Stanislaus County Employees' Retirement Association



ADMINISTRATIVE POLICIES

Updated April 28, 2026

Introduction

This document contains policies formally adopted by the Retirement Board. This version replaces all previous versions and any other individual policy documents previously adopted by the Board. Policies in general will cover administrative functions and necessary interpretations of the law pertaining to system benefits.

Section 1 contains Board policies on general topics. Section 2 contains Board policies on member benefits. Section 3 contains policies related to staff and day-to-day operations.

The Board may direct policy changes and additions and staff may recommend updates as well. The Executive Director has discretion to approve updates to policy related to staff and day-to-day operations. All policies should be reviewed periodically by the Board working through the Internal Governance Committee.

In addition to these administrative policies, staff maintains investment related policies including the Investment Policy Statement (IPS). Changes to the IPS and other investment related policies are subject to Board approval.

Table of Administrative Policies

Section	Policy	Last Update
1.1	Governing Law and Jurisdiction	June 24, 2025
1.2	RFP Policy and Schedule	April 16, 2026
1.3	Travel and Reimbursable Expense Policy	April 16, 2026
1.4	Gift Policy	June 24, 2025
1.5	Purchasing Policy	June 24, 2025
1.6	Annual Budget Policy	June 24, 2025
1.7	Purchasing Card Policy	June 24, 2025
1.8	Conflict of Interest Code	June 24, 2025
1.9	Mass Media Policy	June 24, 2025
1.10	Board Education Policy	April 16, 2026
1.11	Excess Earnings and Interest Posting Policy	June 24, 2025
1.12	Contribution Policy	June 24, 2025
1.13	Actuarial Practice and Funding Policy	June 24, 2025
1.14	Public Records and Data Requests	April 16, 2026
2.1	Membership and Membership Related Policy	April 16, 2026
2.2	Service Credit Policy	June 24, 2025
2.3	Service Retirement Policy	June 24, 2025
2.4	Disability Retirement Claims	June 24, 2025
2.5	Reciprocity Policy	April 16, 2026
2.6	RMDs and Missing Members	June 24, 2025
2.7	Purchase of Part-Time Service	June 24, 2025

2.8	Felony Forfeiture Policy	June 24, 2025
2.9	Overpayment of Benefit Policy	April 16, 2026
2.10	Underpayment of Benefit Policy	April 16, 2026
2.11	Refund Policy	June 24, 2025
2.12	Dissolution of Marriage Policy	June 24, 2025
2.13	Compensation Earnable and Vacation Cashout Policy	June 24, 2025
2.14	Pay Code Policy	June 24, 2025
2.15	Elective Officer Policy	June 24, 2025
2.16	Compensation Assessment Policy	June 24, 2025
2.17	Compensation Earnable and Pensionable Compensation Clarifications	April 16, 2026
3.1	Electronic Data Security Policy	June 24, 2025
3.2	Electronic Signature Policy	June 24, 2025
3.3	Desk and Process Procedure Policy	June 24, 2025
3.4	Internal Controls Policy	June 24, 2025
3.5	Staff Record Access and Processing Policy	June 24, 2025
3.6	Scanning and Indexing Policy	June 24, 2025
3.7	Organizational Communications Standards Policy	June 24, 2025
3.8	Telephone Communication and Transaction Policy	June 24, 2025
3.9	Fraud Prevention Policy	June 24, 2025
3.10	StanCERA Personnel Policy	June 24, 2025
3.11	Succession Planning Policy	June 24, 2025
3.12	Records Retention Policy	June 24, 2025
3.13	Accounting Policy	June 24, 2025
3.14	Stale-dated and Unclaimed Checks Policy	June 24, 2025
3.15	File Request Fee Policy	June 24, 2025
3.16	Wire Transfer Policy	June 24, 2025
3.17	Estimate Request Policy	June 24, 2025
4.1	Policies Under Consideration	April 16, 2025

1.1 Governing Law & Jurisdiction

Purpose

StanCERA is established in accordance with and subject to the Stanislaus County Employees' Retirement Law of 1937, section 31450, et seq., of the California Government Code (hereinafter "the 37 Act"). For the purpose of carrying out the provisions of said law within Stanislaus County California, StanCERA is governed by the 1937 Act as supplemented by Bylaws, Policies and Resolutions approved by the Retirement Board and when applicable the Stanislaus County Board of Supervisors.

This policy will clarify and set standards for the Jurisdiction and Governing Law to be sought for all contracts, agreements, and/or partnerships entered into by the Stanislaus County Employees' Retirement Association Retirement Board.

Procedure

The Retirement Board shall endeavor to include language substantially similar to the below in any and all contracts, agreements, and/or partnership entered into by the Retirement Board or its designee, with such adjustments and modifications as designee or Retirement Board staff deem reasonable and appropriate.

> "This Agreement shall be construed and enforced according to the laws of the State of California, without regard to the provisions, policies or principals thereof relating to choice or conflict of laws. The parties hereto hereby submit to the jurisdiction of the courts of the State of California, Northern District, or of the United States of America sitting in the State of California, over any action, suits, or proceedings arising out of or relating to this Agreement."

1.2 RFP Schedule and Policy

Purpose

The purpose of this policy is to describe the process StanCERA uses to make decisions regarding when the Organization will go out to RFP for its various vendors. The RFP process may vary according to particular services offered and based on ongoing relationships with vendors. The policy is intended to be flexible to accommodate StanCERA's business needs and also to ensure that StanCERA is monitoring existing services and relationships and getting the best possible value and quality from the marketplace. StanCERA staff may exercise good judgement to manage the RFP process efficiently in the best interest of all members.

Procedure

The following services that StanCERA uses on a regular basis and provided for by various vendors would fall under the purview of this policy:

- Actuarial Services, both primary actuary and auditing actuary
- General Investment Consultant
- General Auditor
- General Counsel
- Fiduciary Counsel
- Investment Legal Counsel
- Tax Counsel
- Disability Counsel
- Custodial Bank Services
- Treasury/Banking Services
- Alternative Investment Consultant
- Accounting Software/System
- Benefits Recordkeeping Software/System

While this list is not meant to be exhaustive, at this time, all other services/vendors that StanCERA uses are generally on an ad-hoc or as needed basis.

At least every five (5) years or prior to contract extension StanCERA staff will evaluate the services provided by the aforementioned vendors. Staff's analysis will include a reasonable analysis into the current market environment for similar type services. Staff shall also determine whether the current services being provided meets the Organization's needs and whether the vendor's work is at least satisfactory.
In its review, staff should at least consider the following:

- Whether the vendor is performing up to its expected standards and offering a market competitive service
- Whether the vendor is experiencing any resource issues within its firm
- Firm management and stability

- Whether the vendor's pricing schedule is in line with the current market environment
- The balance between value added and cost by switching vendors

Staff may proceed with an RFP or recommend an extension of up to five (5) years to the Board. Staff may also recommend shorter extensions.

Vendor RFP Schedule/Analysis

Staff will evaluate and analyze each vendor every 5 years to determine whether an RFP for services is or is not warranted. Regardless of the recommendation staff shall seek final approval from the Retirement Board. The following schedule lays out each service that StanCERA receives from its various vendors and the year when analysis and recommendation to the Retirement Board is required. This schedule should be updated each time the milestone analysis is completed.

Vendor Service	Next Analysis Year
Fiduciary Counsel	2026
General Auditor	2026
Actuarial Services (Primary)	2026
General Investment Consultant	2026
Disability Counsel	2027
Custodial Bank	2027
Treasury/Banking Services	2027
Tax Counsel	2028
Accounting System	2028
Investment Legal Counsel	2029
Benefits Recordkeeping System	2029
Actuarial Audit	2030
Private Markets Investment Consultant	2030
General Counsel	2030

For vendors listed above with annual services under $20K, the RFP requirement may be suspended. Vendors for services not listed with regular annual services over $20K should be evaluated by staff.

Staff may recommend an RFP if staff believes that StanCERA will benefit from conducting an RFP review sooner than scheduled. For any RFP, staff may request Board involvement in the RFP process if it is determined that it would benefit StanCERA and the staff.

1.3 Travel and Reimbursable Expense Policy

1. INTRODUCTION

StanCERA business requires necessary periodic travel by board members and staff beyond their offices or locations of normal work activities. StanCERA shall pay for business expenses when reasonable and directly related to conducting business. Board members and staff shall exercise prudent judgement and show proper discretion for accountable and economic use of StanCERA funds.

1.1 GENERAL

StanCERA's Executive Director is accountable to the Retirement Board, Board Chair and the public for funds and assets entrusted to StanCERA. StanCERA's Executive Director and Deputy Director is responsible for administering and ensuring compliance with this policy.

Approved education and travel expenses for Board and staff members shall be direct administration costs of StanCERA (or directly charged to investments for financial reporting in the case of investment-related expenses including education and travel activities). All estimated travel and education expenses shall be included in the StanCERA annual budget and approved by the Retirement Board. Education and travel expenses may occasionally be covered by existing providers if approved by the Executive Director or the Board Chair after consultation with Fund counsel, subject to State ethics and reporting requirements.

All travel must be for business or education related purposes. This may include, but is not limited to the following: conventions, conferences, trainings, seminars, meetings, annual general meetings and due diligence trips. Each Board member and staff is expected to exercise good judgement when incurring travel expenses.

Trustees will report to the Retirement Board, at the next regularly scheduled Board meeting after the travel, which conference/training/meetings they attended using a conference summary template maintained by staff. At a minimum the report will include the conference/training/meeting name, the date or dates of the conference/training/meeting, what was good about the conference/training/meeting, and if the conference/training/meeting would be recommended and why.

Clerk of the Board or Deputy Director can approve Executive Director travel and reimbursement as long as it meets the criteria of this policy.

1.2 TRAVEL APPROVAL

Reimbursement for travel expenses for a Board member or staff to attend an

educational conference or seminar (or other type of meeting or event) not listed in Exhibit A requires prior approval of the Retirement Board, the Board Chair or Executive Director. All reimbursement for travel expenses for StanCERA staff to attend an educational conference or seminar (or other type of meeting or event) requires the prior approval of the Executive Director or Deputy Director. The Clerk of the Board will review requests for Executive Director travel, subject to the terms of this policy.

Upon the recommendation and justification of the Executive Director, trustee and staff travel outside the continental United States will be approved on a case-by-case basis.

For any other type of meeting, conference or event not listed in Exhibit 'A' written authorization to attend (electronic or hard copy) shall be obtained prior to incurring any expenses related to travel. Travel outside the items listed in Exhibit 'A' shall be approved by the Board Chair or the Retirement Board.

A Travel Authorization Form shall be completed prior to any StanCERA staff or Board member beginning the trip. All travel authorizations must be supported by written documentation including the business purpose for the travel. Documentation should include but not be limited to a copy of the conference agenda item (if applicable), date, location, training information, sponsor and registration fee (if applicable). Staff Travel Authorizations shall be approved by the Executive Director or Deputy Director or the Clerk of the Board. Travel outside of items listed in Exhibit A should be approved by the Board Chair. StanCERA staff (typically the clerk of the Board) may assist board members and other staff in completing the Travel Authorization Form.

1.3 PAYMENT FOR TRAVEL EXPENSES

A StanCERA Purchasing Card is the preferred method of payment for pre-paid travel expenses when practical. Accounts Payable reimbursement is also acceptable for payment of travel expenses incurred. The Clerk of the Board can assist with these options.

Claims for reimbursement pursuant to this policy should be submitted within 30 days following return to Stanislaus County. Reimbursement for travel expenses for the Executive Director requires approval of the Board Chair, Deputy Director or the Clerk of the Board.

Itemized receipts must be submitted for each purchase, along with the approved Travel Authorization Form. Documents that substantiate the expenses must be submitted including but not limited to, business purpose for the travel, agenda for the conference or meeting (if applicable), copy of the hotel folio, airfare, GSA rate for per diem outside the County (staff may use local bay-area rates for efficiency purposes), and proof of mileage including destination and total miles either one way or both ways. (The County mileage calculation will be used as the standard method.) *Items charged to a StanCERA purchasing card shall be excluded from the reimbursement claim being made through the accounts payable*

reimbursement process.

If, at the conclusion of a business-related trip, it would be impractical for a Board member or staff to return home the same day and arrive prior to 7:00 pm California time (due to the distance that must be traveled, or the unavailability of a return flight), the Board member or staff will be authorized for one additional night of lodging. Lodging is also allowed the day before a meeting if it is more practical to do so.

When a receipt is misplaced or an itemized receipt not available, a Missing Receipt Form must be completed and signed by the trustee or employee within 30 days of the travel date and signed by the Executive Director or the Deputy Director certifying the expense was a valid StanCERA travel expense.

1.4 GENERAL TRAVEL ARRANGEMENTS

StanCERA Board members and staff are encouraged to take advantage of government discounts, Internet travel discounts or travel agency's special rates available for car rentals, hotels and other incidental travel requirements.

All efforts should be made to plan trips in advance in order to help with reduced expenses for trips. Board members and staff are encouraged to work directly with StanCERA staff (typically the Clerk of the Board) to assist with travel arrangements. Travelers should always make best efforts to minimize travel costs where possible. GSA hotel rates can be a guideline.

The Executive Director or Deputy Director shall make a determination to include such factors as employee schedules, distance, weather conditions, meeting participation or emergencies when approving travel expenses for extended travel time before or after a conference, or seminar, etc. Written documentation for the business purpose of the travel should include the approval for extended travel time, such as setting up prior to an early morning meeting.

Receipts for car rental or lodging that include multiple StanCERA individuals traveling together must list the names of all individuals included in the detailed receipt.

Board members and staff who are not able to honor a reservation will be responsible for for canceling reservations in compliance with the terms of the hotel, airline, etc. Any charges to StanCERA or lost refunds resulting from failure to cancel a reservation without cause may be charged to the Board member or staff subject to review by the Executive Director, Deputy Director or Board Chair.

2. TRAVEL AND REIMBURSEMENT POLICY PROVISIONS

2.1 TRANSPORTATION

The Executive Director, Deputy Director or Clerk of the Board is responsible for ensuring the most practical method of transportation is selected. Factors that

may be considered include cost, staff schedules, ADA accommodations, distance of travel, and StanCERA priorities.

Reimbursement for travel by commercial aircraft shall be approved by the Executive Director or Deputy Director and will be processed after the travel is completed. StanCERA will pay for 1 checked or carry-on bag and for basic (non-first-class) seat assignment. Board members and staff will not be reimbursed for first class expense unless emergency conditions exist. The Executive Director or Deputy Director may approve exceptions to the foregoing when it is necessary or desirable to meet the business obligations of StanCERA.

The Executive Director or Deputy Director may approve any mode of vehicle travel such as; private vehicle, rental car, ride share or taxi. For liability reasons, Board members and staff who choose to transport a spouse, companion, or other in a rental vehicle shall be required to rent said vehicle at their own expense and then submit a claim for reimbursement upon their return. StanCERA staff and County employees on the Retirement Board who receive a car allowance are prohibited from checking out a County vehicle or County-contracted rental vehicle for in-county travel.

In County travel does not require an approved Trip Authorization. Out of County does require an approved Trip Authorization. Both in County and out of County mileage reimbursement requests must be documented with proof of the mileage using the County mileage calculation as the standard when available .

StanCERA follows the Federal Travel Regulations contained in Title 41 of the Code of Federal Regulations, Subtitle D, Chapter 301 regarding mileage reimbursement. Board members or staff who elect to use their personal automobile for travel will be reimbursed for mileage to the point that does not exceed the cost of a reasonable round-trip ticket between Stanislaus County and the destination city Board members and staff must comply with applicable state laws regarding insurance coverage.

2.2 TRAVEL TIME

One-Day Trips – Time spent traveling as part of an employee's daily work activity during regular work hours is FLSA (Fair Labor Standards Act) compensable work time. This includes travel from one job site to another, or travel from a designated meeting place to a job site. For example, the employee reports to work as usual at 8:00am and then drives to a 10:00am meeting/training in another county.

Time spent traveling outside of regular work hours is FLSA compensable work time if the travel is from home to an alternate worksite outside the County for a one day special assignment/training/meeting. For example, the employee leaves home at 6:00am to travel to Sacramento for a meeting at 8:00am. The employee is compensated for the travel time regardless if he/she is the driver or the passenger. However, the department should adjust the employee's work schedule to avoid any overtime liability whenever possible

.

