

2021 COMPENSATION LIMITS

INTERNAL REVENUE CODE & CALIFORNIA GOVERNMENT CODE

Federal and state laws place annual limits on the compensation that can be used to determine contributions and benefits for CCCERA plan members.

Legacy Members (Tiers 1, 3, A or C)

The Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans which are adjusted annually for cost-of-living increases.

Members who commenced participation in CCCERA on or after January 1, 1996 are *subject* to the annual federal Internal Revenue Code Section 401(a)(17) compensation limit as shown:

- For CERL benefit formulas (Tiers 1, 3, A, & C), the 2021 calendar year compensation limit was increased to \$290,000;

Members who commenced participation in CCCERA prior to January 1, 1996 are *not subject* to the Internal Revenue Code annual compensation limit.

PEPRA Members (Tiers 4, 5, D or E)

For new employees who commenced participation in CCCERA on or after January 1, 2013 under PEPRA benefit formulas (Tiers 4, 5, D & E), the compensation which exceeds that annual pensionable compensation limit under California Government Code Section 7522.10(c) and (d) is *not included* in determining benefits or contributions.

The 2021 calendar year PEPRA compensation limits are as follows:

- For employees *enrolled* in Social Security – increased to \$128,059;
- For employees *not enrolled* in Social Security – increased to \$153,671.

Administrative Procedures

It is the obligation of each agency's payroll department to ensure compliance with the compensation limit for affected CCCERA members. The participating employer's payroll department is responsible to stop *both* member and employer contributions to CCCERA when the compensation limit is met. The participating employer should resume the required contributions with the first payroll check dated in the next calendar year.

If the membership date is not known for a member who exceeds the compensation limit, CCCERA will provide the agency with

the membership date upon request. It is the responsibility of each employer to request the membership date from CCCERA. Questions? Email employers@cccera.org.

I-29 AND I-30 REPORT SUBMISSIONS

MAINTAINING AND TRANSMITTING ACCURATE MEMBER DATA

Participating employers are required to report employer and employee contribution data to CCCERA. Refer to the Current Transmittal File Layout Specifications in Section 7 of the Participating Employer Handbook for information regarding the transmittance of this file, available at cccera.org/employers.

What is submitted on the I-29 File?

- Name changes
- Address changes
- Position changes
- Bargaining unit changes
- New hires
- Terminations
- Leaves of absences (LOA). If a member is on a LOA and contributions were not taken, regular monthly earnings with no retirement contributions for LOA member must be reported on a I-30 File.

What is submitted on the I-30 File?

- Earnings code
- Monthly hours

- Member and employer contribution amounts (basic and COLA contributions)
- Accruals

Employers should report all earnings/pay codes separately on the I-30 File. Please note, the I-30 headers *must* have the correct reporting dates (first day to the last day of the month). Corrections to data previously submitted on a I-30 File should be reported on an adjustment file.

What goes in Retiree Deduction Files?

The employer should provide a health deduction file which lists the retiree, the benefit deduction type and the amount of the monthly deduction.

Due Dates for Contributions and Reports

Each employer must provide reports and contributions to CCCERA in a manner and frequency as determined by the CCCERA Board of Retirement sufficient for CCCERA to credit contributions and service to each member's record. Unless otherwise specified, reports will be due no later than the 10th of each month for the previous month's payroll and will be accompanied by member and employer contributions. If the 10th or 20th of the month falls on a weekend or holiday, the due date will be the last business day before the 10th or 20th. Generally, the retiree health file is due on or before the 20th of each month.

Reports that are unreadable or incorrect will not be accepted and will be returned to the employer. Reports and contributions received after the due date will be considered late and subject to a late reporting penalty equal to the prime rate in effect on the due date computed on a daily, non-compounding basis and applied to the contributions due.

Direct all inquiries regarding secure site access and file transmission issues to employers@cccera.org.

FELONY FORFEITURE

REPORTING REQUIREMENTS

Effective January 1, 2013, the California Public Employees' Pension Reform Act of 2013 (PEPRA) established pension forfeiture, without exception, for all public employees convicted of a felony for job related conduct, in pursuit of office, or in connection with obtaining salary, retirement, or other benefits. PEPRA requires public agencies that employ or employed a public employee who was convicted of such a felony to notify CCCERA of the conviction within 90 days of the conviction.

