

County of Riverside Part-Time and Temporary Employees' Retirement Plan

Summary Plan Description

Effective January 2024

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About This Summary Plan Description

This booklet is the Summary Plan Description (“SPD”) for the County of Riverside Part-Time and Temporary Employees’ Retirement Plan, as amended and fully restated effective July 1, 2021, and further amended by Amendment No. 1 effective January 1, 2024.

This SPD applies to you if you are a part-time or temporary employee with the County of Riverside and you are eligible to participate in the Plan (See Eligibility Section).

The information in this SPD is intended to provide you with a summary of the retirement plan which has been implemented for eligible part-time and temporary employees. The benefits summarized are fully described in the plan document. If there is any discrepancy between this information and the plan document, the plan document shall prevail. Statements in this summary should not be considered a legally binding interpretation, or amendment of the provisions within the plan document, or of applicable Federal law.

The County of Riverside, Human Resources Department, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, Federal and State laws. What is written here does not constitute a guarantee of plan coverage or benefits. Plan eligibility requirements must be met before benefits will be provided.

The plan document is available upon request. If you have any questions regarding your benefits under this plan, please contact Human Resources, Retirement Division at (951) 955-4981 (option 2) or email Retirement@rivco.org.

Introduction

The County of Riverside Part-Time and Temporary Employees' Retirement Plan (the "Plan") is a defined benefit pension plan that the County of Riverside ("Employer" or "County") implemented effective April 1, 1999 ("Effective Date"). The purpose of the Plan is to provide eligible employees with an additional source of income upon retirement.

You are required to participate in the Plan if you are designated as a part-time or temporary employee and you are excluded from participation in CalPERS. This Plan is offered in lieu of Social Security. While you are participating in this Plan, you are not required to pay into Social Security. However, you are required to contribute 3.75 percent of your eligible earnings to this Plan.

You will make contributions to the Plan on all eligible earnings. The County will also provide contributions to the Plan. Your retirement benefit will be based on your eligible earnings (not your contributions). Each year that you accumulate eligible earnings, it will increase your retirement benefit. The Plan is based on a fiscal year beginning July 1 and ending June 30. Under no circumstances shall any employment with the County of Riverside prior to April 1, 1999, be included in the calculation of any benefit under this Plan. This SPD summarizes your retirement benefits and explains how the Plan works.

Every attempt has been made to accurately summarize the provisions of these documents. If there is any discrepancy between this booklet and the Plan document, the Plan document shall prevail.

Where to Submit Questions or Inquiries

If you have any questions about the Plan, you should contact the Plan Administrator. Please contact Human Resources, Retirement Division at (951) 955-4981(option 2) or email Retirement@rivco.org.

This Plan should not be deemed to be a contract between the County and any employee, and it in no way affects the employment status of any employee. This SPD does not imply that participation in this Plan is a guarantee that benefit levels will remain unchanged in future years or that participation in the Plan is a guarantee of continued employment with the County.

Participating in the Plan

Eligibility

The Plan covers any employee working for the County as a part-time, seasonal, or temporary employee who is not covered under another retirement system maintained by the County.

The following employees are not eligible to participate in the Plan:

- An employee whose employment status is listed as a “rehired annuitant” governed under the Public Employees’ Retirement Law (PERL),
- An employee who is participating under another retirement system maintained by the County of Riverside (California Public Employees’ Retirement System, CalPERS), and
- An employee working in a job classification that is excluded from participation.

Persons employed in the following job classifications whose compensation is paid through the Employer’s Older American Community Service Employment Program shall not be eligible for participation in this Plan:

- Service Aide I,
- Service Aide II,
- Program Assistant, and
- Supervising Program Assistant.

When You Become a Plan Participant

You will become a Plan Participant if you meet the eligibility requirements described above and are not employed in a classification that is excluded from the Plan.

Employee Contributions

Employees will contribute 3.75 percent of eligible earnings into the Plan each pay period.

Note: The employer contribution rates vary annually based on an actuarial valuation.

Applying for Benefits

How to Apply for Benefits

When you are ready to retire or terminate employment, contact the Plan Administrator for an estimate of the benefit payable to you and to request forms. Please contact the Human Resources, Retirement Division at (951) 955-4981 (option 2).

Taxation on Distributions

Retirement distributions are taxable in the year in which you (or your beneficiary) receive the distribution. You will receive a 1099-R form (IRS Form 1099-R) at the end of the calendar year in which you received a distribution from the Plan. The County will deduct taxes if required. Please note that the County is not required to deduct federal or state taxes if the gross distribution you receive from the Plan is less than \$200.

