



County Employees' Retirement Fund
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Clerk Bulletin

October 2007

Benefit Improvements Announced

The CERF Board of Directors has approved a pension benefit enhancement package to become effective October 1, 2007. The benefit enhancements are as follows:

- ▶ The minimum amount used in the Flat-Dollar formula increased from \$24 to \$29.
- ▶ The breakpoints used in the Targeted Replacement Ratio (TRR) formula are adjusted as follows:

<u>Percentage</u>	<u>Old</u>	<u>New</u>
80%	\$30,000.00 or less	\$36,000.00 or less
77%	\$30,000.01 - \$40,000.00	\$36,000.01 - \$48,000.00
72%	\$40,000.01 - \$50,000.00	\$48,000.01 or higher
70%	\$50,000.01 or higher	N/A

- ▶ Additional credit will be given for years of service greater than 25 but no more than 29.

Flat-Dollar Formula

$\$29 \times \text{years of creditable service (up to 29)} \times 12 \text{ (months)} = \text{Annual CERF Benefit}^*$

TRR Formula

$(\text{TRR} \times \text{Average Final Compensation}) - \text{Primary Social Security Benefit} \times \text{Years of Service (up to 25)} \div 25$
 $+ (1\% \times \text{Average Final Compensation} \times \text{Years of Service greater than 25 but no more than 29})$
 $= \text{Annual CERF Benefit}^*$

*LAGERS participants will receive 2/3 of this amount.

Employees who retire or terminate vested on or after October 1, 2007, will have their benefit calculated using the new formulas. As always, a retiree will have his benefit calculated under the Old Plan formula, the Flat-Dollar formula and the TRR formula and will receive the largest benefit possible.

In addition, LAGERS participants will now receive the same match as Non-LAGERS participants. Non-LAGERS and LAGERS participants will receive 50¢ for every dollar they contribute, up to the first 6% of pay. This becomes effective with the 2007 match, which will be applied to members' accounts during the first quarter of 2008.

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Revised Form

You should have received a copy of the newly-revised Form 2V in the mail recently. Form 2V is used when a member terminates vested and will either commence benefits immediately or at a future date. You no longer need to provide contribution information on the Form 2V. We are confirming the total amount of contributions on the back end so you will only need to provide it on the Final Employee Compensation Verification Report that is sent to you by our Accounts Department after all payroll/contributions have been received by the CERF office.

CERF Savings Plan

Please pay close attention to the contribution form being submitted to Great-West Retirement Services along with your employee contributions so the contributions will be deposited to the correct plan (401(a) or 457). 457 contributions mistakenly deposited into the 401(a) plan will not receive a CERF match. Also, remit contributions as soon as possible after each payroll period to allow your employees to receive earnings as soon as possible.

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