



County Employees' Retirement Fund

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Clerk Bulletin

February 2017

IMPORTANT REMINDER

Required Minimum Distribution Rule

If you have any employees who terminated in 2016 and were at least 70-1/2 years old at year end, CERF is required to pay either a refund of their contributions, or a pension payment, **NO LATER THAN APRIL 1, 2017**. **Therefore, we must receive termination forms and a reconciliation of salaries/contributions in our office no later than Tuesday, February 28, 2017 in order to meet the April 1, 2017 deadline.**

Remember, according to the IRS' Required Minimum Distribution (RMD) Rule, a vested or non-vested member must begin receiving a required minimum distribution of his or her pension benefit, or a refund of contributions, by **April 1** of the calendar year following **the later of** the year in which the member reaches age 70-1/2, or the year in which the member separates from service. If a vested member has not applied for pension benefits prior to this deadline, the only option available to that member will be a single life annuity, **with no survivor option**. Further, if a non-vested member has not applied for a refund of contributions prior to the April 1 deadline, the only method of payment available will be a direct distribution with 20% federal taxes withheld.

2016 Information

Salary, hours and employee contribution information for 2016 should be submitted to CERF as soon as possible so that matching funds can be paid on all eligible 457 Plan contributions. In order for your employees participating in the 457 Plan to receive the full benefit of the CERF match, all 2016 salaries and contributions (and any corrections to salaries previously reported) must be processed by CERF no later than February 28, 2017. As a result, CERF must receive all information in its office no later than February 15, 2017 in an effort to address any questions related to the information submitted prior to the February 28th deadline. **The amount of matching contributions paid by CERF will be based on information that the CAO has posted as of February 28, 2017, and will not be adjusted upward if the information or records submitted are shown to be incomplete or inaccurate, or if additional 457 Plan contributions for 2016 are deposited into employee accounts after that date. The Board will, however, be entitled to recover any amounts *over-credited* to an employee's matching account (and earnings thereon) if the employer has provided inaccurate records or information regarding the amount of an employee's contributions to the 457 Plan.**

Additionally, any corrections or submissions to Empower Retirement for the 457 Plan need to be received by Empower no later than February 28, 2017.

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Medical Leave Reminder

CERF participants may receive creditable service while absent due to medical reasons according to time allowed in the County's written Medical Leave Policy, but creditable service cannot exceed 12 months. If the county has no written leave policy, or medical leave exceeds the time allowed per the county's medical leave policy, the participant will not be eligible for the \$10,000 death benefit.

It's important to attach a complete copy of the County's Medical Leave Policy for a participant who is on Medical Leave. If you're not sure if your County has a Medical Leave Policy, check with your County Commission.