



## **ACTION NEEDED: Exempt Management, Management, Confidential and Other Unrepresented Employees Post Employment 60-Day Window Period June 8, 2026, through August 7, 2026**

On Tuesday, May 12, 2026, the Board of Supervisors approved revisions to the Exempt Management, Management, Confidential and Other Unrepresented Employees Resolution, per Agenda Item #3.15 establishing a required one-time irrevocable Post Employment Program election for eligible employees. In accordance with Treasury Regulation §1.451-2 and applicable tax regulations regarding constructive receipt, employees must elect how eligible leave balances will be managed upon separation from County service.

### **Enrollment**

Employees will have the opportunity to make an election for the Post Employment Program via Self Service in PeopleSoft during the designated 60-day window of June 8, 2026, through August 7, 2026. New employees covered by the Resolution will have a separate 60-day window period which begins on the effective date of entering the bargaining unit. Employees who do not complete their election during this enrollment period will be defaulted into the 100% 401(a) Special Pay Plan.

To complete your pre-designation, visit the Post Employment Program election page using the following path: **Menu > Self Service > Benefits > Post Employment Election.**

### **Irrevocable Election**

Your election is irrevocable, which means the election made during the designated enrollment period will remain in effect unless you separate from County service and subsequently return to employment in an eligible classification or change bargaining units.

### **Eligibility**

Employees with at least five (5) years of County service who separate due to resignation, service retirement, disability retirement, or death may have eligible leave balances processed through the Post Employment Program, subject to applicable County policies and CalPERS provisions.

Employees with less than five (5) years of service will receive eligible leave balances as a taxable cash payout upon separation from County service, and accrued sick leave will be forfeited.

### **Eligible Leave Balances**

Eligible leave balances under the Post Employment Program include Annual Leave, Vacation, Extra Vacation, Holiday, and Sick Leave (upon retirement from County service), subject to provisions under

the Management Resolution. Compensatory Leave is not eligible for contribution and will be paid directly to the employee.

### **Sick Leave Calculation**

- Less than 5 years of service; accrued sick leave is forfeited.
- 5 to 14 years of service; accrued sick leave will be contributed at 50% of current salary value, up to a maximum of 960 hours.
- 15 or more years of service; accrued sick leave will be contributed at 100% of current salary value, up to a maximum of 960 hours.

### **Options Available:**

- 100% 401(a) Special Pay Plan (Default).
- 100% 457(b) Deferred Compensation Plan.
- 25% VEBA/ 75% 401(a) up to IRS limit, remaining in cash.
- 50% VEBA/ 50% 401(a) up to IRS limit, remaining in cash.
- 75% VEBA/ 25% 401(a) up to IRS limit, remaining in cash.
- 100% VEBA, remaining in cash.

Employees are encouraged to consult with a tax advisor or financial planner regarding the tax implications of any election.

### **401(a) Special Pay Plan**

The 401(a) Special Pay Plan is an employer-sponsored money purchase plan, which provides participants the opportunity to contribute their eligible leave balances into a retirement plan that provides tax shelter on contributions and income earnings until the participant withdraws the funds through a lump-sum or periodic payments. Eligible leave contributions into the 401(a) Special Pay Plan are generally exempt from current Federal and State income taxes, as well as Social Security and Medicare taxes, at the time of the contribution.

Contributions and investment earnings are deferred from income tax until you request a distribution. Distributions are subject to Federal and State taxes at the time of distribution. The 401(a) Special Pay Plan is subject to an early withdrawal penalty if a distribution is taken prior to reaching age 59 ½. Upon retirement from the County of Riverside, your eligible leave will be invested with the applicable vendor, into the 401(a) Special Pay Plan based on the fund allocation you have on file. If no investment allocation has been selected, contributions will be invested in the qualified default investment alternative.

In the event of your death, your beneficiary will be entitled to receive a lump sum payment of your contributions plus interest.

### **The 457(b) Deferred Compensation Plan**

The 457(b) Deferred Compensation Plan provides participants the opportunity to contribute eligible leave balances into a retirement savings plan through Nationwide Retirement Solutions and/or Corebridge Financial. Contributions may be made on either a pre-tax or Roth after-tax basis, depending on the elections you have established with your provider.

Contributions and investment earnings within the Plan grow tax-deferred until distribution; however, contributions to the Plan remain subject to Social Security and Medicare (FICA) taxes at the time of contribution. Upon separation from County service, participants may withdraw funds through lump-sum or periodic payments without an early withdrawal penalty.

Upon separation from the County of Riverside, eligible leave contributions will be invested with the applicable vendor based on the fund allocation currently on file. If no investment allocation has been selected, contributions will be invested in the qualified default investment alternative. In the event of your death, your designated beneficiary will be entitled to receive the remaining account balance in accordance with Plan provisions.

### **VEBA Health Reimbursement Arrangement (HRA) Plan**

The VEBA Health Reimbursement Arrangement (HRA) Plan provides participants with reimbursement for eligible post-employment medical expenses incurred by you, your spouse, or eligible dependents in accordance with IRS Code Section 213(d). The VEBA HRA Plan is administered by Gallagher HealthInvest HRA.

Contributions, investment earnings, and eligible reimbursements from the VEBA HRA Plan are generally exempt from Federal and State income taxes, as well as Social Security and Medicare taxes. There is no limit on the amount that may be contributed to the VEBA HRA Plan. Contributions will be invested based on the investment allocation you have on file or, if no election has been made, the Plan's default investment option.

In the event of your death, eligible surviving dependents may continue to use the remaining account balance for qualified medical expense reimbursements in accordance with Plan provisions and applicable IRS regulations.

### **Confirming your Elections**

You can confirm your election at any time by navigating to the following path: **Menu > Self Service > Benefits > Post Employment Election**. After the 60-day window your election will be saved with a date and timestamp and the page greyed out due to being irrevocable.

### **Distributions and Reimbursements**

Distributions from the 401(a) Special Pay Plan, 457(b) Deferred Compensation Plan, or taxable leave balances paid directly to you are generally subject to applicable Federal and State income taxes at the time of distribution. Distributions from both the 401(a) Special Pay Plan and the 457(b) Deferred Compensation Plan generally become available approximately thirty (30) days following separation from County service.

Distributions from the 401(a) Special Pay Plan prior to age 59 ½ may also be subject to an additional 10% early withdrawal penalty.

Contributions, investment earnings, and eligible reimbursements from the VEBA account are generally exempt from Federal and State income taxes and are not subject to Social Security or Medicare taxes.

**Contact**

For more information, please contact the Human Resources Retirement Division at (951) 955-4981, Option 2 or [retirement@rivco.org](mailto:retirement@rivco.org).