For details on how to report this, please refer to the reporting template in the Participating Employers Handbook.

REMINDERS FOR EMPLOYERS

EMPLOYEE COMMUNICATION

2021 Contribution Rates

Contribution rates for members and employers have been updated for July 1, 2021. Members can find their contribution rate effective July 1, 2021 by visiting cccera.org/contributioncalculator.

New Form Available - Enrollment Affidavit (Form 101)

Please note the Enrollment Affidavit (Form 101), as well as the New Member Enrollment Packet, has been updated. For the latest versions, visit cccera.org/forms.

Videos for Members

We now have two videos to assist members with their retirement planning. Our videos, How to Use the Pension Calculator, and the CCCERA Overview, are available at cccera.org.

Approval Process for New Pay Codes

Employers are required to report new or changed codes to CCCERA in writing no later than 30 days prior to implementation as per CCCERA Board of Retirement Regulations, Sections VI. 2. C. and IV. 2.) Inquiries and notifications should be sent to employers@cccera.org for review.

Participating Employers Handbook

The CCCERA Participating Employers Handbook was created to assist participating employers in enrolling employees in retirement, death, survivor and disability benefits. To obtain a copy, visit cccera.org/employer.

CCCERA Newsletter

CCCERA distributes a member newsletter, CCCERA News, three times a year. For active members, this newsletter is emailed to each employer, who are asked to forward the newsletter to their employees. To add your name to this list, email employers@cccera.org.

See **REMINDERS**, Page 4

EMPLOYER WORKSHOPS

Would your organization like a virtual meeting with CCCERA staff to review report and form submission requirements? Email employers@cccera.org.

OVERVIEW WORKSHOP VIDEO

CCCERA Overview Workshops, which are intended for members who have more than five years from retirement, is now available as a video on our website at cccera.org.

Current Operations

Our office is currently closed to the public due to the Contra Costa County Health Order. We continue to perform all business functions and provide retirement services to our members. Staff is available by phone Monday through Thursday, from 9 a.m. to 2 p.m. and is closed between noon and 12:30 p.m. For updates on our current operations, visit cccera.org/coronavirus.

AB 197 LAWSUIT

CALIFORNIA'S SUPREME COURT PUBLISHED DECISION JULY 30, 2020

The decision has been published by the California Supreme Court in litigation that started in 2012 over changes to the state pension law affecting “legacy members” of CCCERA and two other county retirement systems.

CCCERA does not anticipate implementing any changes until after the decision is thoroughly studied and the process continues, as ordered, at the trial court level, which may take several months. More information is available at cccera.org/ab-197.

NOTICE

The materials in this newsletter are intended to provide a general reference or resource only and are not to be construed as providing financial, legal, tax, or any other professional service or advice. CCCERA is governed by the County Employees Retirement Law of 1937 (CERL or 1937 Act) and PEPRRA; the CCCERA retirement system is administered in accordance with these laws. If there is any conflict between statements made herein and provisions of the applicable retirement law, the law will prevail.

CALENDAR DATES

UPCOMING CCCERA CLOSURES

February 15
President's Day

May 31
Memorial Day Holiday

PRE-RETIREMENT WORKSHOPS

Workshops fill up fast. Please advise members to call CCCERA for availability and to sign up.

February 4, 9 a.m. – 11 a.m.

February 18, 9 a.m. – 11 a.m.

March 4, 3 p.m. – 5 p.m.

March 18, 9 a.m. – 11 a.m.

UPCOMING BOARD MEETINGS

January 27	February 10
February 24	March 10
March 24	April 14

NEWSLETTER SUGGESTIONS?

Please email employers@cccera.org.

CONTACT US

Contra Costa County
Employees' Retirement Association
1200 Concord Ave, Suite 300, Concord, CA 94520
(925) 521-3960

Our office is currently closed to the public due to the Contra Costa County Health Order.

Limited Phone Hours

Monday – Thursday
9 a.m. – 2 p.m.; Closed noon to 12:30 p.m.