In addition to federal and state income taxes, early distributions from retirement plans are also subject to an excise tax. An early distribution is generally defined as a distribution paid before age 59½, with certain exceptions.

If the present value of your distribution is greater than \$200 but not greater than \$7,000, you may choose to receive the amount either in a single lump-sum payment, direct rollover into another qualified plan, or a rollover into an Individual Retirement Account ("IRA").

If your elected beneficiary is your surviving spouse, your spouse may elect to rollover the benefit to a qualified retirement plan or an IRA. For all other beneficiaries, the benefit payment will be distributed as a lump sum or can be rolled over into an inherited IRA.

You are encouraged to seek professional tax advice on your distribution.

Benefit Determination

Your pension benefit is determined by adding your eligible earnings up to the annual Social Security wage limit, for each of the years you participate in the Plan. Eligible earnings are your base pay, and do not include amounts you may be paid for overtime, bonuses, or other special forms of pay. The sum of these earnings is then multiplied by 2 percent to determine the annual benefit. The monthly benefit is determined by dividing the annual benefit by 12.

Examples of a Monthly Retirement Benefit Calculation

	Example A	Example B
2014 Eligible Earnings	\$3,900	\$7,200
2015 Eligible Earnings	\$6,500	\$8,500
2016 Eligible Earnings	\$3,000	\$6,400
2017 Eligible Earnings	\$6,500	\$7,200
2018 Eligible Earnings	\$4,800	\$9,000
2019 Eligible Earnings	\$4,000	\$8,500
2020 Eligible Earnings	\$5,500	\$7,400
2021 Eligible Earnings	\$2,700	\$7,700
2022 Eligible Earnings	\$2,200	\$10,200
Total Eligible Earnings	\$39,100	\$72,100
Annual Retirement Benefit = Total Eligible Earnings x 2%	\$39,100 X 2% =\$782	\$72,100 X 2% =\$1,442
Estimated monthly benefit	\$782 ÷ 12 = \$65.17	\$1,442 ÷ 12 = \$120.17

If the present value of your accrued benefit is greater than the Small Cash Out limit (currently \$7,000), you will receive your retirement benefit as a monthly benefit; otherwise, your benefit will be paid as a single lump sum, as described in the Small Cash Out section.

When Can You Retire

If the present value of your accrued benefit is greater than the Small Cash Out limit (currently \$7,000), you will be eligible to receive a monthly retirement benefit commencing on the earlier of A) and B), where:

- A) Later of:
 - a. Your Normal Retirement Date, and
 - b. The date you terminate your County employment.
- B) Your Required Beginning Date.

You will not be eligible to commence benefits prior to age 65. Benefits are paid monthly, beginning no later than 60 days after the end of the Plan Year following your retirement date.

If the present value of your accrued benefit is less than the Small Cash Out limit (currently \$7,000), the Small Cash Out provisions apply as described in the Small Cash Out section.

Normal Retirement

Your Normal Retirement Date is the first day of the month coinciding with or immediately preceding your Normal Retirement Age, age 65.

Required Beginning Date

A Participant's Required Beginning Date is April 1st of the calendar year following the later of the calendar year in which the Participant reaches their Required Beginning Age (as defined in the table below) or, if later, the calendar year in which the Participant actually terminates employment.

Date of Birth	Required Beginning Age
Before July 1, 1949	70 ½
After June 30, 1949, and before January 1, 1951	72
After December 31, 1950, and before January 1, 1960	73
After December 31, 1959	75

Termination of Employment

Upon termination of employment any benefit owed you will be determined at the time of distribution. You may, if you choose, work beyond age 65. If you do continue to work and have eligible earnings under this Plan, you will continue to accrue retirement benefits until you terminate your employment.

Re-Employment

If you terminate employment and you are later re-employed by the County in an eligible classification, your participation in the Plan resumes on the date of your re-employment. Earnings used to determine prior benefits paid will not be included towards your new eligible earnings.

If You Become Ineligible

You may become ineligible for the Plan if your employment status changes. Your benefit will remain with the Plan until you terminate your County employment. Distributions from the Plan will not be made as long as you are an active employee, regardless of your employment status. Your benefit will be based only on the eligible earnings while covered under the Plan.

