



County Employees' Retirement Fund

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Clerk Bulletin

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457 & 401(a) CERF Savings Plans

When a participant terms vested in the DB plan, he/she cannot receive a refund of contributions. However, the participant is eligible for a distribution from the DC plan. A participant does not have to cash out the DC plan if their account balance is over \$1,000. They may also roll over into an IRA or other eligible plan. Keep in mind, the Required Minimum Distribution (RMD) Rule applies to the CERF Savings Plans, as well as the DB plan.

Remember, according to the IRS' 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.

Revised Form

The Form EFT, Electronic Funds Transfer, was recently revised by adding the E-Mail Address for the payee and updating the wording above the Signature of Payee and the Financial Institution Official signature sections.

Please discard the previous version of the Form EFT and replace it with the newer version 5.3.

Attributable Pay

A "Final Employee Compensation Verification Report" is sent for all participants who termed vested with the last salaries noted. If a portion of their salary was attributable to prior years the amount should be entered on this report where indicated. Any lump sum payment attributable to services for a prior year (including, but not limited to, a payment of benefits, back pay, unused vacation days or sick leave attributable to services performed in a prior year) cannot be included in calculating average final compensation. It is imperative that attributable pay be determined when completing this report, especially for pending retirees, so the Final Pension Benefit Calculation is prepared correctly.

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