	40.70%	44.40%	48.10%	51.80%	55.50%	59.20%	62.90%	66.60%	70.30%	74.00%	77.70%	81.40%	85.10%	88.80%	92.50%
38	38.00%	41.80%	45.60%	49.40%	53.20%	57.00%	60.80%	64.60%	68.40%	72.20%	76.00%	79.80%	83.60%	87.40%	91.20%	95.00%
39	39.00%	42.90%	46.80%	50.70%	54.60%	58.50%	62.40%	66.30%	70.20%	74.10%	78.00%	81.90%	85.80%	89.70%	93.60%	97.50%
40	40.00%	44.00%	48.00%	52.00%	56.00%	60.00%	64.00%	68.00%	72.00%	76.00%	80.00%	84.00%	88.00%	92.00%	96.00%	100.00%
41	41.00%	45.10%	49.20%	53.30%	57.40%	61.50%	65.60%	69.70%	73.80%	77.90%	82.00%	86.10%	90.20%	94.30%	98.40%	102.50%
42	42.00%	46.20%	50.40%	54.60%	58.80%	63.00%	67.20%	71.40%	75.60%	79.80%	84.00%	88.20%	92.40%	96.60%	100.80%	105.00%
43	43.00%	47.30%	51.60%	55.90%	60.20%	64.50%	68.80%	73.10%	77.40%	81.70%	86.00%	90.30%	94.60%	98.90%	103.20%	107.50%
44	44.00%	48.40%	52.80%	57.20%	61.60%	66.00%	70.40%	74.80%	79.20%	83.60%	88.00%	92.40%	96.80%	101.20%	105.60%	110.00%
45	45.00%	49.50%	54.00%	58.50%	63.00%	67.50%	72.00%	76.50%	81.00%	85.50%	90.00%	94.50%	99.00%	103.50%	108.00%	112.50%

Notes

1. A member may retire for service under this section after five years of service and upon reaching 52 years of age [California Government Code 7522.20. (a)].

2. Pensionable compensation used to calculate the defined benefit shall be limited by either 100% or 120% of the PEPRA compensation limit depending on Social Security eligibility. [California Government Code 7522.10. (c)(2)].

3. The above factors shall be interpolated to give credit for full months of service over full years.

Glossary of Terms

A

Active Employee or Active Member
A person currently employed in a full-time, project, or Board of Director position by the Contra Costa Water District.

Annuitant
A retiree or survivor of the retiree receiving a monthly pension benefit from CCWD.

Annuity
A lifetime monthly payment unless otherwise noted. The amount you receive is based on your age, years of service and average highest base salary in 12 (Classic Members) or 36 (PEPRA Members or Board of Directors) consecutive months depending on membership classification unless otherwise noted.

B

Base Salary/Compensation
Base or basic compensation means the amount paid by the District to an employee as a regular salary or wage, excluding amounts payable as overtime, shift premium, call-out pay or other irregular compensation and excluding District contributions under the Retirement Plan. This also applies to deferred retirees even if your highest pay is from your employment with a reciprocal agency. Only base pay is used to calculate retirement benefit under CCWD.

For PEPRA Members, the definition under Government Code §7522.34 applies, which is the normal monthly rate of pay or base pay of the member paid in cash.

Benefit Factor
A percentage (determined by your retirement formula and age) that is applied to your final base compensation to determine your retirement benefit.

Beneficiary
A person eligible to receive a benefit after the death of a retiree.

C

California Registered Domestic Partnership (RDP)
In California, domestic partnerships are formalized through a registration process with the Secretary of State's Office. A registered domestic partner has many of the same rights and responsibilities as spouses under California law—including but not limited to, laws concerning community property, child custody and support, and access to family court for the dissolution of a partnership. To register a domestic partnership with the California Secretary of State's office, you and your partner must be eligible to be married.

COBRA
The Consolidated Omnibus Budget Reconciliation Act is federal legislation that allows you or a family member to continue certain health benefits under certain circumstances when coverage is lost.

Code of Regulations
The CCWD Code of Regulations guides the operation of the District and interactions of District staff internally and with the public. Chapter 3.24 governs the provision of retirement medical benefits for employees retiring directly from the District. This document can be found in its entirety on the District's website at the following location: [www.ccwater.com/340/publications.](www.ccwater.com/340/publications)

Continuous Service
Continuous Service means the period from the commencement of an employee's last period of employment by the District to the separation of the employee's service without a break other than an approved leave of absence granted by the District for military service or other reasons, provided that the employee returns to the service of the District at the expiration of such leave without intervening employment other than that for which the employee was granted leave.