Overnight Travel – Overnight travel is FLSA compensable work time. Travel by an employee who will be away from home overnight is work time only during those periods that coincide with the employee's regular working hours (e.g., 8:00am to 5:00pm). Such time is counted as hours worked even if it occurs on a non-working day such as Saturday or Sunday. Travel outside of regular working hours as a passenger in a plane, train, boat, bus, or automobile does not qualify as hours worked, unless work is performed while traveling.

2.3 MEALS

A. Per diem reimbursements, determined annually by the US GSA, for meals outside of Stanislaus County may be claimed. Please refer to the rate that corresponds to your destination site at the GSA website (staff may use local bay-area rates for efficiency purposes).

   The meal allowances for breakfast, lunch, dinner, and incidentals are combined into one amount. The description for incidental expenses includes fees and tips given to porters, baggage carriers and hotel staff. Board members and staff are eligible for accounts payable reimbursement and are not required to provide receipts for the reimbursement. If a meal is provided by the conference then that amount should be deducted from the daily per diem amount.

   For purposes of calculating the meal allowance:

- **Travel Days:** Board members and staff will be fully reimbursed for meals on travel days, even if the conference provides meals on those dates. Travel days are considered separate from conference attendance and qualify for full per diem reimbursement.

- **Conference Days:** On days when the Board member or staff is attending the conference and meals (excluding appetizers or light refreshments) are provided as part of the event, will be deducted from the per diem.

- **Exceptions:** If a Board member or staff member is unable to attend a provided meal due to a valid reason (e.g., travel delays, dietary restrictions, scheduling conflicts), reimbursement for that meal must be approved by the Executive Director or Deputy Director for reimbursement.

IN-COUNTY MEALS

With Executive Director or Deputy Director written prior approval, in-county meals are allowable when incurred in conjunction with StanCERA business meetings or special projects, oral interview boards, and/or recognized trainings where the employee's attendance is required. Meals provided as part of training or meetings that exceed meal rates are allowable and are not considered exceptions. The business purpose of the in-county meal must be documented and retained with the accounting records as support and for audit purposes.

Management staff meals related to business meetings with key providers, prospective providers, Board members, Employers or industry contacts are reimbursable subject to review from the Executive Director or Board Chair. The StanCERA purchasing card should be used when practical and receipts for the meals should be provided to the office of the Executive Director or Clerk of the Board.

2.4 OTHER ALLOWABLE EXPENSES

Allowable Tips:

- Transportation that takes you between an airport or station and your hotel and the hotel to the temporary work location or meeting place – should not exceed 20% of the fare
- Food and beverages (included in meal allowance limits) tips should not exceed 20%

Miscellaneous Out-of-Pocket Expenses including but not limited to:

- Internet service necessary to conduct business related to the function
- Taxi, trains, Uber etc. fares
- Streetcar, city bus, ferry fares and road tolls
- Parking expenses
- Events or business meetings hosted by the conference or associated with the conference if approved by the Director or Deputy Director

Itemized receipts are required for any miscellaneous out-of-pocket expenses in excess of $15.

Any reimbursement for team events or recognition should be limited to typically once or twice annually and subject to US GSA per diem limits and typical County practices. These reimbursements are subject to approval of the Executive Director or Board Chair.

2.5 PROHIBITED REIMBURSEMENTS

- Costs incurred by or related to a spouse or companion
- Alcoholic beverages
- Any type of tobacco
- Personal expenses such as; laundering, barbering, massages, tips other than those allowed, pay TV and personal calls made from the hotel phone.

Any non-business charges appearing on any billings will be excluded from a claim for reimbursement. In the event a purchasing card was used, it will be requested to be reimbursed by the purchasing card holder which can be accounted for on the reimbursement request.

2.6 OTHER PURCHASES

If StanCERA staff or a board member incurs an approved expense related to StanCERA business, a reimbusement request may be submitted. The need for these reimbursements should be avoided if possible. Any reimbursement for other purchases must be approved by

the Executive Director or the Board Chair.

3. RECORD KEEPING

Written documentation to support travel must be located in centralized department files and available for audit purposes. StanCERA must retain all documentation supporting travel activity for a minimum of five (5) years electronically.

EXHIBIT 'A'

Board members, StanCERA staff and the Executive Director are automatically authorized and encouraged to attend the following:

- Planned meetings with existing providers and prospective providers including due-diligence visits. (Planned travel with prospective providers is subject to approval by the Executive Director or Board Chair.)
- Meetings and training events with sister CERL systems or other local public pensions
- Local-area meetings with industry providers or prospective providers to discuss StanCERA business or potential opportunities
- Committee meetings and/or Board of Director meetings of the organizations named below of which the Board and/or staff member has been appointed
- State Association of County Retirement Systems (SACRS) regular meetings
- National Conference on Public Employee Retirement Systems (NCPERS) annual conference, annual safety conference and annual legislative workshop
- CalAPRS annual general assembly, training and round table meetings
- National Association of State Retirement Administrators (NASRA) conferences
- National Institute on Retirement Security (NIRS) conferences
- SACRS basic and advanced educational programs
- Wharton School basic and advanced investment programs
- Global Financial Markets Institute programs
- CSAC California State Association of Counties
- Institute of Fiduciary Education conferences
- Pension Real Estate Association conferences
- International Institute for Research annual Public Funds conference
- Pension and Investments (P&I) conferences
- Pacific Pension Institute conferences
- Institutional Investor forums
- Council of Institutional Investors conferences
- Institutional Real Estate, Inc. conferences
- Opal Financial Group conferences
- CRCEA California Retired County Employees' Association
- The Pension Bridge conferences
- Conferences sponsored by the Retirement Board's retained consultants, investment managers, and pension software vendor
- Public Pension Financial Forum (P2F2) annual conference
- Government Finance Officers Association (GFOA) conference and trainings
- American Institute for Certified Public Accountants (AICPA) conference and trainings
- Society of Actuaries (SOA) conference and trainings
- Institutional Limited Partners Association (ILPA) conference
- Chartered Financial Analyst (CFA) trainings
- Chartered Alternative Investment Analyst (CAIA) conference and Prism training

EXHIBIT B
Conference Summary

1. Attendee Name: _____
2. Event Name: _____
3. Event Date: _____
4. Event Location: _____
5. Describe what was good about the event: _____

_____

_____

_____

_____

_____

_____

_____

6. Would you recommend this event to other trustees/staff: _____
7. Number of Education Credits: _____

1.4 StanCERA Restriction on Gifts Policy

PURPOSE

Trustees and employees of the Stanislaus County Employees' Retirement Association (StanCERA) must conduct themselves so as to avoid giving the impression that they will give preferential treatment to any organization or individual or that they have not exercised independence or impartiality in carrying out their responsibilities.

RESTRICTIONS ON GIFTS

In order to avoid any appearance of impropriety or a conflict of interest, no member or trustee of the Retirement Board, or an employee of StanCERA shall accept any gift, gratuity, favor, entertainment, loan or anything else of monetary value from a prohibited source e.g. an individual or organization that:

a. is seeking to obtain contractual or other business or financial relations with StanCERA;

b. has been placed on a watch and/or review list by the Retirement Board. A watch and/or review list is a document (which could include the minutes from a regularly scheduled Board meeting) approved and adopted by the Retirement Board which lists those money managers or other contractual providers who are under review for their under performance, and/or any other matter causing concern to the Retirement Board.

The acceptance of transportation, lodging or meals and refreshments received during scheduled due diligence visits, or transportation, lodging and meals received during Board approved conferences (such as SACRS or CALAPRS or provider educational events), are not prohibited by this policy, but discretion and common sense should guide the decision as to whether or not to accept the transportation or meal.

REMINDER ABOUT REPORTING TO THE FAIR POLITICAL PRACTICES COMMISSION

Trustees and employees are reminded that the Fair Political Practices Commission (FPPC) rules apply. This includes the reporting of any gifts with a cumulative total value of $50.00 or more received in any one year from any one source. The FPPC also sets a limit on the total value of gifts received in one year from one source.

1.5 Purchasing Policy

Stanislaus County purchasing policies and procedures are meant to manage all aspects of the County procurement process. They are located at the Stanislaus County website. StanCERA views these policies and procedures as fair and adequate for most purposes. StanCERA will adopt and will abide by the Stanislaus County purchasing policies and procedures with the following exceptions:

- "StanCERA Executive Director or his/her designee" should be substituted for "purchasing or purchasing department" throughout the policy except for the sale of surplus property section.
- " Retirement Board " should be substituted for "Board of Supervisors" throughout the policy except for the sale of surplus property section.
- "StanCERA funds" should be substituted for "County funds" throughout the policy.
- StanCERA will coordinate, monitor, and record all phases of StanCERA's procurement of supplies, equipment, materials, and services.
- StanCERA will be responsible for the leasing of any StanCERA property.
- StanCERA will administer and manage all of its own contracts.
- StanCERA will use County purchasing agent to sell any StanCERA surplus personal property.
- StanCERA will consult with County purchasing agent as necessary for any assistance.
- Investment manager decisions are exempt and subject to StanCERA investment related policies.

References in the policy to the County Board of Supervisors and County affiliations are not applicable to StanCERA procurements.

StanCERA will administer and manage all procurement processes for services related to management and investing of the pension fund. As a separate legal entity, StanCERA reserves the right to modify and/or reject any of the County purchasing policies and procedures as it deems appropriate. Any such modifications and/or rejections will be documented and approved by the Retirement Board.

1.6 Annual Budget and Cost Containment Policy

Overview

On an annual basis, normally prior to the end of the fiscal year on June 30, StanCERA staff will present to the Board an administrative budget for the upcoming fiscal year. The new budget should contain all anticipated administrative expenses as well as depreciation from previous capital expenditures. It should also include any anticipated capital expenditures in the new fiscal year.

At the time the new budget is presented, staff should also provide estimated expenditures for the current fiscal year and a comparison to the budget that was approved the Board. Administrative expenses for the year are documented as part of the Annual Comprehensive Financial Report (ACFR) which is finalized as part of the annual financial audit.

After review and subject to feedback provided, the Board will set and approve the budget for administrative expenses each year.

Budget Tracking

StanCERA financial services staff will complete accounting entries throughout the year for purposes of tracking to the budget and preparing the annual ACFR. When StanCERA staff becomes aware of an item that is tracking higher than anticipated in the approved budget, staff should escalate the matter to the Deputy Director or the Executive Director for review. The Executive Director or Deputy Director should report anticipated variances that are over budget to the Board if they are significant and not offset by other activity. If there is an item that poses a significant financial risk relative to the budget, the Executive Director or Deputy Director should ensure that the Board or Board Chair is made aware of the risk.

StanCERA staff should provide at least one mid-year report to the Board regarding actual expenses versus the approved budget. If staff recognizes a need for additional funds in order to effectively manage the required activities of StanCERA, that request should be presented to the Board for review and approval.

CERL requires the separate accounting of certain activities including technology-related expenses, actuarial expenses and expenses related to investment activities. StanCERA fiscal services staff will account for these items separately and report on them at least annually as part of the ACFR.

Staff will consult as needed with the financial audit services firm hired by the Board to conduct the annual audit. Fiscal services staff under the direction of the Executive Director and the Deputy Director will work to report financials as accurately and transparently as possible in a timely manner using industry standards for categorizing expenses wherever feasible. Recording of expenses must be compliant with GASB standards and also practical for the purposes of efficiency and prudent use of StanCERA resources.

Cost Containment

Under the California Constitution, the Retirement Board has an obligation to members for defraying reasonable expenses of administering the system. The obligation to maintain reasonable expenses for administration extends to the Executive Director and staff. Staff will make every effort to identify opportunities to reduce cost where possible while still providing for proper service and risk mitigation in order to responsibly administer benefits to plan members and beneficiaries and comply with any associated requirements under the law.

1.7 Purchasing Card Policy

Stanislaus County purchasing card policy and procedures are meant to streamline the purchasing and accounts payable process by reducing the paperwork generated by small dollar, high volume transactions, eliminating the need for purchase orders and facilitating timely procurement of goods and services. They are located at the Stanislaus County website . StanCERA views these policies and procedures as fair and adequate. StanCERA will adopt and will abide by the Stanislaus County purchasing card policy and procedures with the following exceptions:

- "StanCERA Executive Director or his/her designee" should be substituted for "County Department Head" and "Department Head" throughout the policy.
- "Retirement Board" should be substituted for "Board of Supervisors" throughout the policy.
- "StanCERA funds" should be substituted for "public funds" throughout the policy.
- As a standard, staff will maintain one purchasing card which will be held by the Clerk of the Board. Any purchasing cards will be held in a secure place by the Clerk of the Board when not being used by board members or staff.
- Purchasing cards will not be used for transaction equal to or greater than $10,000.00.
- References in the policy to the "Purchasing Policy" and "Travel Policy" will refer to the StanCERA Purchasing Policy and the StanCERA Travel Policy.

StanCERA will administer and manage all purchasing card processes for the procurement of goods and services related to it's operations. As a separate legal entity, StanCERA reserves the right to modify and/or reject any of the County purchasing card policy and procedures as it deems appropriate. Any such modifications and/or rejections will be documented and approved by the Retirement Board.

1.8 Retirement Board CONFLICT OF INTEREST CODE

Purpose

The Political Reform Act (Government Code Section 81000 et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regulation Section 18730), which can be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulationshall constitute the Conflict of Interest Code for Stanislaus County Employees' Retirement Association (StanCERA).

Designated employees who do not file statements pursuant to Government Code section 87200 shall file statements of economic interests as directed using the electronic filing system made available by the County or State.

DESIGNATED POSITIONS

Position	Disclosure Category
Trustees*, Retirement Board	1
Executive Director	1
Deputy Director	1
Retirement Investment Officer	1
General Legal Counsel, Retirement Board	1
Primary General Investment Consultant	1

DISCLOSURE CATEGORIES FOR DESIGNATED POSITIONS

Category 1

Full Disclosure: All investments, business positions and sources of income, including gifts, loans and travel payments, as directed on Form 700.

*An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by section 87200.

1.9 MASS MEDIA POLICY

PURPOSE

The purpose of creating guidelines for mass media contact is to ensure that the policies of the Retirement Board are accurately explained and reported during inquiries made by representatives of the mass media. This policy is not meant to restrict the freedom of speech of staff and/or Board members.

SPOKESPERSON: EXECUTIVE DIRECTOR

The general spokesperson for the Retirement Board and the Association is the Executive Director. The Executive Director is considered the authorized respondent to mass media inquiries. The Executive Director may relay policies and/or practices that have been officially adopted by the Retirement Board. This includes making available any documents that have been presented to the Board, during open session, and are therefore matters of public record.

Neither the Executive Director, a Retirement Board member or any other StanCERA employee is authorized to publicly speculate on the intent or motivations of a Retirement Board member or the Retirement Board in the aggregate . If a personal opinion is provided, the opinion shall be identified as such, to the inquiring party.

The Executive Director may, on occasion, delegate the responsibility to a designated staff member.

NON-INITIATION POLICY

As a general rule, the Association does not initiate any mass media contact without specific Board direction. The Retirement Board Chairperson and Executive Director shall review all written press releases for their accuracy. Written or verbal information provided to mass media representatives that is not publicly available through the StanCERA website or contained in a published agenda shall be reported to the Retirement Board Members within 24 hours.

RESPONSES TO MEDIA REPORTS

News articles related to the Association, even when positive in content, may provoke concern and misunderstanding from StanCERA members and the community. If a news article contains inaccurate information, the Executive Director, or designee will make every effort to contact the author and/or publication responsible and request a retraction or correction. Such instances shall be reported to the Retirement Board.

Editorials or opinion pieces will be addressed to "Letters to the Editor" and will only be submitted following notification to the Retirement Board review and approval.

1.10 Board Education Policy

Overview

CERL requires the Board to establish a policy for Board member education. Board members are required to receive a minimum of 24 hours of board member education with the first two years of assuming office and for every two-year period that they remain in office. Ethics training, sexual harassment training and financial education training are all required at least every two years. The Clerk of the Board is available to assist members with resources to comply with these requirements.

Education Tracking

StanCERA staff through the Clerk of the Board will maintain a record of board member education credits and publish it periodically. Education credit can be obtained through conferences, educational presentations and meetings, pertinent classwork and even formal ongoing education among other avenues. StanCERA staff will proactively communicate with board members in order to identify all relevant completed education credits and assist with planning for meeting the minimum required hours.

Educational Opportunities

StanCERA staff will identify relevant training opportunities and communicate them with the board members and also assist with registration and travel arrangements as needed. Board members are encouraged to attend at least one pension-specific conference (CALAPRS, SACRS or other—refer to authorized list under travel and reimbursement policy) every two years. The Executive Director or the Board Chair has authority to determine if an event, meeting or presentation qualifies for education hours.

