

RETIREMENT FOR REHIRED RETIRED EMPLOYEES

INTRODUCTION

The Grand Jury, through its County Administration Committee, initiated research to provide a simplified definition of the Tier 1 and Tier 2 retirement programs as it related to rehired retired employees. An extensive inquiry into the retirement programs was made in an effort to make it more understandable to the employees participating in the county retirement system.

INQUIRY

Administrative Office (CAO.) The committee was provided with the Ventura County the committee members interviewed personnel in the Ventura County Chief Employees Association Retirement Handbook, which contains information on benefits that are available to employees under the Tier 1 and Tier 2 retirement system.

The committee interviewed the Manager of the County Retirement System and the Grand Jury was provided with an uncomplicated definition of the Tier 1 and Tier 2 retirement programs.

FINDINGS

- If a retired member, who retired under Tier 1, is reinstated into active membership in the Retirement Association as the result of their return to employment with the county, that member shall enter the retirement Tier applicable to new hires first entering the system, and their Tier 1 retirement benefits will be suspended until such time as the member leaves service.
- The rehired retired employee will not receive a cost of living increase under Tier 1 unless the new period of service is rendered in a position for which Tier 1 status is provided. The retired employee will be fully vested in Tier 2 because he was already vested in Tier 1. If the rehired retired employee remains until qualifying for retirement under Tier 2, the employee will receive one payment for both retirement programs.
- The original retirement program, Tier 1, was provided to all county employees, with Tier 2 being established on June 30, 1979, for those subsequently hired, with some exceptions. The major differences between the two programs for determining retirement benefits are as follows:
 1. Tier 1 is calculated on the highest 12 months of consecutive services.
 2. Tier 2 is calculated on the highest 3 years of consecutive services.
 3. Employee's age is a more significant factor in Tier 1 than Tier 2.
 4. Cost of living increases are built into the Tier 1 retirement package but not in Tier 2

CONCLUSION

The Grand Jury found a reasonable, simplified definition of the Tier 1 and Tier 2 Retirement Programs and offered their simplified definitions to County employees.

RECOMMENDATION

The Grand Jury recommends that the County Retirement System continue the Tier I and Tier 2 Retirement Programs.

RESPONSE REQUIRED

None