Small Cash Out (If Present Value = \$7,000 or Less)

If the present value of your accrued retirement benefit is \$7,000 or less, you will receive a lump sum payment of your accrued benefit (in lieu of a monthly annuity) upon the earlier of:

- A) A selected month following the date you have terminated your County employment, and
- B) Your Required Beginning Date.

The lump sum payment you receive will be the present value of your accrued benefit.

If the present value of your accrued benefit is greater than \$200 but does not exceed \$7,000, you may elect to receive your distributions as a lump sum or you may choose to roll over the funds to a qualified plan or an IRA. This choice requires you to notify the County of your election option by completing the applicable form (See Taxation on Distribution Section). As described above, a lump sum payment is not available if the present value of your retirement benefit exceeds \$7,000.

If you are age 65 or over at the time you request your payment, a late retirement actuarial calculation is performed to determine your retirement benefit. Note that this late retirement actuarial enhancement may change your eligibility for a lump sum payment.

Present Value of Benefit

To determine the present value of your future benefit, your monthly benefit amount is multiplied by an actuarial age factor which converts the value of your accrued monthly benefit into a lump sum. This age factor is based on your age at the time payment is made (See Attachment A - Sample Actuarial Age Factors). An example of the actuarial age factors used to determine the present value is shown in the calculations below.

For example, the **Present Value** of the accrued benefits shown in the examples above are:

	Example A Monthly benefit of \$65.17	Example B Monthly benefit of \$120.17
Age	Present Value	Present Value
30	\$ 1,474.07	\$ 2,718.11
35	\$ 1,914.52	\$ 3,530.26
45	\$ 3,233.82	\$ 5,962.98
55	\$ 5,583.69	\$ 10,296.03
65	\$ 9,748.06	\$ 17,974.89

For Example A ages 30, 35, 45, and 55 and Example B ages 30, 35, and 45, the present value is less than \$7,000; thus, the benefits would be paid as a single lump sum payment. For Example A age 65 and Example B ages 55 and 65, the present value is greater than \$7,000; thus, a pension (monthly benefit) would be paid instead of a lump sum.

Death Benefits

In the event you survive your designated beneficiary, or you do not have a beneficiary designation on file upon your death, your retirement benefit will be paid as follows:

- Your surviving spouse or domestic partner; if none,
- Your children (including step-children) in equal shares; if none,
- Your parents; if none,
- Your estate.

In the event that you should pass away prior to receiving a retirement benefit, your beneficiary is entitled to receive a lump sum payment of your contributions, plus interest credited at the rate established by the Plan.

In the event that you should pass away after retirement payments have begun, all payments from the Plan will cease. This Plan does not have a provision for a continuance to a surviving beneficiary.

Death Benefit Calculation	
In the example below, the Participant began contributing to the Plan in 2020, and terminated prior to June 30, 2022, but died prior to commencing payment of the retirement benefit.	
2020	
2020 Employee Contributions	\$ 65.92
5% Interest	\$ <u>3.30</u>
2020 Total	\$ 69.22
2021	
2021 Employee Contributions	\$ 501.79
Prior Year Total	\$ <u>69.22</u>
Total to Date	\$ 571.01
5% Interest	\$ <u>28.55</u>
2021 Total	\$ 599.56
2022	
2022 Employee Contributions	\$ 589.32
Prior Year Total	\$ <u>599.56</u>
Total to Date	\$1,188.88
5% Interest	\$ 59.44
2022 Total	\$1,248.32
Contributions with 5% interest in this example	\$1,248.32

Your beneficiary may elect to receive either a lump-sum return of contributions in cash or your beneficiary may choose to take the distribution in the form of a direct rollover (See Taxation on Distribution Section).

Beneficiary Designation

Although not required, you are encouraged to designate a beneficiary in the event of your death to ensure your Plan benefits are paid in accordance with your designation. It is important to keep your beneficiary designation current. Beneficiary forms are available from the Plan Administrator. Completed forms should be returned to your Department Representative or email to Retirement@rivco.org.

If the Plan Is Amended or Terminated

The County reserves the right to amend or terminate this Plan. All participants and any persons claiming any interest in the Plan shall be bound by any amendments.

The County intends to continue the benefits described here indefinitely. However, the benefits of all employees, retirees, and Plan beneficiaries are subject to change or termination. The County reserves the right to determine all provisions of the Plan.