New board members will be responsible to complete a formal orientation session which includes a review of relevant information from the Executive Director, Clerk of the Board and StanCERA general counsel.

Failure to Comply

The Board Chair and Executive Director are responsible for addressing any situation where a board member is not in compliance with required education. Every effort will be made to assist board members to meet the minimum obligation.

1.11 EXCESS EARNING AND INTEREST POSTING POLICY

Purpose

To declare and provide direction for the determination and distribution of annual earnings in excess of expenses, accounting deficits, the maintenance of specific non-valuation reserves and interest crediting of valuation reserves.

The main objective of the policy is the enhancement and maintenance of the ability of the system to pay retirement pension benefits prior to the use of earnings for reasons other than the payment of retirement pension benefits.

Interest Crediting and Policy Distribution of Excess Earnings:

Excess earnings of Stanislaus County Employees' Retirement Association (StanCERA) may be declared only in years which the market value of assets equal or exceed the actuarially determined liabilities. The timing of the declaration will depend on the actuary's determination of the liabilities. Before excess earnings can be declared, the funds' annual earnings must be used to pay for certain expenses and other reserves that the Board has expressed an interest in maintaining. Each year, earnings shall be posted in the following order until all earnings are allocated:

1) Earnings shall be used to pay for all administrative, investment, and actuarial expenses.
2) Earnings shall be used to maintain a 1% Contingency Fund unless otherwise directed by the Retirement Board.
3) Earnings shall be used to eliminate any prior loss contra-reserve balances. Negative earnings would cause the contra valuation reserve to increase.
4) Valuation Reserve Interest Crediting

- Fund is below 100% funded on a market value of assets basis
    - Any remaining residual earnings shall be distributed on a pro rata basis between those reserves established for vested retirement benefits including, Active Member reserves, $5,000 Retiree Burial Allowance Reserve, Employer Advance reserves and Retiree reserves for annuities, pensions and funded cost of living adjustments with the following caveat:

        The percentage of earnings allocated to the Active Member reserves shall be capped at the actuarially determined return assumption, will determine the semi-annual percent of interest to be posted to individual member account balances' in the subsequent fiscal year on December 31 and June 30, and of that percentage, the refundable percentage of earnings credited to member accounts will be capped at .25% per annum compounded semiannually.
- Fund is at or greater than 100% funded on a market basis
    - Member Reserves shall be credited at a rate determined by the

Retirement Board (normally, and no higher than the actuarially determined return assumption), and of that percentage, the refundable percentage of earnings credited to member accounts will be capped at .25% per annum compounded semiannually.

- All other reserves shall be credited at a rate derived from the "Distribution of Excess Earnings", Section 5

5) Distribution of Excess Earnings; Should excess earnings exist, they would be available as follows:
   a) If the **market value** funded ratio is 100% to 105%, 75% of excess earnings will be used to fund the pension liability (distributed evenly on a pro rata basis across all valuation reserves, other than Member), 25% will be available at the discretion of the Retirement Board
   b) If the **market value** funded ratio is 105% to 115%, 50% of the excess earnings will be placed in the Contingency Reserve and 50% will be available at the discretion of the Retirement Board
   c) If the **market value** funded ratio exceeds 115%, the Retirement Board has total discretion as to the use of excess earnings

Discretionary Use of Excess Earnings:

The Retirement Board may use its discretion in allocating discretionary excess earnings for **any or none of the** following uses:

1) Augment the Contingency Reserve. The Retirement Board may allocate discretionary excess earnings to increase the Contingency Reserve (Government Code section 31592). This Reserve can be used in times of market down turns to offset net annual losses from investments.

2) Increase retiree allowances. If the Contingency Reserve is 1% of the retirement system's assets or greater, the Retirement Board may, pursuant to Government Code section 31691.1, allocate its discretionary excess earnings to fund an increase in retirees' and beneficiaries' allowances. No payments shall be made from this funding unless and until the retirement system's market value funded ratio is 100% or greater and the retirement system has exceeded its assumed rate of return for three consecutive fiscal years. If the funded ratio of the retirement system falls below 100% during the funding period, all excess earnings that were allocated to fund this retiree ad hoc benefit will be transferred to mandatory reserves to increase the funded ratio. If the assumed rate of return has not been exceeded for three consecutive years, no payments will be made from the accumulated discretionary excess earnings. If money has been allocated to fund this ad hoc benefit, the retirement system's funded ratio is over 100% and the assumed rate of return has been exceeded for three consecutive fiscal years, then a one time lump sum payment of this ad hoc benefit may be approved by the Retirement Board to be made to retirees and beneficiaries not to exceed $3,600 per recipient if no such ad hoc retiree benefit has been made for eleven (11) consecutive retiree payrolls prior to the month of payment. The amount paid to each retiree or beneficiary shall be in accordance with the recipient's years of StanCERA service credit. The amount shall be an annual amount which is the equivalent of the

monthly amount times 12. This amount shall only be paid once in twelve (12) consecutive retiree payrolls.

3) Pay a special or supplemental cost of living adjustment to retirees and beneficiaries who have lost 20% or more of their purchasing power [Government Code section 31874.3 (b)
]. If the Contingency Reserve is 1% of the retirement system's assets or greater, the Retirement Board may, pursuant to Government Code section 31874.3 (b), allocate its discretionary excess earnings to fund an increase in retirees' and beneficiaries' allowances for the potential payment of a special or supplemental cost of living adjustment if the recipient has accumulated 20% or more in unused inflation credits. No payments may be made from this funding unless and until the retirement system's market funded ratio is 100% or greater and the retirement system has exceeded its assumed rate of return for three consecutive fiscal years. If the funded ratio of the retirement system falls below 100% during the funding period, all excess earnings that were allocated to fund this retiree ad hoc benefit will be transferred to mandatory reserves to increase the funded ratio. If the assumed rate of return has not been exceeded for three consecutive years, no payments will be made from the accumulated discretionary excess earnings. If money has been allocated to fund this ad hoc benefit, the retirement system's funded ratio is over 100% and the assumed rate of return has been exceeded for three consecutive fiscal years, then a onetime lump sum payment may be approved by the Retirement Board to be made to retirees and beneficiaries not to exceed $2,400 per recipient if no such retiree ad hoc benefit has been paid for eleven (11) consecutive retiree payrolls prior to the month of payment. The amount paid to each retiree or beneficiary shall be in accordance with the recipient's unused inflation credits as determined by the actuary. The amount shall be an annual amount which is the equivalent of the monthly amount times 12. This amount shall only be paid once in 12 consecutive retiree payrolls.

Employer Contributions

The Retirement Board will always require that the normal Employer Contributions will be made. If the retirement system is "over-funded" and the actuary would reduce the employer contributions from the normal annual service credit of members (Employer Normal Cost), the Retirement Board will not make such credit and will continue to require that the full normal contributions (normal cost) be made for the full year of service of all members.

Policy Review

When changes are contemplated to this Policy, the new proposed language shall be given to the Board of Directors of the Retired Employees of Stanislaus County (RESCO) for its input prior to final adoption by the Retirement Board. Such action is in accordance with Government Code section 31592.5.

1.12 CONTRIBUTION POLICY

Purpose

To provide framework and guidelines regarding contributions made by individual members into the StanCERA retirement system.

Member Contributions

Contributions shall be made in accordance with the 1937 Act and this Policy.

Separate normal and cost-of-living contributions shall be made on the compensation earnable of the employees in Tiers 1, 2, 4, 5. A combined single rate contribution shall be made on pensionable compensation of the employees in Tier 6.

Partial

contributions

are prohibited.

Refund of

Contributions

A member who is terminating membership may withdraw accumulated contributions. StanCERA may withhold payment for a period not to exceed six (6) months after the date of separation. (Government Code §31628)

"Termination" means the member has not been paid for a minimum of two (2) consecutive pay cycles immediately following separation of employment and is not actively on the payroll of a StanCERA employer at the time of refund.

Pursuant to Government Code §31527(d), members who receive a refund of contributions may receive a lower amount than the full regular interest credited on the member's contributions due to a withdraw charge, up to the amount of the interest credited to the member's contributions.
Currently, the Retirement Board has set the member crediting interest rate for refund of contributions at 0.25%

compounded semi-annually.

A deferred member shall, upon written request, receive a refund of contributions pursuant to Government Code §31701 as follows:

- If not covered under the provisions of a reciprocal retirement system, upon receipt of completed distribution packet request.
- If covered under the provision of a reciprocal retirement system, upon receipt of completed distribution packet and certification of refund of contribution from subsequent reciprocal system, request will be processed.

The contributions paid to StanCERA are non-refundable except as explicitly provided in the Government Code. No refund of any member contributions shall be made while the member is employed with any StanCERA covered employer in any capacity, or while receiving a retirement allowance from StanCERA.

Service Purchase/Buy-back

A member may pay for a service related buy-back (service purchase) through an installment plan on a "period for period" basis, or double the number of pay periods being purchased, but not to exceed five (5) years. All service purchases must be completed prior to retirement. (Government Code §31641.2)

An allowable conversion of service time will be treated the same as a service purchase.

In the event of a death of a member prior to retirement, but before completing an existing service purchase, the member's designated beneficiary shall have one hundred twenty (120) calendar days, after the date of death, to complete the service purchase. If the beneficiary wants to complete the service purchase, the retirement benefit will be delayed until the service purchase payments are completed. If the beneficiary does not want to continue the payments, the monies will be refunded.

In the event the member terminated prior to completion of an open service purchase contract, the member has thirty (30) days from the date of termination to pay the remaining balance in full. If the member is unable to pay the remaining balance in full within thirty (30) days, any monies StanCERA has received to purchase the permissive service credits will be refunded to the member.

A member may use rollovers via direct trustee-to-trustee transfers to purchase permissive service credit.

Rollovers via direct trustee-to-trustee transfers to pre-tax monies will be accepted from the following:

- Traditional IRA's;
- Government 457 Deferred Compensation Plans;
- Qualified 401(a);
- Qualified 401(k);
- Stanislaus County sponsored PARS; and
- Qualified 403(b).

The following types of rollovers via direct trustee-to-trustee transfers are not accepted:

- Indirect rollover from Government 457 Deferred Compensation Plan;
- Indirect rollover from qualified 401(a);
- Indirect rollover from qualified 401(k);
- Keogh Plan;
- Roth IRA;
- Partial distributions from any account, which contains both pre-tax and post-tax monies;
- Any other type of rollover, direct or indirect, via trustee-to-trustee transfer not specifically noted above.

Non-members are not eligible to rollover, transfer, or buy-back any amounts excepted as expressly authorized in the 1937 Act.

It shall be incumbent upon the member to provide acceptable documentation on the suitability of any rollover or trustee-to-trustee transfer. The Executive Director shall have final determination on acceptable documentation.

All rollovers or trustee-to-trustee transfers shall occur in accordance with appropriate Internal Revenue Service rules and limitations, including Internal Revenue Code 415.
When an error is found in a member's contribution amount from regular payroll contributions, the Executive Director shall correct the error as soon as reasonably possible, following StanCERA's discovery of the error.

<u>Overpayment of Contributions by Member</u>

StanCERA shall take all reasonable steps to reimburse the full

amount of overpayments made by the member. The overpayment can be reimbursed to the member and/or employer via employer payroll from their StanCERA participating employer, if possible, or by check or electronic transfer from StanCERA.

If a member, who overpaid contributions, is deceased prior to payment of the lump sum amount due to the member, the following procedures will be followed:

- Member with Designated Beneficiary
    1. If the member has a designated beneficiary, the payment will be made directly to the designated beneficiary. (Government Code §31452.7)
- Member without Designated Beneficiary
    1. If there is an open estate, payment will be made to the estate.
    2. If final distribution of the estate has been made, StanCERA will review the order for final distribution to determine how assets that were unknown at the time of final distribution are to be distributed under the order. Payment will then be made in compliance with the order for final distribution, if possible.
    3. If an estate was not established, distribution will be made in accordance with any applicable and valid Affidavit for Payment of Personal Property on file with StanCERA. (Probate Code §13101)
    4. StanCERA shall make reasonable efforts to locate the person(s) entitled to payment by sending a letter, to the last known address of each person, or by other means similar intended effect. The letter shall request written confirmation that the person entitled to payment still lives at that address and will accept payment. Upon receipt of such written confirmation, the payment will be mailed to that person at that address. (Government Code §31783.5(b))
    5. If, after taking the above steps, StanCERA has not been able to locate the person entitled to the payment, StanCERA shall hold the funds on behalf of that person for five (5) years. If the funds are not claimed within five (5) years, the funds may be transferred into the system's reserve fund. If

someone later appears to claim the funds, the Board will consider such claims on a case-by- case basis. (Government Code §31783.5(c))

StanCERA will maintain a permanent record of all amounts of outstanding refunds, overpayments and any amounts that have been transferred into the pension reserve fund.

In cases where the total amount of overpayment is less than $50 (fifty), StanCERA need not take proactive measures to locate the person(s) entitled to such funds. All claims presented to StanCERA, however, will be considered regardless of size.

Underpayment of Contributions by Member

StanCERA shall take all reasonable steps to recover the full amount of underpayment of contributions by member.

StanCERA will allow the following repayment methods:

1. Lump sum payment from member;
2. Monthly deduction collected in like manner and over the same time period the error occurred, or up to twice the amount of time period, not to exceed five (5) years, as the error occurred
3. Rollover or Trustee-to-Trustee transfer from a qualified pre-tax plan.

In cases where there is no evidence that the underpayment resulted from fraud or dishonest conduct by the member, StanCERA will only seek recovery of amounts underpaid by the member for four (4) years immediately before the error was corrected.

In cases where there is evidence that the underpayment resulted from fraud or dishonest conduct by the member, the Board reserves all rights to seek all amounts underpaid, plus the maximum amount of recoverable interest under law (Government Code §31539). The Board shall determine whether the member engaged in fraud or dishonest conduct based on all the facts available.

Upon discovery of the underpayment, StanCERA shall notify the member/beneficiary in writing, of the underpayment proposing a repayment schedule, as follows:

1. Identification of the circumstances.

2. Request of payment to StanCERA of the past payment amount underpaid.
3. Agreement to pay benefits.
4. Agreement to pay benefits will provide two options, one of which may be selected by the member:

    - *Option 1* – Monthly payment to StanCERA, over the same length of time that the underpayments occurred, not to exceed five (5) years. If the member ceases to pay during the agreed payment period, the member shall be liable for all remaining unpaid amounts, which may be deducted from any amounts StanCERA owes the member, if the member does not make a lump sum payment.

    - *Option 2* – Lump sum payment to StanCERA for the full amount underpaid, during the underpayment period.

StanCERA may pursue all remedies to collect underpayments. Upon the death of the member, before full repayment has been made, StanCERA shall pursue all remedies to collect underpayments.

StanCERA will maintain a permanent record of all amounts of underpayments and the repayments to StanCERA.

1.13 Actuarial Practice and Funding Policy

Overview

On an annual basis, StanCERA will work with the designated plan actuary to publish a

valuation report as of the end of the fiscal year. The completed report will detail all board decisions regarding plan assumptions and funding and the report will be used to communicate with employers regarding employer and member funding requirements as well as financial projections related to plan funding.

Additional Actuarial Practices

StanCERA will contract with the plan actuary to complete a detailed experience study every three years. The study will be used to assist the Board in setting accurate assumptions for purpose of providing for sufficient funding of the plan over time to meet obligations to members.

At least every six years, StanCERA will evaluate the need to perform an actuarial audit. If StanCERA chooses to change plan actuaries that process will be considered as an actuarial audit.

When StanCERA staff learns about significant events that may effect long-term funding needs of the system, staff will consult with the plan actuary and provide an update to the Board regarding the matter. This could include among other things large-scale changes in employer-related assumptions, large-scales changes in economic conditions, unanticipated investment activity and accounting changes or data updates that have a significant impact on liabilities of the Plan.

1.14 Public Records and Data Request Policy

1. INTRODUCTION

This policy establishes guidelines and procedures regarding responses to Public Records Requests pursuant to the California Public Records Act, Government Code Section 7920.000 et seq; data requests received from StanCERA employers or other stakeholders, and requests for account information received from StanCERA members and their beneficiaries.

The objectives of this policy are to provide guidelines to staff in responding to Public Records Requests and Data Requests to ensure efficiency, consistency, and compliance with applicable laws.

