



**Fresno County Economic Opportunities Commission**

## **Pension Plan**

### **Question & Answers**



## **Pension Plan**

### **Q&A Summary**

**1. WHAT IS THE PURPOSE OF THE PLAN?**

To provide eligible retirees with retirement benefits in addition to basic social security benefits.

**2. WHEN DID THE PLAN START?**

The Plan was initially adopted on December 30, 1980.

**3. WHO PAYS FOR THE PLAN?**

The benefits provided by the Plan are funded by contributions from the Fresno County Economic Opportunities Commission plus the income or less any loss derived from the investment of such contributions. Fresno County Economic Opportunities Commission contributes an amount equal to five percent (5%) of each employee's compensation during the Plan year. Employees may, but are not required to, make voluntary contributions to the Plan in an amount not to exceed ten percent (10%) of the employee's eligible compensation during the Plan year. (You should discuss with your tax advisor the benefits of such voluntary contributions.)

**4. WHO IS COVERED UNDER THE PLAN?**

Every employee of the Fresno County Economic Opportunities Commission who meets the minimum eligibility requirements of the Plan participates in the Pension Plan.

**5. WHEN DO I BECOME ELIGIBLE?**

You automatically become eligible to participate in the Pension Plan after you have completed two (2) "years of service" with Fresno County Economic Opportunities Commission without an intervening break in service and have attained twenty-one (21) years of age.

**6. WHAT IS A YEAR OF SERVICE?**

For purposes of determining eligibility for participation in the Plan, a "year of service" shall mean a consecutive twelve (12) month period commencing on the date on which the employee is employed and during which the employee completes not less than one thousand (1,000) hours of service.

**7. WHAT IS AN HOUR OF SERVICE?**

An employee will be credited with an hour of service for each hour for which Fresno County Economic Opportunities Commission directly or indirectly pays the employee or for which the employee is entitled to payment for performance of duties during the Plan year.

8. WHEN MAY I RETIRE AND BEGIN RECEIVING BENEFITS?

NORMAL RETIREMENT DATE: Your normal retirement date is the latest of the following:

- a. The day you attain age sixty-five (65);
- b. The tenth (10<sup>th</sup>) anniversary of the year in which you commenced participation in the Plan (reduced to fifth (5<sup>th</sup>) anniversary of post January 1, 1998, participants); or
- c. Termination of your service with Fresno County Economic Opportunities Commission.

9. WHERE DO I COMPLETE AN APPLICATION FOR RETIREMENT BENEFITS?

Contact the Human Resources Office at Fresno County Economic Opportunities Commission, 1900 Mariposa Mall, Suite 121, Fresno, California or (559) 263-1070, for assistance in applying for benefits and for explanations of the optional benefit forms.

10. HOW DO I FIGURE MY NORMAL RETIREMENT BENEFIT?

Fresno County Economic Opportunities Commission contributions to the Plan are credited to each employee's account. The balance in each employee's account is one hundred percent (100%) non-forfeitable. The amount in an employee's account is the total which can be paid to the employee in disability retirement, or death benefits. If you are married, retirement benefits will be paid through a qualified joint and survivor annuity, unless you choose otherwise as described below. This form of benefit is more fully described in the response to Question No. 11.

If you are not married or if you and your spouse have validly waived the joint and survivor form of benefit, then the normal retirement benefit can be paid as follows:

- a. Voluntary contributions made by employees are to be distributed within sixty (60) days after such participant's employment is terminated, or
- b. Employer contributions can be distributed in a lump sum within sixty (60) days after such participant's employment is terminated, or
- c. Employer contributions may be paid in a lump sum, or in monthly, quarterly, or annual installments over a fixed reasonable period of time
- d. not to exceed the Participant's life expectancy or the joint like expectancy of the Participant and designated beneficiary, or the state dollar value of the beneficiary's account.