D

Deferred Retirement
Refers to an employee who leaves employment but does not retire within 120 days of separation of employment from the District, choosing instead to leave their funds on deposit and retire at a subsequent date in the future.

Defined Benefit Plan
CCWD administers a defined benefit retirement plan. Benefits are based on a set formula, using years of service, age at retirement, and highest average base salary for a 12- (Classic Members) or 36- (PEPRA Members or Board of Directors) month period.

E

Effective Retirement Date
Your effective retirement date is typically the day after your final day on the Contra Costa Water District's Payroll. Your last day worked must be a scheduled workday. For example, if you are normally scheduled to work Monday through Friday, your final day on payroll cannot be a Saturday, Sunday, or a District-paid holiday. Your effective retirement date can also be any other date after your separation date of employment from the District (within 120 days) to receive medical benefits.

Eligibility
You become a member of CCWD's Retirement Plan upon your first day of hire as a full-time employee, project employee, or Board of Director. Membership in the CCWD Retirement Plan is mandatory for eligible employees.

Employee Contribution
Employee contribution begins after successful completion of your probationary period. However, if you established reciprocity, your mandatory pretax deductions start on your first day of hire. Employee contribution varies based on employee group. Please refer to your MOU or Employment Agreement for your retirement employee contribution. PEPRA Members must pay at least 50% of the normal cost of the defined benefit plan, and there will be no employer pick-up.

Employer Pick-up
A percentage of Classic Members' contribution is paid by the District. The employer pick-up varies based on your bargaining unit. Please refer to your MOU or Employment Agreement for employer pick-up of the employee's share of contribution for your bargaining unit. PEPRA prohibits the employer pick-up for New Members. Employer pick-up is also commonly referred to as the Employer-Paid Member Contribution (EPMC).

I

Inactive Member
A member not currently working for CCWD, but has left member contributions on deposit and may be eligible to retire from the CCWD retirement plan at some point in the future.

M

Membership Classification
There are two types of membership classifications:

> **Classic Members –** Employees hired by the District on or before December 31, 2012, or individuals hired on or after January 1, 2013 who establish classic reciprocity with a public retirement system recognized by the Contra Costa Water District Retirement Plan.
>
> **PEPRA Members** – A PEPRA Member is a person who first becomes a participant of the Contra Costa Water District Retirement Plan on or after January 1, 2013, and who was either: (a) not a member of any other public retirement system (as defined in Section 7522.04 of the California Government Code) prior to that date, or (b) a member of another public retirement system prior to that date, but not subject to reciprocity with that retirement system (Government Code §7522.04).

O

Other Post-Employment Benefits (OPEB)
OPEB is an acronym for retiree health insurance benefits.

P

Participant
Each full-time permanent employee, each project employee and each Board of Director of the District shall be a participant in the Retirement Plan and retains vested or contingent rights to receive benefits under the Plan.

Public Employees' Pension Reform Act (PEPRA)
A law passed by the California State Legislature and signed by the Governor on September 12, 2012. This law took effect January 1, 2013 and applies to many public employers and public pension plans, including the Contra Costa Water District's Retirement Plan.

Q

Qualified Domestic Relations Order (QDRO)
A Domestic Relations Order refers to an order approved by the court, which the Plan Administrator has determined satisfies the same criteria as set forth in Internal Revenue Code section 414(p). This is required in cases involving divorce or domestic partnership dissolution.

R

RDP
Registered Domestic Partner as recognized by the State of California. See California Registered Domestic Partner (RDP) definition on page 51.
Reciprocal Agreement
An agreement between two public retirement systems on coordination of benefits.

Reciprocity
Reciprocity is available if you leave the District and within 180 days, began employment with a 1937 Retirement Act System ("'37 County Act"), public employer participating in CalPERS (California Public Employees' Retirement System), or other public agency maintaining a reciprocal system with CalPERS. Reciprocity is also available when you leave your accumulated contributions on deposit with your former reciprocal system and did not request to begin annuity benefits. Your reciprocal service is considered for vesting with the other government entity, and your highest one-year (Classic Members) or three-year (PEPRA Members) base compensation, regardless of where/which agency that was earned, will be used to determine your retirement benefit.

S

Service Credit
Your credited years of employment with CCWD. This amount of service is credited to your CCWD account and used as part of the formula to determine your retirement benefits. Service credit is based on completed months of service.

Survivor
A dependent eligible to receive a benefit upon a member's death.

V

Vested or Vesting
The right to specified benefits granted to eligible employees after a fixed period of employment and membership.