As a general rule, StanCERA will provide requested information that is readily available to the requester in the most efficient way possible, subject to the provisions of this policy. As a best practice, StanCERA staff will utilize existing material and refer the requester to information available on the StanCERA website which is relevant to the request. StanCERA staff will keep a record of the information provided. Any concerns that cannot be resolved by staff will be escalated to the Executive Director or designee and the Executive Director will confer with General Counsel or the Retirement Board as needed.

2. GENERAL

2.1 PUBLIC RECORDS ACT (PRA)

The PRA generally requires entities to disclose "public records" unless the specific information is exempt from disclosure. Under the PRA and interpreting case law, "public records" include information in any format "relating to the conduct of the public's business prepared, owned, used or retained by any state or local agency."
The PRA sets forth an extensive list of records that are exempt from required disclosure.
Many of the statutory exemptions are inapplicable, and others may be applicable only in rare circumstances. The following are examples of exemptions:

1. Preliminary drafts, notes, or interagency or intra-agency memoranda that are not retained by the public agency in the ordinary course of business, provided that the public interest in withholding those records clearly outweighs the public interest in disclosure.

2. Records pertaining to pending litigation to which the public agency is a party until the pending litigation or claim has been finally adjudicated or otherwise settled.

3. Member personnel, medical, or similar files or information, the disclosure of which would constitute an unwarranted invasion of personal privacy.

4. Additionally, Government Code Section 7922.000 provides a provision whereby an entity can justify withholding any record by demonstrating that "on the facts of the particular case the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record." Records in this category may include those about internal staff deliberations where disclosure tends to discourage candid discussion of issues under consideration. If information has been provided to StanCERA subject to a Non-disclosure Agreement, that material will be exempt from disclosure subject to review by the Executive Director and/or General Counsel.

2.2 PROCEDURES

I. PRA or Data Requests submitted to StanCERA are analyzed in accordance with the principles outlined in this Policy. A requestor may be a member, a beneficiary, an employee organization, a government agency, a member of the press, a member of the general public, an attorney on behalf of any entity/group, or an individual.

II. PRA or Data Requests submitted by a StanCERA employer or other stakeholder shall be routed to the Executive Director or designee. StanCERA will treat them as a request made pursuant to the PRA and subject to this policy.

III. StanCERA prefers that all PRA and Data Requests be made in writing to facilitate a clear understanding of the request. When a request is verbal, staff should ask that it be submitted in writing. In the event the requesting party refuses to make a written request, staff should seek verbal clarity of the request and take detailed notes.

IV. The PRA requires StanCERA to disclose "public records" unless the information is exempt from disclosure. Under the PRA and interpreting case law, "Public records" include any documents containing information relating to the conduct of the public's business that is prepared, owned, used, or retained by the state or local agency (StanCERA).

V. StanCERA will respond to PRAs and Data Requests in accordance with the County Employees Retirement Law of 1937 (the "CERL") and controlling case law interpreting the PRA and the CERL. StanCERA will not disclose, pursuant to a PRA or a Data Request, records that are exempt from disclosure under such laws. The General Counsel, in consultation with the Executive Director or Designee, has the authority to exercise discretion to waive an exemption if it is in StanCERA's best interest to do so.

VI. The Public Request expressly permits StanCERA's fiduciary responsibility to administer the system for the exclusive purpose of providing benefits to StanCERA members and their beneficiaries requires that StanCERA recover the direct costs of providing records, and the costs of data compilation, extraction, and programming to produce an electronic record. StanCERA will provide an estimate of any such costs to the requestor under a Public Request or a Data Request and will promptly fulfill the request for records or data after payment of the full estimated amount. Any payments made based on the estimate that exceed the actual cost of producing the requested records or data will be refunded to the requestor. Staff has discretion to fulfill simple requests without requesting payment.

2.3 RESPONDING TO PUBLIC RECORDS AND DATA REQUESTS

StanCERA will determine if the request is subject to "public records" disclosure. To make this determination, StanCERA should proceed as follows:

1. Use existing material to reply to the request.

2. If the records are prepared, owned, used, or retained by StanCERA, then StanCERA will determine if the requested records relate to the conduct of the public's business. For material provided to StanCERA it may need to be determined if it is subject to disclosure.

3. Confer with legal counsel ONLY AS NEEDED for a case-by-case determination as to whether the records are disclosable.

4. Determine whether the requested records will reveal personal or private information about a member.

5. Determine whether otherwise disclosable records need to be reorganized or redacted such that confidential information is not included in the disclosed material.

2.4 PREPARING THE RESPONSE LETTER

I. StanCERA must notify the requestor in writing whether some or all the records will be disclosed within ten (10) calendar days. Best practice should be to respond within 2 business days and provide readily available material related to the request. In many cases the material requested may be obtained from the StanCERA website and the response can point to this information. If no related information can be initially provided, the response should also contain the following:

1. The cost to provide the material if applicable.

2. If any records are not disclosed, StanCERA must explain the withholding.

3. If some or all of the requested records require additional time to produce, StanCERA must state the estimated date and time when the records will be made available. Unless special circumstances exist, StanCERA should attempt to produce the information or records within ten (10) days of the request or payment if possible.

4. If some or all of the requested records will not be disclosed, because "the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record," (pursuant to Govt. Code Section 7922.000), StanCERA must set forth the names and titles or positions of each person responsible for the denial.

Extensions should only be used when "unusual circumstances" exist. “Unusual circumstances" includes: (1) the need to search for and collect the requested records from other locations; (2) the need to search and examine voluminous records; (3) the need for consultation with another agency, legal counsel or department; or (4) the need to compile data, to write programming language or a computer program, or to construct a computer report to extract more limited data that StanCERA seeks to provide in response to a PRA request. Delays should be communicated to the requester.

C. PRODUCING THE RECORDS

I. The logistics of providing the requested records should be worked out on a case- by-case basis. The information will be provided electronically as a best practice, to reduce the burden and expense of providing paper copies.

2.1 MEMBERSHIP AND MEMBERSHIP RELATED POLICY

MEMBERSHIP DEFINED

Membership shall be as defined by the 1937 Act as supplemented by these Bylaws.

PROVISIONS FOR MEMBERSHIP

Every employee of Stanislaus County or of any district, municipality or local government participating in StanCERA, who is appointed to a permanent full-time position, as specified in the ordinances of Stanislaus County or of the included districts, municipalities or local governmentsshall become a member of StanCERA. Employees hired prior to October 1, 1988, became members on the first day of the calendar month after entrance into service. Employees hired on or after October 1, 1988, shall become members on the date of hire.

CONTRACTING DISTRICTS

Whenever any contracting district is required to make an additional appropriation pursuant to Government Code Section 31627.6, for the purpose of paying for a member's service with the district prior to the district's joining StanCERA, the district may make the additional appropriationby periodic payments (including interest at the current actuarial rate which shall

remain in effectuntil the principal is exhausted) over a period of time not to exceed fifteen (15) years or may pay the entire balance to the System in one lump sum.

WAIVER BY EMPLOYEES OVER SIXTY (60)

An employee of Stanislaus County or of any district included in StanCERA, appointed to a permanent full-time position who is age sixty (60) or over at time of entry, may waive the StanCERA membership requirement pursuant to Government Code Section 31552. The election to waive membership is irrevocable and an employee cannot later join the plan as an active member under any circumstances.

EXCLUSIONS

Temporary, seasonal, intermittent part-time employees, and independent and personal service contractors are excluded from membership in StanCERA.

MEMBER INFORMATION AND PROOF OF BIRTH

For all members, StanCERA shall maintain demographic and employment data necessary to administer the Plan. The following documents will be acceptable for proof of birth:

A. Any one (1) of the following:

1. Infant baptismal certificate
2. Census record
3. School age record
4. Naturalization certificate
5. Certified birth certificate
6. Passport
7. Alien registration card with photograph
8. Military record (i.e. DD214, ID) if date of birth is shown
9. Drivers license or state ID

B. Any two (2) of the following:

1. Certified Marriage Certificate if date of birth is shown

2. Child's certified birth certificate, showing date of birth of member

3. Affidavit by older relative, notarized

4. Hospital birth record

Imaged documents and exceptions can be accepted based on the judgement of staff and approval of the Executive Director.

PROOF OF MARRIAGE

A. Every member, at the time of retirement, shall submit a copy of a certified proof of marriage or registered domestic partnership certification and an affidavit that the marriage continues if a designated beneficiary is the spouse or registered domestic partner, and the option pursuant to Government Code Section 31760, et seq., is elected.

B. Every applicant for a spousal continuance based upon a death of a member may be required to submit an affidavit that the marriage continued up until the time of death of the member.

BENEFICIARY PROOF OF BIRTH

Every member, at the time of retirement, shall submit a copy of proof of birth (see rules for members above) of designated beneficiary or beneficiaries selected pursuant to the exercise of an option contained within Government Code Section 31760, et seq.,.

PROOF OF DEATH

Every applicant, at the time of application for a death benefit or continuance, shall submit a copy of a certified final death certificate or a court decree or other official document establishing the fact of death.

TIER 3 AND SAFETY MEMBERSHIP

Any Tier III member who transfers to a Safety eligible position shall be required to become a contributing member of the retirement system as of the date of the transfer to the Safety eligible position. Any Tier III member whose position becomes Safety eligible through law orcollective bargaining process shall be required to become a contributing member of the retirement system as of the effective date of the legislation or negotiated agreement.

SPOUSE/REGISTERED DOMESTIC PARTNER

Wherever in the Bylaws the term “spouse” is used, this term shall also include registered domestic partner

2.2 SERVICE CREDIT POLICY

Purpose

To define service credit and establish that service credit cannot exceed one (1) year of credit in a 12-month period.

Procedure

Service credit is accumulated by working for a StanCERA participating employer in an eligible position. StanCERA members earn service credit for every hour in a contributable pay status up to 80 hours per pay period. To earn a full year of service credit, StanCERA members must work 2,080 hours (or 2,160 hours in an applicable year) in a one (1) 12-month consecutive period.

One (1) year of service credit shall reflect the regular, full-time hours, or equivalent contributable regular vacation, sick, or management leave time, worked in a year. Service credit cannot exceed one (1) year in any 12-month consecutive period.

Overtime hours and part-time/extra-help positions are excluded from service credit.

2.3 SERVICE RETIREMENT POLICY

Purpose

Define requirements required to apply for a Service Retirement Benefit from Stanislaus County Employees' Retirement Association (StanCERA).

Authority

Government Code Sections §31670 and §31672

Procedure

Any member of StanCERA who has met the requirements for age and service may apply for service retirement. StanCERA will not accept applications more than 60 days in advance of retirement date, which cannot be prior to date of which application is filed.

Applications will be deemed complete when the following have been complied with:

1. Completed application has been made to the Retirement Board in care of the Executive Director or StanCERA staff.
2. All documents required have been completed and submitted:
    - Completed application;
    - Copy of legal identification;
    - Proof of certified marriage certificate/domestic partnership, if applicable;
    - Proof of proof of birth for primary beneficiary;
    - Copy of legal identification for primary beneficiary;
    - Photocopy of proof of birth for minor children, if applicable;
    - Complete copy of final judgment and marital settlement agreement, if applicable and not on file;
    - If Tier 3, copy of Social Security benefit estimate.

All service retirements shall be placed on the Retirement Board Agenda for approval.

2.4 DISABILITY RETIREMENT CLAIMS REGULATIONS

1. Definitions

Unless the context otherwise requires, the definitions in this section shall govern the construction of these Regulations.

a) "Applicant" means:
   1. Any member of the Stanislaus County Employees' Retirement Association claiming benefits under the County Employees' Retirement Law of 1937 (CERL), or
   2. Any person claiming such benefits through or on behalf of a member.

b) "Subject Member" means a member on whose behalf an application for disability retirement is filed pursuant to Government Code Section 31721 or otherwise.

c) "Interested Party" includes the Applicant, the Subject Member, the Board, the Association, counsel for the Executive Director, the plan sponsors, and any other party who has a legal interest in the matter and has requested notice. A department or agency of the County shall not act as an Interested Party unless expressly authorized by the Board of Supervisors to represent the County in the particular matter.

d) "Retirement Office" means the Stanislaus County Employees' Retirement Association staff.

e) "Association" means the Stanislaus County Employees' Retirement Association.

f) "Board" means the Board of Trustees of the Stanislaus County Employees' Retirement Association.

g) "Application Package" means completed application and medical examination reports and other information required by these Regulations for submission to the Board.

h) "Hearing Officer" means a person appointed by the Board to make a determination pursuant to Section 31533 of the Government Code. A Hearing Officer may also be referred to as a "Referee."

2. Representation by Counsel

a) Any Interested Party, at that party's expense, may hire and be represented by an attorney subject to the provisions of this section. No Applicant is required to have an attorney at any time. It is suggested, however, that all Interested Parties, including Applicants and Subject Members, consider retaining an experienced attorney who is knowledgeable about disability retirement law and the CERL.

b) If any Interested Party becomes represented by an attorney, either such party or such attorney shall promptly file with the Retirement Office, and serve upon all other Interested Parties, written notice of such representation, including the attorney's name, address, telephone number, and email address. Unless

appearing with an Interested Party at a hearing, an attorney shall not be deemed counsel of record until such notice of representation is duly filed and served.

c) Once an application is submitted, the failure to retain counsel or to provide written notice of representation by such counsel shall in no event be considered good cause, in and of itself, to delay any proceeding under these Regulations.

3. Applications

a) A claim for disability retirement shall be made by submitting to the Retirement Office a complete Application Package. The application shall not be deemed complete until the Applicant has filed with the Retirement Office all of the following:
    1. An application on a form approved by the Retirement Office for that purpose, complete with all information requested therein.
    2. Signed authorizations for release of medical and other information deemed by Retirement Office relevant to a full and complete evaluation of the application.
    3. Copies of all medical reports and records supporting the application.
    4. Identification documents.
    5. Divorce judgments, if any.

b) The application for disability retirement shall not be deemed effective or filed within the meaning of Sections 31721 through 31724, inclusive, of the California Government Code, or otherwise, until the date upon which it is complete as described in Paragraph 3(a) above.

c) If, at any time during the pendency of an application, the Applicant changes, in any material way, the facts or claims set forth in the application, the Applicant shall immediately file with the Retirement Office and serve on all Interested Parties written notice of such change. The failure to do so, may, in the discretion of the Board or the Hearing Officer, preclude the Applicant from asserting the facts so alleged or introducing evidence with respect thereto. Notice of any such changed facts or claims shall be given, in writing, to the Retirement Office within ten (10) days of the date the Applicant first knows or should reasonably know of the changed facts or claims, and in no event later than thirty (30) days prior to any hearing.

d) When an Applicant files an application for disability retirement on behalf of a Subject Member pursuant to Government Code Section 31721, or otherwise, and said application lacks all the documents and information required pursuant to Paragraph 3(a) above, the Retirement Office shall proceed as follows:
    1. The Retirement Office shall write to the Subject Member, at the Subject Member's last known address, advising that the application has been filed, providing a copy of the application, and requesting that the Subject Member provide all the information required pursuant to Paragraph 3(a) above. This includes, without limitation, all information requested in the application form, signed authorizations for release of medical records and other information, all supporting medical records, and

identification documents. The letter shall advise that the Subject Member has thirty (30) days to provide the requested information and that failure to do so may result in denial of the application on the merits. If appropriate, the letter shall also advise the Subject Member that denial of the application may result in termination of the member's employment by the employer.

2. The letter from the Retirement Office shall be sent to the Subject Member via Certified U.S. mail, return receipt requested. If, after a reasonable time, the letter is undeliverable, the Retirement Office shall have another copy of the letter personally served on the Subject Member.
3. The Retirement Office shall have the option of sending the above referenced letter to the Subject Member's last known email address. An email response or other written confirmation from the Subject Member acknowledging receipt of the letter shall be deemed sufficient proof that the Subject Member has received the letter, and no further efforts to serve the letter are required.
4. If after thirty (30) days the Subject Member has not provided the requested information and documents, or made a good faith effort to do so, the Retirement Office may refer the matter to the Board with a recommendation that the application be denied based on the lack of evidence and the Subject Member's refusal to cooperate.
5. After due consideration, and in the absence of good cause to the contrary, the Board may deny the application, with or without a hearing, or take whatever action it deems appropriate. Any such denial shall be on the merits.