11. HOW WILL BENEFITS NORMALLY BE PAID?

Unless you choose otherwise as described above, the form of benefits is a qualified joint and survivor annuity. The annuity is purchased with the funds in your benefit account. The annuity will provide you with monthly payments for life, no matter how long you and your spouse live. If you are not married on the date you retire, you will receive benefits in the form of a single life annuity (i.e., monthly payments calculated on your life expectancy alone) unless you elect one of the optional forms of benefit payments described in the answer to Question 10.

If you are legally married on the date of your normal retirement, your monthly benefits will be calculated on a fifty percent (50%) joint and survivor annuity which shall be the actuarial equivalent of a single annuity for the life of the Participant. Benefits will be paid in this manner unless you and your spouse elect another form of benefit. The election must be in writing and must specifically waive the qualified joint and survivor annuity form of benefit. The election and waiver must be witnessed by a notary public. Before making such an election, you will be provided with a written explanation of the joint and survivor form of the benefit and the effect of your waiver of this form of payment. The election and waiver of this form of payment must be signed by the Participant and the Participant's spouse.

Your monthly benefit under a qualified joint and survivor annuity will be less than your monthly benefit from an annuity based on your life expectancy alone. The exact difference between benefits under a qualified joint survivor annuity and the benefit from a single life annuity depends on your spouse's age.

You may elect to receive your retirement benefits in any one of the optional payment forms described in the answer to Question 10 by submitting your election in writing at any time prior to the commencement to benefit payments. As noted above, if you are married, the election must be made by both yourself and your spouse. If at the time your benefits become payable, your account balance is Three Thousand Five Hundred Dollars (\$3,500) or less, the trustees may elect to pay you the full amount of your account in lieu of any installment payment option otherwise available to you.

## 12. CAN RETIREMENT BENEFITS BE ASSIGNED?

No. Benefits cannot be assigned, nor can they be subject to garnishment, attachment, or other legal process of creditors; provided, however, that benefits are subject to any qualified domestic relations order which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternative payee the right to, receive all or a portion of the benefits payable with respect to participant under the plan. It includes a judgment, decree, or order (including approval of a property settlement agreement which related to

the provision of child support, alimony, or marital property rights to a spouse, child, or other dependant of a participant and is made pursuant to a state domestic relations law including a property law). In the event the plan should be served with an order, it shall promptly notify the participant and any other alternative payee of the order and of the Plan's procedures for determining qualified or unqualified status of the order.

13. CAN I PARTICIPATE IN THE PLAN AFTER MY NORMAL RETIREMENT DATE?

Yes. If an employee continues service with Fresno County Economic Opportunities Commission beyond the normal retirement date, participation in the plan may continue without drawing benefits. Benefits will then be payable upon subsequent retirement.

14. MAY I CONTINUE TO WORK AFTER MY NORMAL RETIRMENT DATE?

Yes and you may continue to participate in the plan.

15. CAN I REMAIN A PARTICIPANT IN THE PLAN IF I CEASE WORKING FOR FRESNO COUNTY ECONOMIC OPPORTUNITIES COMMISSION?

An employee ceases to participate in the Plan if the employee incurs a one (1) year break in service. (See Question 16 for definition of "break in service.")

16. WHAT IS BREAK IN SERVICE UNDER THE PLAN?

A break in service occurs if an employee has less than one hundred (100) hours of service with Fresno County Economic Opportunities Commission during any consecutive twelve (12) month period. If an employee incurs a break in service, service prior to the break will not be considered in determining the employee's eligibility to participate in the Plan.

17. IS THERE A DISABILITY BENEFIT UNDER THE PLAN?

Yes. If, after you have completed at least one (1) hour of service with Fresno County Economic Opportunities Commission after August 22, 1984, and you cease to participate in the Plan by reason of total or permanent disability, the Plan benefits accrued in your account shall be paid to you in the same manner as a retirement benefit. Whether or not you are totally and permanently disabled will be established in accordance with the rules and regulations of the Social Security Administration. If, after receiving disability benefits, the disability ceases and you resume service with Fresno County Economic Opportunities Commission, your account will be reduced by the payments you have received and you shall immediately become a Participant in the Plan upon rendering of services.

