ABOUT RECIPROCITY

Reciprocity is an agreement among certain California public retirement systems to allow members to move from public employer to public employer within a specific time limit, without losing some valuable retirement and related benefit rights. Reciprocity is intended to encourage career public service by granting reciprocal retirement rights or benefits from two or more retirement systems.

Reciprocity may apply to persons entering membership in the Ventura County Employees’ Retirement Association (VCERA) from a reciprocal retirement system, as well as those leaving VCERA to enter service with a reciprocal retirement system.

There is no transfer of funds or service credit between retirement systems when you establish reciprocity. You retain your membership in this system and become a member of the system covered by your new employment. You are subject to the membership and benefit obligations and rights of each system (for example, minimum retirement age), except as modified by the reciprocity agreement.

The benefits arising from movement to a reciprocal retirement system are explained in this booklet. It includes a list of reciprocal agencies and public retirement systems that have established reciprocity with VCERA.

As you read this information, please note that VCERA’s authority extends only to applying and implementing the County Employees’ Retirement Law of 1937. It does not extend to laws and regulations under which other public retirement systems are administered. Questions relating to rights, benefits and obligations under any other public retirement system should be addressed directly to the appropriate system.

If you are entering employment covered under another retirement system, you should check with your current and new retirement systems to determine what reciprocal benefits and requirements may apply.
RECIPIROCITY BENEFITS

Member contribution rate based on age at entry
If the system you are moving to bases your member contribution rate on your age at entry into the system, as a reciprocal member your contributions in the new system will be based on your age at entry under the first retirement system. Note that many systems, including CalPERS, have a fixed contribution rate regardless of age, so this provision would not apply.

Highest final compensation
Upon your concurrent retirement, both systems will use your highest rate of pay under either system when calculating your final compensation. Some systems use one-year highest final compensation; others use three-year highest final compensation. If you have been granted limited reciprocity only, highest final compensation does not apply with VCERA.

Qualification for Benefits
Service earned under both systems may be used to meet each system’s vesting and retirement eligibility requirements.

Disability Retirement
If you are eligible for disability retirement from the new system, you may be entitled to a benefit from the first system, as long as you retire from both systems on the same date. Generally, your benefit from the first system will be an amount that does not exceed the difference between what you are going to receive from the new system and what you would receive if all your service in both systems were credited under the new system.

Death Benefits
Your beneficiary may be entitled to death benefits from each retirement plan.

Retirement Plan
If you establish reciprocity, you may be eligible for participation in a VCERA retirement plan in effect on December 31, 2012, if your reciprocal system entry date was on or prior to this date. If there is a change in your retirement plan, the Ventura County Auditor-Controller may make adjustments through payroll to correct any overpayments or underpayments in employee retirement contributions once reciprocity is verified.

RECIPIROCITY REQUIREMENTS

You must meet certain legal requirements in order to receive the full benefits of reciprocity when changing employment.

Contributions
You must continue your membership in the first retirement system by leaving your service credit and contributions (if any) on deposit with that system.
180 Day Requirement
You must enter employment covered by the new retirement system within 180 days (6 months) of leaving employment covered by the first system.

Overlapping Service
Reciprocity may not apply when your employment under the first system overlaps your employment under the new system. This may include overlapping time due to running out leave credits. You should check with your current system and new system about their rules before you leave employment.

Refund Restriction
Some systems may not allow you to withdraw your member contributions while you are employed in a position covered by a reciprocal system. Once reciprocity has been established, VCERA will not process a refund unless you have already refunded from all reciprocal systems entered after terminating employment with VCERA. If contributions are withdrawn, reciprocity is revoked and reciprocal benefits no longer apply.

Concurrent Retirement
You must retire on the same date under all reciprocal systems by filing a retirement application in each system respectively. Upon retirement, you will receive separate retirement allowances from each system.

Some exceptions may exist:

Terminated members Some systems allow members who have terminated their membership but are now employed under a reciprocal retirement system to redeposit contributions in order to establish reciprocity. If you think this might apply to you, contact the retirement system from which you have terminated your membership. In this case, limited reciprocity benefits may apply.

Movement between systems in the past The law specifying the maximum time period between separation under one system and employment under another has changed over the years. If you changed retirement systems in the past and are not sure if reciprocity applies to you, contact your current and previous retirement systems.

PUBLIC RETIREMENT SYSTEMS WITH RECIPROCITY

California Public Employees’ Retirement System (CalPERS)
All agencies whose employees are members of CalPERS including state agencies, county schools, various cities, counties and special districts.
County Systems
Counties under the County Employees Retirement Law of 1937:

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Independent Public Agency Retirement Systems (Contracted with CalPERS)
Note: New agencies/systems may have contracted for reciprocity since this booklet was published.

- California Administrative Services Authority (07/01/00)
- City of Concord (11/27/70)
- City of Costa Mesa (safety employees only) (04/01/78)
- City of Fresno (Miscellaneous and Safety Retirement Systems) (02/18/02)
- City of Oakland (non-safety employees only) (04/01/71)
- City of Pasadena (Fire and Police Retirement System) (05/04/01)
- City of Sacramento (11/04/74)
- City of San Clemente (non-safety employees only) (01/01/85)
- City of San Diego (06/25/92)
- City and County of San Francisco (07/29/88)
- City of San Jose (Misc. 12/09/94; Safety 09/30/94)
- Contra Costa Water District (03/02/88)
- County of San Luis Obispo Pension Trust (04/19/84)
- East Bay Municipal Utility District (04/16/84)
- East Bay Regional Park District (safety employees only) (07/01/96)
- Long Beach Schools Business Management Authority (07/01/98)
- Los Angeles City Employees’ Retirement System (07/14/97)
- Los Angeles County Metropolitan Transportation Authority (Non-Contract Employees’ Retirement Income Plan, formerly Southern CA Rapid Transit District) (05/12/71)

Reciprocity and Concurrent Retirement through Legislation

- State Teachers Retirement System (CalSTRS)
- Legislators’ Retirement System (LRS)
- Judges’ Retirement System (JRS)
- Judges’ Retirement System II (JRS II)

Important: Because reciprocity is an agreement between retirement systems and retirement benefit provisions vary, you should make sure that you know the potential advantages and disadvantages of requesting reciprocity before you change employers. Reciprocity benefits are governed by the plan documents of and the laws applicable to the various retirement systems and are subject to change. If there are any discrepancies between those governing authorities and the information in this booklet, the governing authorities have precedence.