4. Further Information Required from Applicant or Subject Member

a) At any time during the pendency of an application, the Board or the Retirement Office may, by written notice to the Applicant or Subject Member, require that they serve within thirty (30) days any or all of the following items:
    1. Copies of records, reports, notes, statements, documents, photographs, or other writings within the definition of Evidence Code Section 250.
    2. Sworn written responses to written inquiries concerning any matter relating to the application or to any matter that is reasonably calculated to lead to the discovery of evidence that would be admissible at a hearing.

b) If the Applicant or Subject Member fails or refuses to comply with any demand made pursuant to subsection (a) of this section, the Retirement Office may do any of the following:
    1. Suspend action on the application until such time as Applicant or Subject Member complies in full with all such reasonable requests.
    2. Seek to compel compliance with the request by making a motion to the Board pursuant to Section 18 of these Regulations. Such motion may include a request for sanctions pursuant to Section 19 of these Regulations.
    3. If, after the passage of one hundred and twenty (120) days from the

date of suspension as set forth in Section 4(b)(1) above, or in the event that the Applicant or Subject Member refuses to comply with an order issued pursuant to subparagraph (2) within thirty (30) days thereafter, and further provided that there is an absence of good cause for either failure specified herein, the Board may declare that the application is dismissed with prejudice.

5. Medical Examinations

a) The Board, acting through the Retirement Office, may, on one or more occasions, as deemed necessary, require the Applicant or the Subject Member, as the case may be, to submit to examination(s) by a physician or psychologist with expertise relative to the medical condition designated by the requesting party. The party requiring the examination shall, at least fifteen (15) days before the appointment date, serve the Subject Member with written notice of the date, time, and place of examination, unless the Subject Member agrees to accept notice that is by other mode. If the member is unable to keep the examination appointment, the member or their attorney shall notify the Retirement Office in writing of such fact at least ten (10) days before the scheduled examination. If the place of examination is neither in Stanislaus County nor the County in which the Subject Member currently resides, the Subject Member may apply to the Board for reimbursement of travel expenses, in amounts paid at prevailing rates by the County of Stanislaus for meals and mileage, and which the Board, in its discretion, may grant. The records and reports of the examining physician shall be confidential and not subject to discovery except in accordance with these Regulations.

b) If the Applicant or Subject Member fails or refuses to comply with any demand made pursuant to subsection (a) of this section, fails or refuses to cooperate fully with the examiner or to submit to all reasonable tests required by such examiner, or fails to notify the Retirement Office of their inability to attend the appointment, the member shall pay all of the expenses incurred by the Retirement Office as a result of the failure to comply, and the demanding party may do any of the following:

1. Suspend all action on the application until the Applicant or Subject Member complies with the request to submit to an examination.
2. Counsel for the Executive Director may seek to compel compliance by making a motion pursuant to Section 18 of these Regulations directed to the Board hereof. Such motion may include a request for sanctions pursuant to Section 19 of these Regulations.
3. If the Applicant or the Subject Member, as the case may be, fails after the passage of one hundred twenty (120) days from the date of the suspension, as set forth in subsection (1) above, or in the event that the Applicant or Subject Member refuses to comply with an order issued pursuant to subsection (2) within thirty (30) days thereafter, and further provided that there is an absence of good cause for either failure specified herein, the Board may declare that the application is dismissed with prejudice.

6. Administrative Recommendation
    a) After reviewing the application and all other documents and information obtained in connection therewith and conducting any necessary investigation, the Retirement Office shall make an appropriate recommendation to the Board. The recommendation may consist of one or more of the following:
        1. "Grant service connected disability retirement" where the Retirement Office determines that the Applicant has proved by a preponderance of the evidence all the elements legally necessary to entitle the member to service connected disability retirement.
        2. "Deny service connected disability retirement" where the Retirement Office determines that the Applicant has not proved by a preponderance of the evidence all the elements legally necessary to entitle the member to service connected disability retirement.
        3. "Grant non-service connected disability retirement" where the Retirement Office determines that the Applicant has proved by a preponderance of the evidence all the elements legally necessary to entitle the member to non- service connected disability retirement.
        4. "Deny non-service connected disability retirement" where the Retirement Office determines that the Applicant has not proved by a preponderance of the evidence all the elements legally necessary to entitle the member to non-service connected disability retirement.
    b) The Retirement Office's recommendation to the Board shall be made at a Board meeting after placing the matter on the agenda.

7. Board's Action Upon Administrative Recommendation
Upon receiving an administrative recommendation from the Retirement Office to grant or deny a disability retirement application, the Board shall, at the first meeting where the matter properly appears on its agenda, take the following actions, or any other actions it deems appropriate: grant disability retirement, deny disability retirement, remand the application back to the Retirement Office for further investigation, or refer any or all issues to hearing.

8. Request for Hearing
Whenever the Board denies an application for disability retirement without a hearing, the Applicant shall, upon written request, be entitled to a hearing before the Board or before a Hearing Officer appointed by the Board. Any such request for hearing shall be in writing and shall be made within fifteen (15) days after the Applicant is served with the Board's decision denying the application.

9. Setting Matters for Hearing
    a) If the Board determines that a matter is to be set for hearing, the matter shall be heard by a Hearing Officer unless the Board moves to hear the matter itself. If the Board determines that a matter is to be heard by a Hearing Officer, the Retirement Office shall notify the Executive Director's Counsel for Disability Matters (attorney who represents the interests of the Executive Director and provides legal advice and support related to disability retirement benefits and

disability claims) who shall promptly schedule a hearing, taking into consideration the availability of a qualified Hearing Officer, the availability of witnesses for the parties, and any other matter necessary and appropriate for the hearing. The Executive Director's counsel shall serve written notice of the date, time, and place of the hearing on all Interested Parties at least thirty (30) days in advance of the scheduled hearing, unless otherwise stipulated by all Interested Parties.

b) The Retirement Office shall maintain a list of qualified licensed attorneys who are approved by the Board and who are available to serve as Hearing Officers. The Retirement Office shall appoint the Hearing Officer for each hearing by determining which person on the list served last and selecting the person next in order. In the event the person next in order declines to serve or is unavailable to serve within a reasonable period of time, the Retirement Office shall appoint the person next in order. The notice of hearing shall include the name of the person appointed to serve as Hearing Officer. Any Interested Party may promptly object in writing to the appointment of a particular person to serve as Hearing Officer. However, such objection must be made in writing and must be served on all parties within ten (10) days of service of the notice of hearing. Failure to do so shall constitute a waiver of the right to object. In the event an objection is timely served, the Retirement Office shall appoint as Hearing Officer the person next in order on the Hearing Officer list.

c) Upon stipulation by all the Interested Parties or upon a showing of good cause, the Hearing Officer or the Board may continue a hearing to a new date. The grounds for a continuance and the factors to be considered in determining good cause are as set forth in Rule 3.1332 of the California Rules of Court.

d) The party requesting a hearing continuance shall bear all costs relating to the continuance unless good cause is shown to the Hearing Officer or the Board, as the case may be. Such costs include, but are not limited to, Hearing Officer fees, court reporter fees, witness fees, and any other costs, fees, and expenses incurred by the Association or any other Interested Party as a result of the continuance.

10. Pre-Hearing Regulations

a) Any Interested Party shall be entitled to notice and take depositions in the manner prescribed by the California Code of Civil Procedure, except that there shall be no distinction between the depositions of expert and non-expert witnesses, and the provisions of the California Code of Civil Procedure limited to the depositions of expert witnesses shall not apply. The party noticing a deposition shall pay any and all costs of depositions and fees to which the witness is entitled.

b) All requests for subpoenas or subpoena duces tecum shall be made pursuant to Government Code Section 31535. In order to request the issuance of a subpoena or subpoena duces tecum, an Interested Party shall complete and submit to the Retirement Office a form approved by the Executive Director for that purpose, and shall do so at least five (5) working days before the date the subpoena or subpoena duces tecum is to be issued. No subpoena or subpoena duces tecum shall be issued until the requesting party has posted with the

Retirement Office any fees to which the subpoenaed witness is likely to be entitled. The party requesting a subpoena or subpoena duces tecum shall be responsible for serving and enforcing it. Fees and costs associated with the issuance or service of any subpoena or subpoena duces tecum as described herein shall be the same as those made applicable by law to witnesses in the Superior Courts of this State.

c) Formal discovery shall be limited to written interrogatories, requests for production of documents, and depositions as set forth in the California Code of Civil Procedure, except as may be stipulated between the parties.

d) The parties may submit a hearing brief supporting or opposing the application. Such briefs should set forth the legal basis and key evidence supporting or opposing the application. A hearing brief must be delivered to all Interested Parties and the Retirement Board or the Hearing Officer, as the case may be, at least twenty (20) days prior to the hearing date. Rebuttal or response briefs, if any, must be delivered to all Interested Parties and the Retirement Board or the Hearing Officer, as the case may be, at least seven (7) days prior to the hearing date. Late briefs may be accepted, for good cause delay, at the discretion of the Chair of the Board or the Hearing officer, as the case may be.

11. Hearing Regulations

a) Closed Session: All hearings before the Board shall be conducted in closed session unless the member requests that the hearing be held in open session. Such request shall be made on the record. Hearings before a Hearing Officer shall in all cases be closed to the public.

b) Reporting: Every hearing shall be reported by a Certified Shorthand Reporter (court reporter). The Retirement Office shall arrange for a court reporter to be present and shall pay the court reporter's per diem costs and for the original and one copy of the hearing transcript

c) Documentary Record: At the commencement of the hearing on each application for disability retirement or other matter, the Board Chair or the Hearing Officer, as the case may be, shall identify each document which is being made a part of the record of the hearing. Any and all objections to the admissibility of any document so identified shall be made and ruled upon at the time of identification. Objections not made at that time shall be deemed waived.

d) Control Over Hearing: The Board Chair, or acting Chair, or the Hearing Officer, as the case may be, shall exercise such control over the hearing as is reasonable, necessary, and consistent with these regulations, prescribing the order of proof, ruling upon the admissibility of evidence, questioning witnesses, and determining whether the matter shall proceed or be adjourned subject to continuation.

e) Objections: In hearings before the Board, all objections to the introduction or admissibility of evidence shall be determined by the Chair of the Board, subject to the re-determination by the Board through motion duly made, seconded and adopted by a majority of the members. The advice of the Board's Counsel shall

be sought on all objections to the admissibility of evidence, in advance of ruling. In hearings before a Hearing Officer, all objections to the introduction or admissibility of evidence shall be decided by the Hearing Officer.

f) Prerogatives of the Board: In hearings before the Board, the Board reserves the right to reject any recommendation that an application be granted or denied, and to interrupt any hearing for the purpose of seeking independent medical advice or receiving other testimony or evidence not presented by the parties.

g) Absent Board Members: In hearings before the Board, no member of the Board who has not been in attendance during any portion of a hearing on an application for disability retirement shall participate in the determination by the Board of the application unless the member has read a transcript or listened to a recording of that portion of the hearing in which he/she was not in attendance and has stated on the record that such review has been undertaken and completed.

h) Rules of Evidence: Except as otherwise provided in these Regulations, any relevant evidence shall be admitted if it is the sort of evidence on which reasonable and responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of augmenting or explaining any direct evidence but shall not be sufficient in and of itself to support a finding unless admitted pursuant to subsections (m), (n), (o) or (p) of this section, or unless it would be admissible over objection in civil actions. Upon proper objection, evidence that is irrelevant or unduly repetitious shall be excluded.

i) Oral Evidence: Oral evidence shall be taken only on oath or affirmation.

j) Witnesses: On any relevant matter, each Interested Party shall have the right to call and examine witnesses, introduce documentary and other physical evidence, and cross-examine opposing witnesses. Any Interested Party who does not testify on his own behalf may be called and examined as a witness as if under cross- examination.

k) Witness Fees: The party calling a witness shall be responsible for paying any fees or other expenses of that witness.

l) Refusal to Testify: A refusal by an Interested Party to testify when called, or to answer proper questions in the course of testifying, shall be grounds for deeming such testimony, or the answers to such questions, to have been given and to have been adverse to the refusing party.

m) Medical Evidence: The production of medical evidence in the form of written reports is favored, provided that they have been served in the manner and within the time set forth in subsection (n) of this section.

n) Medical Records or Reports: Any Interested Party may offer, and the Board or Hearing Officer shall receive into evidence, any medical records or reports that are relevant and that constitute substantial evidence, if copies of the said documents have been delivered to all Interested Parties at least twenty (20) days prior to the hearing, along with written notice of intention to offer the same into evidence. Any interested party may, at their own expense, subpoena the author of such a medical report or record as a witness, and examine the author as if under cross- examination. Any party calling such an expert witness or an expert witness who has not provided a report must give notice of at least fifty (50) days prior to the date of the hearing to all Interested Parties. The Board or the Hearing Officer, as the case may be, may, in their discretion, waive the lack of a fifty (50) day notice for good cause as determined by the Board or the Hearing Officer. Medical reports prepared for purposes of Worker's Compensation proceedings are not made inadmissible by that fact alone; however, no opinion therein shall constitute substantial evidence to support a finding of permanent incapacity or service connection if that opinion is based upon any criterion that is peculiar to Worker's Compensation or is otherwise not germane to the issue of permanent incapacity or service connection under CERL.

o) Non-Medical Written Statements: Any interested party may offer, and the Board or the Hearing Officer shall receive into evidence, any relevant written statement by a non-medical witness, if:
    1. It is made by affidavit or by declaration upon penalty of perjury.
    2. A copy has been delivered to all interested parties at least twenty (20) days prior to the hearing, along with written notice of intention to offer the same into evidence; and
    3. No Interested Party has, at least ten (10) days prior to the hearing, delivered to the proponent a written demand that the witness be produced in person to testify at the hearing. The Board shall disregard any portion of a statement received pursuant to this subsection that would be inadmissible if the witness were testifying in person, but the inclusion of inadmissible matters shall not render the entire statement inadmissible.

p) Deposition Transcripts: Any interested party may offer, and the Board or Hearing Officer shall receive into evidence, any relevant deposition transcript and/or video recording if:
    1. The deposition was taken in the manner provided by law or by stipulation of the parties, and
    2. At least twenty (20) days prior to the hearing the offering party delivered to all interested parties notice of intention to offer the same into evidence. Nothing herein shall require or permit receiving into evidence any deposition testimony to which objection is properly raised if such testimony would be inadmissible were the witness present and testifying at the hearing.

q) Obligation to Appear at Hearing: A duly noticed hearing may proceed in the absence of any Interested Party. Applicants and Subject Members, where applicable, shall personally appear at all hearings pertaining to their application. Service of written notice of hearing shall be sufficient to compel the appearance of the Applicant and Subject Member at hearing. Failure of an Applicant or a Subject Member to personally appear and testify at any duly noticed hearing, whether before the Board or a Hearing Officer, may be deemed a withdrawal of the corresponding disability retirement application with prejudice, unless the hearing is continued by stipulation of the Interested Parties or upon a showing of good cause.

r) For the purposes of this section, "delivery" of a document or a notice may be accomplished by personal service in accordance with the Code of Civil Procedure; or by mail in accordance with Section 20 of these regulations, except that if delivery is by mail the time prescribed in this section for the delivery of documents and notices shall be increased by five (5) days; or by email in accordance with the Code of Civil Procedure, except that if delivery is by email the time prescribed in this section for the delivery of documents and notices shall be increased by two (2) days.

12. Hearings before the Board
    a) Five (5) members of the Board shall constitute a quorum for a hearing held before the Board pursuant to these Regulations. With respect to any such hearing, no findings of fact or decision by the Board shall be valid or effective without the votes of a majority of all members present.
    b) The Board shall decide and provide a decision to the Applicant on all material issues no later than sixty (60) days following the meeting at which the matter is submitted unless there is a delay in obtaining additional information pursuant to Section 11 (f).

13. Hearings before Hearing Officers
    a) When a hearing is held before a Hearing Officer, he/she shall prepare a written recommended decision to be submitted to the Board. The document shall include detailed findings of fact and conclusions of law on all relevant issues. It is essential that the document include a thorough analysis regarding how each disputed fact and legal issue was decided. The recommended decision must be in a form which, if adopted by the Board, will satisfy the judicial review requirements of Code of Civil Procedure Section 1094.5.

b) The Hearing Officer shall submit the proposed recommended decision to the Retirement Office and serve a copy thereof on all Interested Parties within forty- five (45) days after the matter is submitted. The Hearing Officer shall simultaneously deposit with the Retirement Office all documents marked as hearing exhibits, which the Retirement Office shall add to the administrative record. The Hearing Officer shall not be entitled to remuneration for his/her services until the recommended decision has been submitted and served. For purposes of this subsection, a matter is considered "submitted" on the last day of the hearing, unless the Hearing Officer, for good cause, orders otherwise.

c) Post hearing briefs are permitted at the Hearing Officer's discretion. Such briefs shall be submitted to the Retirement Office and served on all Interested Parties no more than twenty (20) days after the conclusion of the hearing.

d) Upon service of the Hearing Officer's recommended decision, the Interested Parties shall have ten (10) days to submit objections thereto by filing said written objections with the Retirement Office and serving copies thereof on all Interested Parties. Said objections shall be considered by the Board and included in the administrative record. Objections not made within ten (10) days shall be deemed waived.

