



County Employees' Retirement Fund

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Clerk Bulletin

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COLA (Cost of Living Adjustment)

The CERF Board of Directors has announced that members, or their beneficiaries, who have been receiving pension benefits since July 1, 2013, will receive a 1% COLA effective July 1, 2014.

Member Statements

Member Statements are currently being prepared and will be mailed in mid April 2014. Member Statements are mailed to those who were active county employees on December 31, 2013 and worked for at least one year prior, in a CERF eligible position.

457 and 401(a) CERF Savings Plans

Employees cannot participate in the 457 or 401(a) Savings Plans unless they are eligible for the CERF Pension Plan. For example, a part time employee working less than 1,000 hours is not eligible for the Pension Plan and, therefore, cannot participate in either the 457 or 401(a) Savings Plans.

Definition of Compensation

The definition of "compensation" under 16 CSR 50-2.010(1)(K) is:

(K) Compensation means, for all periods on or after January 1, 2000, all salary and other compensation paid by an employer to an employee for personal services rendered as an employee as shown on the employee's Form W-2, plus amounts paid by an employer but excluded from W-2 compensation by reason of *Internal Revenue Code* sections 125, 402 (g)(3), 414(h)(2), or 457, but not including travel and mileage reimbursement, and not including compensation in excess of the limit imposed by section 401(a)(17) of the Code. Compensation received from sources other than an employer and compensation received pursuant to independent contracting relationships shall not be included in calculating the retirement benefit. In the case of a participant who left the employer to join a uniformed service (as defined in the Uniformed Services Employment and Reemployment Rights Act of 1994), and returns to the employ of an employer before his or her reemployment rights under the statute expire, compensation, with respect to the plan years in which the participant was in uniformed service, shall mean the compensation the participant would have earned had he remained in the employ of the employer. The board has the discretionary authority to make a reasonable estimate of this amount. For periods before January 1, 2000, compensation shall be determined under the terms of the prior plan;

Compensation includes all money paid to an employee and reported on the employee's Form W-2. For example, a uniform allowance that is run through payroll and included on the W-2 is required to be reported as salary for purposes of determining contributions payments. Therefore, all payroll reports, salary verification forms, certified payroll records, and W-2's submitted to CERF should reflect the same compensation amounts.

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