18. DOES THE PLAN HAVE A DEATH BENEFIT?

BEFORE RETIREMENT: If you die before your normal retirement age while still employed with Fresno County Economic Opportunities Commission, then your accrued benefit and death benefits payable under any policies of life insurance

held for your benefit shall be paid to your surviving spouse in the form of a qualified pre-retirement survivor annuity. If the qualified pre-retirement survivor annuity has been effectively waived, your accrued benefits shall be paid to your designated beneficiary in monthly payments over the beneficiary's life expectancy, or in a lump sum if you have previously elected this form of benefit payment.

**AFTER RETIREMENT:** If you should die after benefits have commenced, benefits will continue to your surviving spouse under a qualified joint and survivor annuity. If the qualified joint and survivor annuity has been effectively waived, your benefits will be paid to your designated beneficiary in the same manner as they would have been paid to you but for your death.

**19. CAN I LOSE MY RETIREMENT BENEFITS?**

Your accrued benefit derived from Fresno County Economic Opportunities Commission contributions remains one hundred percent (100%) non-forfeitable at all times. The contribution credited to your account will be invested by the Administrative Committee. Your account will be increased by investment earnings and decreased by any investment losses.

**20. IS THE PLAN PERMANENT?**

Fresno County Economic Opportunities Commission has reserved the right to amend the Pension Plan. No Plan amendment can reduce a Participant's interest in the vested account balance, nor divert any portion of Plan assets to any purpose other than the payment of retirement benefits or defraying of reasonable trust expenses.

The Board of Commissioners of Fresno County Economic Opportunities Commission has the authority to terminate the Plan by appropriate resolution and amendment. In the event of a Plan termination, a Participant's interest in the Plan remains one hundred percent (100%) vested and nonforfeitable and Participant's interest will be distributed as if the Participant had terminated employment prior to retirement.

**21. IF I FEEL THAT I HAVE WRONGLY BEEN DENIED PAYMENT OF BENEFITS, OR IF BELIEVE THERE IS AN ERROR IN MY ACCOUNT, HOW MAY I APPEAL?**

Each year, the Administrative Committee furnishes Plan Participants with a statement of all nonforfeitable benefits accrued to the account of the Participant. In addition, in the year in which the Participant became entitled to benefits, the Committee will provide a statement setting forth the benefits to which the Participant is entitled and the method or methods under which such payments will be paid. If the Participant objects to the statement of benefits provided by the Administrative Committee, or any other action taken by the Pension Plan, written objections may be filed with the Administrative Committee within sixty (60) days of receipt of the account statement.

Within sixty (60) days after receipt of an objection, the Administrative Committee will fully consider the objection and act thereon. If the Committee

denies the objection, it shall provide the Participant with a written statement of the reason for the denial. Within ninety (90) days after receiving the notice of denial, the Participant may request a review upon written application to the Administrative Committee, and may review all pertinent documents and submit issues and comments in writing. The Administrative Committee will schedule a conference with the Participant giving the Participant at least ten (10) days advance notice. Within thirty (30) days after such conference, the Administrative Committee shall render its decision on review of the claim. The decision will be in writing and will include specific reasons for the decision. The Committee retains the discretion to interpret the terms and conditions of the Pension Plan. The decision shall be final and binding on all parties. If the Participant is not satisfied with the decision of the Committee, the Participant shall then be entitled to pursue such other avenues for relief as may be provided by law, including the Employee Retirement Income Security Act of 1974, as amended.

22. CAN I BORROW FROM MY PENSION ACCOUNT?

No. The Plan does not currently provide for loans to Participants.

23. WHO DO I CONTACT IF I HAVE ANY FURTHER QUESTIONS REGARDING THE PENSION PLAN?

Contact the Human Resources Office: 559.263.1070, 1900 Mariposa Mall Suite 121, Fresno, CA 93721.