14. Action by the Board on Hearing Officer's Recommended Decision

a) Upon receipt of the Hearing Officer's recommended decision, the Retirement Office shall place the matter on the Board's agenda.

b) The Board shall, at the first meeting where the matter properly appears on its agenda, review the Hearing Officer's recommended decision as well as any timely filed objections thereto. After giving the matter due consideration, the Board may:

1. Approve and adopt the Hearing Officer's recommended decision as its own; or
2. Request and review a transcript of the hearing as well as all the evidence introduced at the hearing. Upon receipt and review thereof, the Board may issue an opinion based on its review of the evidence; or
3. Refer the matter back to the Hearing Officer with instructions for further proceedings; or
4. Set the matter for hearing before the Board. At such hearing, the Board shall hear and decide the matter as if it had not been referred to a Hearing Officer.

15. Board Decisions

a) All of the following provisions apply to any decision of the Board that is subject to judicial review pursuant to Code of Civil Procedure Section 1094.5:

1. The decision shall be in writing.
2. The decision shall include or be accompanied by notice that the time in which judicial review must be sought is governed by Code of Civil Procedure Section 1094.6 and shall include or be accompanied by the text of Section 1094.6.
3. The decision shall be accompanied by a copy of an affidavit or certificate of mailing.
4. The foregoing shall be served upon all Interested Parties by first class mail, with postage prepaid.

b) For purposes of judicial review, a decision of the Board is final on the date that the written decision is served on the Interested Parties.

c) Neither Code of Civil Procedure Section 1013 (a) nor any provision of these regulations shall apply to extend the time within which judicial review must be sought.

d) The Board shall not entertain any petition for reconsideration of any decision after the decision is final.

16. Judicial Review of Board Decisions

a) All parties including the member applicant shall be entitled to judicial review of Board decisions pursuant to Code of Civil Procedure Section 1094.5 and related statutes. To obtain judicial

review of a board decision, a party must file a valid petition for writ of administrative mandamus with the superior court.

b) Any request for the preparation of the administrative record pursuant to Code of Civil Procedure Section 1094.6 shall be made in writing and filed with the Retirement Office. The Retirement Office shall, within ten (10) days of receiving such a request, notify the requesting party of the estimated cost of preparing the record.

c) Any requesting party other than a Stanislaus County Employees' Retirement Association Employer or the Retirement Office shall within ten (10) days of receiving such notification, deposit with the Retirement Office an amount sufficient to cover the estimated costs. If during the preparation of the record it becomes apparent that the costs will exceed the amount of the deposit, the requesting party shall be notified and shall deposit the additional amounts before the record is completed. If the cost of preparing the record exceeds the amount deposited, the party requesting the record shall pay the excess. If the amount deposited exceeds the cost, the difference shall be returned to the party requesting such record. Upon receiving the required deposit, the Retirement Office shall promptly prepare the administrative record, exclusive of documents protected by attorney-client privilege or the attorney work-product doctrine.

17. Disability Beneficiaries Under 55 Years of Age

The Board may request information from any disability beneficiary under fifty-five (55) years of age in the manners prescribed in Sections 4, 5, and 10 of these Regulations. If from such information and medical re-examination it appears that the disability beneficiary may no longer be incapacitated, the Board may order a hearing on the issue of incapacity, in which case the procedure shall be the same as those provided in these Regulations for applications for disability retirement.

18. Motions

Any Interested Party claiming that another Interested Party has not complied with any requirement of these Regulations or the CERL shall first attempt to resolve the issue with the other party. Thereafter the said Interested Party may make written notice for an order compelling compliance. The motion shall include the following:

a) A verified statement of all relevant facts, including a description of efforts made to resolve the dispute informally and the reasons given by the respondent party for non-compliance.
b) A statement of the relief sought.
c) A memorandum of supporting points and authorities; and,
d) A copy of an affidavit or certificate of service upon all Interested Parties.

The motion shall be made to the Board, which may refer the matter to hearing before a Hearing Officer. The respondent party shall have five (5) days from the date the motion is served to submit written opposition. Such opposition shall include the following:

a) A verified statement of all relevant facts.
b) A memorandum of supporting points and authorities; and
c) A copy of an affidavit or certificate of service upon all Interested Parties.

Upon the expiration of the time allowed for opposition, the Board shall either grant or deny the motion without a hearing, set a hearing on the motion before itself, or refer the matter to hearing before a Hearing Officer.

19. Sanctions

Upon a motion pursuant to Section 18 of these Regulations, the Board may impose against any Interested Party any of the sanctions available under the Code of Civil Procedure, on any grounds that would support the imposition of those sanctions in a superior court civil matter. The Board may suspend an Applicant's right to proceed until the Applicant has satisfied the terms of an order imposing sanctions.

20. Service

a) When a provision of these Regulations requires that any party be served, service shall also be made upon all Interested Parties, the Retirement Office, and all counsel who have appeared in the matter.

b) If the party to be served has an attorney of record in accordance with Section 2 of these regulations, service shall be made upon the attorney of record.

c) Unless otherwise provided in these Regulations, when a provision of these Regulations requires service, service shall be made in a manner as permitted under the Code of Civil Procedure.

d) For purposes of determining the effectiveness of service upon an Applicant or Subject Member, a mailing or email shall be deemed "properly addressed" if it bears the address specified on the application, or, if the application has been amended, the address specified on the most recently-filed amended application.

21. Effective Date

These Regulations, and any amendments thereto, shall take effect upon approval by the Retirement Board. All applications filed after the effective date shall be subject to these Regulations. All applications pending at the time of the effective date shall also be subject to these Regulations; provided, however, that any Interested Party may, upon written request to the Retirement Office, choose to have their application proceed under the regulations or Bylaws in effect at the time their application was filed.

22. Amendments

These Regulations may be amended at any regular or special meeting of the Retirement Board by a majority vote of the Board, subject to approval by the Board.

2.5 Reciprocity Policy

Overview

Reciprocity is a potentially valuable benefit offered by California law for public pension plans. The rules can be complex and administration of the benefit can be confusing and challenging. StanCERA cooperates with sister CERL systems and state-level pension programs to assist members in taking advantage of the potential benefits. In general, reciprocity is available for other CERL systems as well as CalPERS, CalSTRS, JRS and some other local and municipal plans that have agreements with state plans.

Reciprocity allows for bridging of vesting rules and in some cases access to continued legacy benefits subject to State law. In order to take advantage of reciprocity benefits, members must apply to all systems where they are seeking reciprocity. If approved, reciprocity requires that members retire at the same time from all systems where reciprocity was granted.

Process

Members must request reciprocal benefits from the system if they believe the benefit applies and may help them. StanCERA provides extensive information on the member website and through communications material available to members. Members are encouraged to consult with StanCERA staff regarding specific questions about potential reciprocal benefits.

Reciprocity requests must be made before retirement and once reciprocity is granted a contribution analysis is performed by staff to determine if a refund is due or additional contributions are owed by the member based on the updated benefits.

Overlap

StanCERA will make efforts to assist members transitioning from another reciprocal system to StanCERA where there may initially appear to be overlap in recognized service time. If the apparent overlap is less than 30 days (usually related to run-out of vacation or leave time), a member may delay participation in StanCERA for purposes of service credit.

2.6 RMDs and Missing Members

Overview

It is the member's responsibility to commence their benefit in a timely manner and in compliance with their best interest and state and federal tax laws. StanCERA staff will make best efforts to reach out to deferred members that have not commenced their benefit and are approaching their RMD date. This will include an address search using a locator service if no response is received.

If the member has not commenced their benefit and there is no apparent effort to do so and it is past the member's RMD date, staff may write-off the benefit for accounting purposes.

2.7 Purchase of Part-Time Service

Overview

Under CERL, members are eligible to purchase eligible part-time service earned prior to full-time status. As long as the part-time service was done as a County (or other Employer) employee and paid by the StanCERA employer, it is eligible for purchase subject to the rules of CERL.

Certain Part Time Nurses are controlled by the County and their pay is approved by the County and part-time service under this category is eligible for purchase subject to the other provisions of CERL and associated State Law.

2.8 Felony Forfeiture Policy

Overview

On January 1, 2013, the California Legislature passed the Public Employees' Pension Reform Act of 2013 ("PEPRA"). As a government pension plan, StanCERA is required to administer the retirement system in accordance with PEPRA. Specifically, PEPRA mandates the forfeiture of all accrued rights and benefits in any public retirement system by any public employee convicted of a job-related felony as of the earliest date of the crime and shall not accrue further benefits in the public retirement system. (See Cal. Govt. Code Sections 7522.72 and 7522.74.) Section 7522.72 applies to employees hired prior to January 1, 2013 and Section 7522.74 applies to employees hired after January 1, 2013.

Roles and Responsibilities

The Employee and Prosecuting Agency: The employee and the prosecuting agency are required by law to notify his/her employer within 60 days of the felony conviction. A copy of the court documents related to employee's conviction/guilty plea must be provided to StanCERA.

The Employer: The employer is required by law to notify the public retirement system within 90 days of a felony conviction.

Earliest Date of Commission of the Crime vs. Conviction Date

The earliest date of the commission of the crime is the date that was used in the court proceeding. In most cases, this date was provided to the courts through the evidence.

The conviction date is the date that the member pleads guilty, or when the judge (or jury) makes a decision on a case.

Notice of Felony Forfeiture Action

Following a notice of conviction, StanCERA will send a letter to the member informing them of our determination, which includes the amount of the forfeited service credit, overpayment of benefits and overpayment of contributions. Any refund owed will be used to offset the overpayment due to StanCERA.

Returning to a StanCERA covered Employer

After forfeiture of benefits, a member cannot return to a StanCERA covered employer and accrue further benefits in StanCERA.

Forfeited Benefits

All rights and benefits from the earliest date of the commission of the felony through the date of conviction will be forfeited. This includes accrued service credit, and possibly the right to a disability retirement.

Active/Deferred Member: Member is entitled to a return of member-paid contributions, without interest, made during the forfeited period.

Retired Member: Member will be treated as if they were a deferred member. The member's service credit will be removed that was earned during the forfeited period, Final Average Salary will be recalculated and a reduction in the member's retirement benefit will be applied. The effective date of retirement and age at retirement will not change. Any overpaid benefits will be owed to StanCERA.

StanCERA will also determine the amount of contributions made by member during the forfeited period. These contributions will be refunded to the member, without interest. StanCERA will use the contribution refund, without interest, as an offset to the overpayment and only refund the amount by which the contributions exceed the amount of the overpayment. A refund owed to the member shall be disbursed by electronic funds transfer.

If the member is divorced and has an Alternate Payee, the legal split will also be recalculated.

Right to Appeal the Decision

Pursuant to the StanCERA Bylaws, if the member wishes to appeal StanCERA's initial determination, the member may appeal this decision to the Retirement Board within 30 days. The appeal shall contain a statement of the facts forming the basis of the appeal and provide copies of documents and other evidence, if any, the member deems relevant to the appeal. The appeal shall be sent in writing to StanCERA.

Reduction or Dismissal upon Sentencing

A felony reduced to a misdemeanor, dismissed or vacated upon sentencing does not nullify the earlier conviction/guilty plea.

Reversal of Conviction

A reversal is an appellate court decision. In cases where the conviction is reversed, the member has the option to redeposit the contributions from the forfeited period, and/or to recover his/her previously forfeited rights and benefits.

Reporting a Felony Conviction

To report a possible forfeiture of benefits, contact StanCERA. Although it is the employer's responsibility to notify StanCERA of an employee's felony conviction, StanCERA can be notified by the media, third parties, or other members. When this occurs, StanCERA will reach out to the employer and ask for felony conviction information.

2.9 OVERPAYMENT OF BENEFIT POLICY

Purpose

To provide a framework that StanCERA can use as a basis for resolving erroneous overpayments of benefits to StanCERA members and their beneficiaries.

Procedure

Pursuant to Government Code §31525 and §31539, the Executive Director may take whatever action deemed necessary to correct any errors in a retiree monthly benefit, which violates Federal or State laws or Internal Revenue Service code rules and regulations or policy.

StanCERA shall take all reasonable steps to recover the full amount of overpayments made to any retiree/beneficiary.

StanCERA will allow the following repayment methods:

1. Lump sum payment from retiree/beneficiary; or
2. Monthly reduction from the retiree/beneficiary benefit. The monetary amount shall be collected per methods listed below, or a higher percentage amount, if requested, by retiree/beneficiary.
    a. If StanCERA or the employer caused the error creating an overpayment in the monthly benefit, then StanCERA shall collect directly from the member's/beneficiary's benefit a minimum of 5% of the gross monthly benefit until repayment is complete.
    b. If the retiree/beneficiary caused the error, due to lack of or inaccurate information, fraud, or intentional misrepresentation, creating an overpayment in the monthly benefit (including appropriate interest), StanCERA shall collect a minimum of 15% of the gross monthly benefit until repayment is complete.

For overpayments less than $50 (fifty), the Executive Director shall make no demand of payment and write off the account. Adjustments are also not required for monthly benefit changes of less than $5.

In cases where there is no evidence of fraud or dishonest conduct by the

retiree/beneficiary, StanCERA will only seek recovery of amounts paid to the retiree/beneficiary for the four (4) years immediately before the error was corrected.

If there is evidence that the overpayment resulted from fraud or dishonest conduct, or intentional misrepresentation by the retiree/beneficiary, StanCERA reserves all rights to seek all amounts overpaid, plus the maximum amount of recoverable interest under law. StanCERA staff and/or the Retirement Board shall determine whether the member engaged in fraud or dishonest conduct based on all the facts available.

Upon discovery of the overpayment, StanCERA shall notify the member/beneficiary, in writing, of the overpayment.

1. The notification will request a payment to StanCERA of the amount overpaid, subject to the provisions of this policy.
2. The notification will include an agreement to repay overpayment and a consent form for spouse or beneficiary, if applicable.
3. The notification and agreement to repay will include effective date and minimum amount of monthly benefit reduction to go into effect by default, if response is not received from the retiree/beneficiary is not received within 30 (thirty) days from when the notification was sent.

StanCERA will maintain a permanent record of all amount of overpayments and the repayments to StanCERA.

StanCERA reserves the right to pursue all legal remedies to collect overpayments.

2.10 UNDERPAYMENT OF BENEFIT POLICY

Purpose

To provide a framework that StanCERA can use as a basis for resolving erroneous underpayments of benefits to StanCERA members and their beneficiaries.

Procedure

Pursuant to Government Code §31525 and §31539, the Executive Director may take whatever action deemed necessary to correct any errors in a retiree monthly benefit, which violates Federal or State laws or Internal Revenue Service code rules and regulations or policy.

StanCERA shall take all reasonable steps to reimburse the full amount of underpayments made to any retiree/beneficiary. The underpayment shall be made as soon as reasonably possible following the discovery of the underpayment.

If a retiree/beneficiary, who was underpaid benefits, has died prior to the payment of the lump sum amount due, then StanCERA shall process those payments based on the following circumstances:

- Retiree/Beneficiary with Designated Beneficiary

    1. If retiree/beneficiary has named a designated beneficiary, the payment will be made to the designated beneficiary. (Government Code §31452.7)

- Retiree/Beneficiary without Designated Beneficiary

    1. If there is an open estate, payment will be made to the estate.
    2. If final distribution of the estate has already been made, StanCERA will review the order for final distribution to determine how assets that were unknown, at the time of final distribution are to be distributed, under the order. Payment will then be made in compliance with the order for final distribution, if possible.
    3. If an estate was not established, distribution will be made in accordance with any applicable and valid Affidavit for Payment of Personal of Property on file with StanCERA. (Probate Code §13101)
    4. StanCERA shall make any reasonable efforts to locate the person(s) entitled to payment by sending a letter to the last known address of each such person, or by other means of similar intended effect. The letter shall request written confirmation that the person entitled to the payment still resides at that address and will accept payment. Upon receipt of such written confirmation, the payment will be mailed to that person at that address. (Government Code §31783.5(b))
    5. If, after taking the above steps, StanCERA has not been able to locate the person entitled to payment, StanCERA shall hold the funds on behalf of that person for five

(5) years. If the funds are not claimed within five (5) years, the funds may be transferred into the system's pension reserve fund. If someone later appears to claim the funds, the Retirement Board will consider such claims on a case-by-case basis. (Government Code §31783.5(c))

StanCERA will maintain a permanent record of all amounts of outstanding refunds of underpayments and any amounts that have been transferred into the pension reserve fund.