Claims and Appeals Procedures

General Information about Claims

It is the Plan Administrator's responsibility to interpret the Plan and make final decisions on such things as eligibility and payment of benefits. In exercising its responsibilities, the Plan Administrator has discretionary authority to determine whether and to what extent participants, surviving spouses, and beneficiaries are eligible for benefits, and to construe disputed Plan terms. The Plan Administrator shall be deemed to have exercised such authority properly unless it has abused its discretion by acting arbitrarily and capriciously. All decisions of the Plan Administrator are binding to participants, beneficiaries, alternate payees, and all other persons claiming benefits under the Plan.

A claim for benefits is a formal request for the payment of benefits due under the terms of the Plan. You have a right to file a formal claim for a benefit from the Plan, if you believe that you are not receiving all benefits to which you are entitled.

All formal claims for benefits must be submitted in writing to the Plan Administrator at the County of Riverside Human Resources at P.O. Box 1569 Riverside, CA 92502. The submission should indicate that it is a formal claim for benefits and must be delivered within twelve (12) months of the date upon which benefits are claimed to be due.

An authorized representative may represent you when you file your initial claim or when filing an appeal due to a denied claim. The Plan Administrator may require your selected representative to provide proof that you have authorized him/her to act on your behalf in regards to your claim for benefits.

Generally, the Plan Administrator will provide a response to your claim for benefits within 90 business days after receipt of such claim. Plan Administrator may, if necessary, notify the claimant in writing prior to the initial 90 business day review period expiring, that additional time is needed to complete the review of the claim. If an extended review time is needed, the notification of extension shall indicate the reason(s) for the extension and the extended review time shall not be more than 90 calendar days.

Denied Claim

If your claim is denied in whole or in part, you (or your spouse or beneficiary) will receive a written response from the Plan Administrator. The Plan Administrator's response will include the following information:

- The specific reason(s) for the denial,
- Reference to the specific Plan provisions upon which the denial was based, and
- An explanation of the Plan's claim review procedures and the time limits applicable to such procedures.

Appeals Procedure for a Denied Claim

If your initial claim is denied, you may appeal the denial and request that the Plan Administrator further review your claim. You must submit your appeal in writing to the Plan Administrator at the address noted under "General Information about Claims" within 60 business days of the date that the notice of denial was issued.

Generally, you will receive a response within 60 business days of the Plan Administrator's final determination. The Plan Administrator may notify you in writing prior to the initial 60-day review period that an additional 60 days to review your appeal is necessary. The notification will indicate the reason why an extension is being requested (such as not receiving required information) and when the Plan Administrator expects to be able to respond to your appeal.

The Plan Administrator will consider your appeal, taking into account all comments, documents, records, and other information submitted, including information not submitted or considered in the initial decision on your claim. Any decision made by the Plan Administrator on appeal will be final and conclusive.

Information Provided if Appeal is Denied

If your appeal is denied in whole or in part, you will receive a written response from the Plan Administrator. The Plan Administrator will include the following information:

- The specific reasons for the decision,
- Reference to the specific Plan provisions upon which the denial was based, and
- A statement that, upon request and free of charge, you or your authorized representative is entitled to receive, reasonable access to documents, records, and other information relevant to your claim for benefits. However, certain documents, records, and other information may not be available to you such as information protected by attorney-client privilege.

If the Plan Administrator's response does not include all of this information, please contact the Plan Administrator and request the missing information.

No legal action may be commenced after the later of:

- 180 days after receiving written response to an appeal, or
- 365 days after your original claim for benefits.

Administrative Information

Plan Type and Name

The Plan is a defined benefit plan. The Plan's official name is the County of Riverside Part-Time and Temporary Employees' Retirement Plan.

Plan Sponsor and Administrator

The Plan described in this booklet is sponsored and administered by:

County of Riverside
Pension Plan Administrator
Human Resources, Retirement Division
4080 Lemon Street
P.O. Box 1569
Riverside, CA 92502-1569

The Plan Administrator has the authority to determine eligibility for benefits and to decide claims under the terms of the Plan.

Plan Year

The records for the Plan are kept on a plan-year basis. The Plan Year is the 12-consecutive-month period beginning July 1 and ending the following June 30.

Attachment A—Sample Actuarial Age Factors

Age	Sample Factor
20	1.1183
25	1.4517
30	1.8849
35	2.4481
40	3.1812
45	4.1361
50	5.4445
55	7.1399
60	9.3812
65	12.4649

Factors shown above developed based on IRC section 417(e) segment rates as of May 2023 and 2023 IRC section 417(e) Mortality. Actual factors will be dependent on applicable assumptions for the year of lump sum distribution.