



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
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**NOTICE TO PROSPECTIVE MEMBERS OF THE
STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

THIS NOTICE REVIEWS YOUR MAXIMUM RETIREMENT BENEFIT.
PLEASE READ THE ENTIRE NOTICE CAREFULLY

The Internal Revenue Code (the "Code") limits the amount of benefits that you can receive from a qualified retirement plan. **Under Section 415 of the Code, the retirement benefits provided by government pension plans are generally limited to \$200,000 per year (the "415 Limit") if you retired after January 1, 2012. Note: The IRS reviews these rates annually and does make adjustments for inflation.** Depending on your age at retirement and the form of payment that you select, actuarial modifications may reduce the limit even further, unless your benefits are governed by rules reserved for qualified police or firefighters.

If you accept full-time employment with an employer participating in the Stanislaus County Employees' Retirement Association ("StanCERA"), you may have certain rights under the retirement plan. However, **unless you became a member of StanCERA prior to January 1, 1990, your base benefit cannot exceed the 415 Limit explained above.** While it is possible for members hired before 1990 to accrue benefits in excess of the "415 Limit", the plan cannot consider any benefit increases adopted after October 14, 1987 when calculating a "grandfathered" limit.

As a qualified retirement plan, StanCERA is required to impose the limitations contained in Section 415 of the Code. Depending on your membership date, your years of service with a participating employer, and your age when payments begin, these limitations may serve to reduce or restrict benefits otherwise payable to you by StanCERA.

This notice is provided only to clarify the 415 Limit, not to alter or modify any information found in your member handbook. If you have further questions regarding the 415 Limit or its application to your future benefits, you should contact the Internal Revenue Service, a qualified tax advisor or the plan administrator. Any inquiries of the plan administrator should be addressed as follows:

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I HAVE READ THE ABOVE NOTICE, REVIEWED THE CHART ON THE REVERSE, AND RECEIVED COPIES OF BOTH ITEMS FOR MY RECORDS. I UNDERSTAND THAT MY RETIREMENT RIGHTS AND BENEFITS ARE SUBJECT TO THE LIMITS OF INTERNAL REVENUE CODE SECTION 415.

MEMBER'S NAME (Please Print) _____

DATE _____

SIGNATURE _____

EMPLOYEE ID # _____

OVERVIEW OF INTERNAL REVENUE CODE § 415

MAXIMUM ALLOWABLE BENEFIT FOR DEFINED BENEFIT PLAN PARTICIPANTS

<u>Age when Payments Begin</u>	<u>Maximum Monthly Benefit</u>	<u>Maximum Annual Benefit</u>
50	\$ 7,716.75	\$..... 92,601.00
55	\$ 10,722.42	\$..... 128,669.00
60	\$ 15,348.58	\$..... 184,183.00
62	\$ 16,666.66	\$..... 200,000.00
65	\$ 16,666.66	\$..... 200,000.00

This chart summarizes the current annual benefit limitation for qualified retirement plans subject to Section 415 of the Internal Revenue Code. As noted above, the amounts listed for each age group represent the maximum retirement benefit available to most StanCERA members. In addition to the lowered limits for members who begin receiving benefits before their Social Security retirement age, the amounts can be reduced further if members begin receiving benefits before completing ten (10) years of service with StanCERA.

As indicated in the "Notice to Prospective Members of the Stanislaus County Employees' Retirement Association", the 415 Limit represents the maximum annual retirement benefit for most members of the Association. Per the member handbook, your actual retirement benefit will depend on the age when payments begin, the years of service accrued with StanCERA, and the final average salary that you earn from a participating employer or reciprocal agency.