In all cases when the total amount of the underpayment is less than $50 (fifty), StanCERA need not take proactive measures to adjust. Adjustments are also not required for monthly benefit changes of less than $5. All claims presented to StanCERA, however, will be considered regardless of size.

2.11 REFUND POLICY

Purpose

To establish process and governance over employee refunds.

Authority

Government Codes: §31701, §31628, §31527(d)

Procedure

Upon written request, a member may request a refund of contributions and refundable interest upon meeting certain criteria.

- Under IRS guidelines, member shall completely sever employment from StanCERA employer.
- Refund paperwork must be fully completed and received by StanCERA
- Member must be off employer payroll for two complete payroll cycles.

StanCERA has up to six months to process refunds following termination of employment (Government Code §31628).

2.12 DISSOLUTION OF MARRIAGE OR REGISTERED DOMESTIC PARTNERSHIP POLICY

Stanislaus County Employees' Retirement Association (StanCERA) retirement benefits are generally payable to members or their beneficiaries. California state law recognizes an exception to this rule in the case of dissolution of marriage or registered domestic partnership. Retirement benefits earned during marriage or registered domestic partnership are considered community property assets, these benefits must be considered in the property settlement agreement and are subject to disposition by the court.

For consistency, the parties referenced in all documents, including court documents, **shall** be referred to as "Member" or "Non-Member."

- **"Member"** represents the member of StanCERA, and
- **"Non-Member"** represents the party with a community property interest in the Member's StanCERA account.

The Non-Member has an interest in the Member's retirement account if he/she was married or registered to a StanCERA Member while the Member was employed by a StanCERA employer. To protect the Member and Non-Member's interest in the plan, StanCERA *must be notified, in writing*, that the Non-Member is asserting a claim for a community property interest in the Member's benefit.

StanCERA requires that it be joined as a party to the dissolution proceeding pursuant to California Family Code Sections 2060-2065.

I. Active/Deferred Members

When StanCERA is served with a Joinder, and the Member has ***not*** retired, the pending dissolution is noted in the Member's account. StanCERA will not distribute any payments from the Member's account until the dissolution is resolved and the Member has retired or withdraws his/her monies.

Prior to filing the Domestic Relations Order (DRO) with the court, the parties shall submit the draft DRO to StanCERA for review by StanCERA's Legal Counsel prior to obtaining signatures of the Member and Non-Member. The draft DRO will be reviewed by StanCERA's Legal Counsel and StanCERA staff for consistency with StanCERA's policies. Once the draft DRO is preapproved, it is returned for signing by the Member and Non-Member and attorneys, if applicable. After the parties and attorneys, if applicable, signed the DRO, it must be returned to StanCERA's Legal Counsel for final approval and signatures.

StanCERA will return the fully executed DRO to the appropriate party for filing with the court. Once the court approves and signs the DRO, StanCERA is to be provided with a conformed, file-marked copy. *StanCERA will not recognize any court orders addressing a Member's account unless StanCERA Legal Counsel and StanCERA staff have approved the DRO pursuant to the foregoing process.*

II. Retired Members

If the Member's marriage or registered domestic partnership is dissolved after retiring, the Member's retirement benefit is reduced in order to provide retirement income to the Non-Member. This is based on the retirement option selected at retirement and the percentage formula provided in the DRO. *Retired Members who are receiving a benefit may not change their retirement option election, which was chosen at the time of retirement.*

Once StanCERA is served with a Joinder, StanCERA will pay the retired member fifty percent (50%) of the retirement benefit and will withhold the remaining 50%, of the retirement benefit, until StanCERA receives the completed DRO. StanCERA must receive a completed DRO, which has been executed by all parties, and signed by the Court. StanCERA will then disburse the withheld 50% pursuant to the terms of the DRO.

If, at the time of retirement, the Member choses the unmodified option, and the marriage or registered domestic partnership is dissolved, should the Member predecease the Non-Member, the Non-Member is not eligible to receive a retirement benefit. A Non-Member is not considered a surviving spouse or registered domestic partner for any purpose under the County Employees Retirement Law of 1937; therefore, the Non-Member's community interest terminates upon the death of the retired Member.

If the Non-Member dies first, the portion of the retired Member's benefit payable to the Non-Member will continue to be paid to the Non-Member's estate, or designated beneficiary, during the Member's lifetime, unless otherwise stated in the Domestic Relations Order.

Prior to filing the Domestic Relations Order (DRO) with the court, the parties shall submit the draft DRO to StanCERA for review by StanCERA's Legal Counsel prior to obtaining signatures of the Member and Non-Member. The draft DRO will be reviewed by StanCERA's Legal Counsel and StanCERA staff for consistency with StanCERA's policies. Once the draft DRO is preapproved, it is returned for signing by the Member and Non-Member and attorneys, if applicable. After the parties and attorneys, if applicable, signed the DRO, it must be returned to StanCERA's Legal Counsel for final approval and signatures.

StanCERA will return the fully executed DRO to the appropriate party for filing with the court. Once the court approves and signs the DRO, StanCERA is to be provided with a conformed, file-marked copy. *StanCERA will not recognize any court orders addressing a Member's account unless StanCERA Legal Counsel and StanCERA staff have approved the DRO pursuant to the foregoing process.*

2.13 Compensation Earnable and Vacation Cashout Policy

1. SCOPE OF POLICY

   CERL §31461 defines "Compensation earnable" and outlines compensation types deemed as excluded for purposes of pension calculations.

   PEPRA members are not allowed to utilize vacation cashout pay to increase compensation earnable. Subject to limitations, legacy (pre-PEPRA, joined plan prior to 2013) pension members can utilize vacation cashout payments to increase their eligible compensation which can increase the final monthly pension benefit. For the pay to be considered eligible, it must be taken while the employee is actively employed. The amount cannot exceed what is accrued by the member annually or what is allowed to be paid annually to the member.

   Subject to the provisions of employer MOUs, employees can take vacation cashouts which are typically limited by the fiscal year or in some cases limited by the calendar year. The practice of "straddling" references where an employee takes a cashout near the end of one year and then takes another cashout near the beginning of the next year. This can create a situation where a legacy member that is retiring can have over the annual maximum vacation cashout in the pension measurement period (12 months or 36 months) used to determine compensation earnable.

2. HISTORY

   Prior to July 1, 2024, StanCERA allowed members to "straddle" and utilize vacation cashout pay above the annual limit imposed under the employer MOU.

   Effective July 1, 2024, StanCERA does NOT allow eligible retiring members to utilize vacation cashout pay above what is normally allowed to be paid in one year for purposes of determining "compensation earnable" for use in the calculation of monthly pension benefits. For members that "straddle" vacation cashout payments, StanCERA will limit the portion of the vacation cashout that is deemed as pension-eligible to the annual limit imposed by the Employer, which could be either a fiscal year limit or a calendar year limit. If the pension measurement period for the retiring member is three years, that member will be limited to the maximum annual cashout for each of the three years used in the pension calculation.

3. METHODOLOGY

   The compensation earnable period utilized will be based on the highest average for the member as initially determined by the system. Per CERL §31462.1, members may request a different period. In the event that a member takes multiple vacation cashouts during the compensation earnable period, StanCERA staff will utilize the maximum cashout allowed by the employer annually (under the established MOU if applicable), using the highest amount paid, up to a maximum of the amount accrued during one

year. This limitation is applied to each year for a three-year average. Multiple cashouts during the same measurement period can be used if it falls within the maximum allowed under the MOU for the member. Members may contact StanCERA with any questions about vacation cashouts as it relates to compensation earnable for pension calculation purposes.

2.14 Pay Code Policy

Overview

StanCERA Employers are responsible for accurately reporting compensation and for familiarity with definitions of eligible pay for PERPA and legacy members. StanCERA staff works closely with Employers to assist in the process including clarification of rules and data reporting requirements.

When Employers add new pay codes it is imperative that StanCERA be notified (ideally in advance) and that both parties agree on the definition of which pay codes are eligible for pension purposes and also the updated data reporting requirements. StanCERA maintains documentation in the system indicating the eligibility of reported pay from employers.

StanCERA monitors compensation data received and performs edits on the data in an attempt to identify and correct potential discrepancies. StanCERA staff also periodically audits individual records for accuracy and completeness.

2.15 Elective Officer Policy

1. SCOPE OF POLICY

   Membership in Stanislaus County Employee's Retirement Association (StanCERA) while holding elective office[1] is optional under Government Code § 31553. Members holding elective office may do so in retirement status meaning they may collect or commence retirement benefits while in office subject to certain conditions. This policy provides guidance on membership and benefits available with StanCERA for those who hold elective office. Members holding elective office are encouraged to contact StanCERA for any clarification regarding how the policy applies to the member's specific situation.

2. MEMBERSHIP IN STANCERA

   A. Individuals in Elective Office Who are Not in Retirement Status with StanCERA

      Individuals who are not in retirement status with StanCERA have the option of becoming a member of StanCERA or earning additional service credit in StanCERA based on their service in elective office. StanCERA provides communications to newly elective officers at the beginning of each term with basic information and a declaration form. The declaration form from StanCERA allows the newly elective officer the choice to opt-in or opt-out of membership in StanCERA. The newly elective officer is encouraged to explore their options with StanCERA before making a declaration regarding StanCERA membership.

      (1) Opt-In

         a. If the elective officer opt-ins to StanCERA, that declaration is irrevocable for the period of the term in which they serve in office, and they will contribute to the Plan and earn benefits in the Plan per the rules of the Plan for their time in office, unless they retire while holding office.

         b. If the declaration to opt-in is made and submitted to StanCERA within the first 30 days in elective office, it will be effective from the start of the term. If it is completed and submitted to StanCERA after 30 days in office, it will be effective with the next pay- period available. Members may have the option to purchase time in elective office if they were not a member of StanCERA at the time they submitted their declaration to opt-in to the Plan based on their service in elective office.

      (2) Opt-Out

         a. If the elective officer opts-out of StanCERA membership, they will NOT contribute to the Plan and they will NOT receive any service credit in StanCERA.

         b. However, an elective officer can change their declaration to opt-out of membership at any time during their term by contacting StanCERA and making the declaration to opt- in, provided that the elective officer is not in retirement status with StanCERA. Any change from opt-out to opt-in will be applied prospectively only. Members may have the option to purchase time in elective office if they are not a member of StanCERA at the time they submitted their declaration to StanCERA to opt-in to the Plan based on their service in elective office.

If elected or appointed to another term in the elective office, they will once again have the same options for the new term (if they are not in retirement status at the time of the new term). If no membership declaration is made for a new term, the member will have any recorded choice from the prior term carry-over.

B. StanCERA Retired Members (meaning retired from StanCERA)

An individual who is already receiving a monthly retirement benefit from StanCERA is considered to be in retirement status.

(1) Continues to Receive Retirement Allowance

An individual who is already receiving a monthly retirement benefit from StanCERA at the time they take elective office AND chooses to continue to receive their monthly benefit does NOT have the option of rejoining StanCERA as an active member. In such circumstance, the elective officer is automatically opted-out of StanCERA as an active member and will continue to collect their retirement benefit as a retiree of StanCERA.[2]

(2) Discontinuing Retirement Allowance

Discontinuing retirement allowance from StanCERA is NOT permitted for a person serving in elective office. (Government Code § 31680.7, which allows for elective officers to discontinue their retirement allowance and rejoin the Plan has NOT been adopted by the local Board of Supervisors.)

C. Forfeiture of Membership

Under Government Code § 31563, an individual ceases to be a member of StanCERA for any portion of their service that is forfeited due to a qualifying felony conviction under Government Code §§ 7522.70, 7522.72, and/or 7522.74.

3. PURCHASE OF SERVICE

A. Under Government Code § 31648.5, an elective officer who is not a member of StanCERA and initially opted out of StanCERA membership, and later submits a declaration to opt-in to become a StanCERA active member can purchase their time served in office before they became a member of StanCERA. For such an elective officer to purchase that county service, the elective officer must pay:

(1) The contributions they would have made if they had been a member of the Plan at the time the county service subject to purchase was rendered, and

(2) Interest, using the same interest-crediting method that applies to StanCERA member contributions.

Under Government Code § 31648, the payment of member contribution and applicable interest for the purchased county service must occur within one year after the submission of the declaration to join StanCERA as a new member and before the elective official's application for retirement is filed.

4. RETIREMENT WHILE IN ELECTIVE OFFICE

A. An elective officer who is a member of StanCERA may commence their benefit if eligible for retirement based upon their tier. Once the elective officer retires, they will no longer contribute to the Plan and will no longer earn service credits and additional benefits in the Plan.

B. Under IRS Tax Code, the elective officer must be of normal retirement age to commence their retirement benefits. That age is at least Age 60 for general

employees and Age 50 for public safety employees. The employee designation is based on the member's service prior to elected office.[3]

C. If an elective officer retires while in office, they will receive a partial retirement benefit, as of their effective retirement date, that will be calculated only for prior service while NOT in the current office per Government Code § 31680.15(b). The wages used to calculate the partial benefit will be the wages recorded prior to service in the elective office as well. The portion of the retired elective officer's retirement benefit attributable to their service while in that elective office shall be suspended during their incumbency in that elective office. All contributions to the Plan will stop as of the retirement date and the elective officer will no longer earn additional service credits or benefits in the Plan as of that effective retirement date.

D. Once a retired elective officer leaves their incumbent office and is no longer employed in an eligible position, StanCERA will recalculate their benefit to include the portion of the retired elective officer's retirement benefit attributable to their service that was previously suspended under Government Code § 31680.15(b) while in office. The updated benefit will be based on:

(1) The original tier and rules using age at the time of the original partial retirement calculation as of the effective retirement date, and

(2) Service and pay that includes time in office, prior to their effective retirement date.

The updated benefit will also have COLAs applied back to the elective officer's effective retirement date as follows:

StanCERA will apply the COLA calculation to the original partial retirement benefit and then apply the COLA calculation to the updated full retirement benefit calculation and provide the member the difference between the two benefit calculation amounts.

The updated benefit will be paid using the same option as the original partial retirement, effective the day after the member leaves incumbent office and is no longer employed in an eligible position. Moreover, the payment of the updated benefit will occur after the member's last date in elective office and will not be treated as a retroactive payment to the original date of retirement.

E. Any benefit election on file (including any beneficiary designations) at the time of retirement from StanCERA shall be irrevocable once the retired elective officer receives their first monthly retirement benefit from StanCERA.

5. <u>DEATH OF MEMBER WHILE IN ELECTIVE OFFICE</u>

In the circumstance that an active member dies while holding elective office, StanCERA will recalculate the member's retirement allowance under Government Code § 31680.15(b) as if the member vacated office on the date of death.

6. <u>REFUNDS BASED ON ELECTIVE OFFICE</u>

A. Under Government Code § 31553, an elective officer leaving office may rescind their declaration to join StanCERA for that term in office provided they do so within 60 days of leaving office or within 60 days of expiration of that term in office. If the declaration to join StanCERA is rescinded, contributions for that term are refunded to the individual.

B. If a newly elected official does NOT submit a declaration to join the Plan for the term in office, they will NOT be members of the Plan and any contributions taken for that period will be refunded if they were taken in error.

7. EFFECT OF THIS POLICY

   A. To the extent the Legislature amends or otherwise changes the provisions of the County Employees Retirement Law (CERL) or otherwise provides statutory changes to the existing law at the time this policy is adopted, the Legislature's amendments or changes control the provisions of this policy.

Notes

[1] Cal. Elections Code § 201 does not distinguish between appointed and elected for those who hold elective office and other County Employees Retirement Law (CERL) systems do not make that distinction. Moreover, CERL 31553 and 31680.15 use elective office instead of elected official.

[2] Under § 31680.15 a person who is retired may serve without reinstatement from retirement or loss or interruption of benefits under this chapter, as an elective officer. However, for all other retired members (i.e., those not in elective office), they are subject to reinstatement under Public Employees' Retirement Act (PEPRA) § 7522.56, which outlines the rules for the reinstatement of a retired member to active membership.

[3] Under IRS Code Section 401(a), members cannot have in-service distributions prior to reaching normal retirement age, as defined by the Plan with the IRS.

2.16 COMPENSATION ASSESSMENT POLICY

Purpose

To establish fair and impartial guidelines used in determining if an element of compensation was paid during a member's highest final average salary period to enhance a retirement benefit. The Employers retain primary responsibility for accurately reporting compensation according to guidelines provided under the law and in a format required by StanCERA.

Authority

Government Code §31542 states the Retirement Board (Board) shall establish a procedure for assessing and determining whether an element of compensation was paid to enhance a member's retirement benefit.

Elements of Review

Upon application for retirement, StanCERA staff shall perform a preliminary review of the member's final average salary period to determine if elements of pay were included that may be used to enhance a retirement benefit.

Upon initial review, if the final average salary period appears higher than other similar periods of time, StanCERA staff will analyze the cause of the increase. StanCERA staff shall rely on the following four principles to guide its decision:

- Inconsistent use of special pay elements at or near the end of one's career;
- Frequent use of the elements over time of which appear to be random;
- End of career pay increases that are routine and customary;
- Special pay elements that are accumulated through work completed, voluntarily or employer directed.

StanCERA acknowledges validity in increased pay at the end of a career. As a result, StanCERA will evaluate each situation on a case-by-case basis, considering all facts.

When analyzed, if it is found that specific elements of compensation were routinely paid during the review period at or near the same frequency as found during the final average salary period, the final average salary will be used to determine the member's retirement benefits. However, if the analysis indicates that an element of compensation was paid to enhance the retirement benefit, the member or the employer shall be given the opportunity to present evidence to StanCERA that the compensation was not paid for the purpose of enhancing the member's retirement benefit. The Executive Director will evaluate all evidence provided, and if in the opinion of the Executive Director, it appears an element of compensation was paid to enhance a member's benefit, the Executive Director will deny the use of the elements in calculating the final average salary. If the member disagrees with the Executive Director's decisions, the member may request the item be placed on the Retirement Board Retirement Board agenda for review.

If the Board of Retirement (Board) determines the final average salary does not contain elements of compensation were paid to enhance the retirement benefit, the final average salary will be used to determine the member's retirement benefit.

If the Board finds the final average salary contains elements of compensation were paid to

enhance a retirement benefit, the elements of compensation will not be used in the final average salary calculation or used to determine the member's retirement benefit.

Upon final determination by the Board notice shall be provided to the member and employer. The member or employer may obtain judicial review of the Board's action by filing a petition for writ of mandate within thirty (30) days of the mailing of the notice.

If any element(s) of pay, during the final average salary period, are still being evaluated during the time the member's application would normally be processed for retiree payroll, StanCERA will process the application, excluding the element(s) of pay in question, to avoid delay payment of benefits. If, upon completion of the evaluation, it is determined that the element(s) of pay will be included in the final average salary, StanCERA will recalculate the final average salary, including the additional element(s) of pay. The new benefit amount will begin with the next payroll process and a retro-active payment shall be made of the payment difference.

2.17 PENSIONABLE COMPENSATION AND COMPENSATION EARNABLE CLARIFICATIONS

Purpose

The Retirement Board follows the definitions of compensation earnable (for legacy members) and pensionable compensation as outlined in CERL and PEPRA. In December 2012 the StanCERA Board approved base pay only in the calculation of eligible compensation for new members, subject to any other restrictions imposed by State and Federal law. Clarifications for determination of base pay and other potential pay for legacy members will be made by staff with input from the Board when helpful.

Clarifications

a) "Professional Development Pay" which is paid by Stanislaus County is excluded from pensionable pay for all members under the CERL compensation earnable definition that excludes pay for "payments for additional services rendered outside of normal working hours, whether in a lump sum or otherwise."

3.1 ELECTRONIC DATA SECURITY POLICY

In addition to complying with Stanislaus County's Computer Security – end user policy, found in the County personnel manual, Stanislaus County Employees' Retirement Association (StanCERA) augments the policy with the following:

StanCERA member data is considered the Property of StanCERA and subject to all implied property rights. It may not be shared, distributed, published, disposed of, or otherwise released without explicit direction of the StanCERA Executive Director.

1. Electronic member data

- All electronic member data will reside in the Arrivos database;
- Access to member data is limited to authorized StanCERA staff and authorized providers, primarily software technology providers as established in contractual agreements;
- Modification of member data may only be done by authorized StanCERA staff; and
- Any data extracted will be limited, secure and temporary.

At times member data must be extracted and shared, such as: actuarial valuations, yearly audits, death audits, state and federal reporting, and authorized Public Records Act requests. Secure procedures are in place for all such processes which include password security, data encryption and/or secure file transfer protocol (SFTP). Excluding these required functions, identifiable member data will not be transported off StanCERA premises. Identifiable member data is any data that includes Social Security number, birth date, name, or address.

Electronic identifiable member data will not be:

- attached to emails for sharing or distribution outside of StanCERA;
- saved to any transportable media including flash drives and CDs or other external; storage device; or
- saved to any Laptop or portable computer.

Extracted member data will only be stored on the StanCERA network drives. Temporary storage on desktop PCs should be cleared at the end of the project/assignment.

Any deviation of the policy requires prior written authorization of the Executive Director or designee, with notification to the Retirement Board.

2. Application Security

Access authorizations will be reviewed and verified quarterly.

3. Violation of Policy

An employee who violates this policy will be subject to the appropriate disciplinary action, which may include suspension, demotion, or termination from County employment. In addition, an employee may be subject to civil, and/or criminal prosecution.

A vendor who violates this policy may be subject to termination of relations with StanCERA.

Vendors may also be subject to civil, and/or criminal prosecution.

3.2 ELECTRONIC SIGNATURE POLICY

Purpose

To authorize StanCERA to accept electronic signatures (eSignatures), increasing productivity and ensuring convenient, timely and appropriate access to StanCERA information by utilizing electronic signature technology.

Authority

County Employees Retirement Law of 1937 (CERL): Government Code §31527(i),

> *"Notwithstanding any other law, for the use and acceptance of a document requiring a signature that is submitted by a member using an electronic signature, if the document and electronic signature are submitted using technology the board deems sufficient to ensure its integrity, security, and authenticity. A document submitted pursuant to the regulation shall be given the same force as a signed, valid original document."*

Overview

The use of electronic signatures is permitted and shall have the same force and effect as the use of a "wet" signature or manual signature if all the following criteria are met:

1. The electronic signature is unique to the person using it.
2. The electronic signature is capable of verification.
3. The electronic signature is under the sole control of the person using it.
    a. Email notifications requesting electronic signatures must not be forwarded.
4. The electronic signature is linked to the data in such a manner that if the data is changed after the electronic signature is affixed, the electronic signature is invalidated.

DocuSign and Adobe Sign are software programs that use technology sufficient to ensure the integrity, security, and authenticity of documents with an electronic signature. StanCERA will give an electronically signed document filled through DocuSign or Adobe Sign the same legal force as a signed, valid original document.

Any member documents processed through DocuSign or Adobe Sign will be processed into the Arrivos Imaging System for storage according to the Records Retention Policy.

StanCERA also accepts that users taking action through the secure member portal are also acting in a manner that is consistent with secure sign-off of activity processed in the member portal.

3.3 PROCESS AND DESK PROCEDURE POLICY

Purpose

StanCERA staff will work to create and maintain a complete list of required tasks and associated desk procedures used in order to carry-out required functions for the administration of StanCERA benefits to members. This includes compliance activities. Task listings and procedures will be maintained electronically and an index of tasks and processes will be maintained for ready access to the most current versions.

It is recognized that creating and maintaining detailed procedures is a large undertaking and that the effort to improve the existing procedures is a constant work-in-progress. The Executive Director and Deputy Director are responsible for ensuring sufficient attention in this area and setting priorities for staff regarding necessary procedure development.

3.4 Internal Controls Policy

Overview

As part of the annual audit, StanCERA internal controls are monitored by StanCERA staff and the firm hired by the Board to audit StanCERA financials and processes. StanCERA staff under the direction of the Executive Director is charged with ensuring that adequate controls exist for processes. Areas of higher risk such as lump-sum payments, complex benefit calculations and rules, data security, access to investment fund transactions and compliance functions should receive the highest priority for review.

Where feasible secondary review of workflows are utilized to strengthen controls and reduce the risk of errors. When new areas of focus for enhanced controls are identified, staff working under the direction of the Executive Director and Deputy Director will implement the changes and consult with the auditor and Board as needed for higher visibility items. New controls will also consider the level of effort required vs. the risk to determine the most appropriate process for the situation. Internal controls should generally be documented as part of staff tasks and desk procedures.

3.5 STAFF RECORD ACCESS AND PROCESSING POLICY

Purpose

To safeguard and maintain confidentiality of staff and member records when accessing and processing transactions of family members, household members, StanCERA staff, and StanCERA Trustees.

Procedure

If StanCERA receives a request for transaction (i.e. retirement application, service purchase request, refund, etc.) from a family member of a StanCERA staff member or a member of staff's household, the transaction shall not be processed by the related/shared household staff member. The workflow shall be reassigned to another StanCERA staff member for processing, and to management for peer review.

If StanCERA receives an application for Service-Connected or Non-Service Connected Disability Retirement from a StanCERA staff member or StanCERA Trustee, the application will immediately be forwarded to the Benefits Manager. Once reviewed by the Benefits Manager the application shall be sent to another 1937 Act retirement system for processing and recommendation to the Board.

StanCERA staff shall not make changes, updates, or process transactions for themselves. Should a StanCERA staff member have a transaction, update, or change, and the workflow is assigned to them by the Pension Administration System, the workflow shall be reassigned to another StanCERA staff member for processing and to management for peer review.

3.6 SCANNING & INDEXING POLICY

Purpose

To ensure all documents scanned into Arrivos are categorized, indexed, and reviewed prior to being released into the Arrivos Document System.

Review Protocol

All benefits documents shall be scanned into the Arrivos Pension Administration System (System).

The scanning and indexing process shall occur in two steps:

1. A staff member will scan documents and conduct the initial indexing of the documents.
2. A staff member will review the indexing using the established workflow, ensuring the documents are matched to the correct member and have correct document name.

Original documents are maintained for 30 days and then destroyed.

3.7 Organizational Communications Standards

Purpose

The purpose of this policy is to maintain Organizational Standards concerning communication to all StanCERA stakeholders

Rationale

StanCERA believes that to best serve its internal and external stakeholders, the ability to communicate effectively with accuracy, thoughtfulness and transparency are keys to providing superior customer service and instilling confidence in all StanCERA stakeholders

Communication Standards

1. Communicate respectfully, empathetically and unambiguously with employees and members
2. Develop and maintain our ability to communicate complex and accurate information
3. Develop and maintain general communication skills
4. Develop and maintain a communications repository
5. Maintain a record of all member interactions in the PAS
6. Propagate StanCERA's Mission Statement, Vision Statement and Core Values
7. To explore the use of applications, the member portal and social media as a communications tool

Communication Standards Implementation

1. Communicate respectfully, empathetically and unambiguously with employees and members
2. Develop and maintain our ability to communicate complex and accurate information

   To be successful with this standard, staff should stay informed on issues related to plan sponsors, media reports, Retirement Board decisions, organizational policy changes, public pension issues and pension funding principles. This standard may be accomplished by the following:

   - ✓ Attend at least 1 peer event (i.e. CalaPRS roundtable or SACRS event) per year
   - ✓ Maintain a communications repository
   - ✓ Maintain awareness of agendas and if possible, attend Board meetings or monitor meeting videos
   - ✓ Management keeping staff informed on issues affecting policy and changes within the Organization
   - ✓ Management keeping staff informed and aware of plan sponsor issues
   - ✓ Staff presenting education sessions on program area topics or other external pension issues
   - ✓ Keeping up on current pension issues (i.e. legal suits affecting StanCERA, news articles, etc.)

3. Develop and maintain general communication skills

   To be successful with this standard, staff should strive to enhance their general ability to

communicate with all stakeholders. The ability to communicate confidently and in a professional and efficient manner is the key to instilling trust in our stakeholders. The development and maintenance of superior communication skills comes primarily from continuous engagement with stakeholders. Additionally, this standard may be accomplished by the following:

- ✓ Participate in communications training/classes
- ✓ Present agenda items to the Retirement Board
- ✓ Present educational sessions to staff on program area issues
- ✓ Present retirement topics (informational seminars, etc.) to members and plan sponsors
- ✓ Establish relationships and conferring with peers in other systems

4. Develop and maintain an electronic communications repository

   A communications repository is necessary to dispense information efficiently throughout the Organization and to help standardize StanCERA's response to various stakeholders. The repository should contain informational items that help staff communicate current and accurate information to all stakeholders and should be maintained by all StanCERA employees. The PAS should be used as the preferred repository when feasible. Items that may be included in the repository are:

   - ✓ Conversations with stakeholders where important information has been conveyed or obtained
   - ✓ Updates on status or issues that may affect StanCERA's business
   - ✓ Updates on status or issues that may affect StanCERA members
   - ✓ Updates on lawsuits affecting StanCERA
   - ✓ Significant issues facing public pension plans (media content, legal issues, etc.)
   - ✓ Media conversations
   - ✓ Program area updates
   - ✓ Summary of information obtained at peer events

5. Propagate StanCERA's Mission Statement, Vision Statement and Core Values

   During the normal course of business, staff will be faced with making decisions regarding the communication of important information to various stakeholders. The information that StanCERA communicates may have profound effects on how our stakeholders make personal and business decisions. As a result, StanCERA's mission, vision and core values should be used as a foundation for all types of communication to stakeholders.

   To propagate StanCERA's mission, vision and core values, our employees must believe in their components and as a result, must be involved in their creation and maintenance. All types of external communication should be grounded in our mission, vision and core values and where ambiguity or uncertainty exists, the Organization should always refer to and propagate these principles.

6. Explore the use of applications and the member portal as a communications tool

   As technology improves and our membership demographics evolve, StanCERA should strive

to take advantage of medium that allow us to communicate quickly and efficiently. Along those lines, the Organization should begin to research those tools and applications that can save the Organization and our membership time, push out important information quickly and embolden StanCERA's vision to empower members to take a proactive role in managing their retirement. All official communications should be approved by the Executive Director, Clerk of the Board or the Deputy Director.

3.8 TELEPHONE COMMUNICATION AND TRANSACTION POLICY

Purpose

To establish rules of verifying Members' identity prior to releasing information or processing a transaction via telephonic communication.

Procedure

Telephone communications may be used to process transactions affecting Member accounts. To protect the Member and StanCERA, adequate validation and authentication of the Member's identity must be verified prior to any release of information or transaction.

- StanCERA staff shall only release information to Members and their legal representatives.

- StanCERA staff shall only process transactions affecting Member's accounts at the request of the Member or their legal representative.

- Staff will maintain a document with the accepted protocols for verification of member accounts via the phone. The chief technology resource as assigned by the Executive Director or the Deputy Director must review the verification process at least annually and train all staff members on the practice including fraud detection and prevention techniques.

- E-mail communication that contains member details should only be communication to e-mail addresses registered to the member which includes the member portal e-mail or the employer-provided e-mail address.

3.9 Fraud Prevention Policy

1.0 PURPOSE

1.1. To formalize the expectations of personal honesty and integrity required by Stanislaus County Employees' Retirement Association (StanCERA) Board, managers and staff in the performance of their responsibilities and/or job duties;

1.2. To strengthen the public's confidence in the integrity of (StanCERA) managers and staff, and its operations;

1.3. To enhance awareness regarding the prevention and detection of any fraudulent or irregular activity; and,

1.4. To formalize and familiarize the process for reporting, investigating and resolving cases of fraud and/ other misuse of StanCERA assets.

2.0 APPLICABLE TO

2.1. All StanCERA staff.

3.0 DEFINITIONS

3.1. Fraud: any act of using dishonesty as a tool for personal gain or convenience including any misuse or attempt to misuse, reckless or negligent use of, blatant waste, or diversion of StanCERA assets, property, supplies, contracts or employee time for personal gain or purposes unrelated to StanCERA business. It also includes any fraudulent claims for benefits including disability, workers' compensation or other StanCERA programs, or fraudulent financial reporting of any financial data.

3.2. Other definitions are standard definitions, unless otherwise specified in this policy.

3.3. This policy is not intended to supersede or negate any provision in the County Personnel Manual or any collective bargaining agreement.

4.0 POLICY

4.1. The overall goals of this policy are, as follows:

4.1.1. To clarify the expectation of managers and staff honesty and integrity.

4.1.2. To clarify the expectation that abuse or waste involving StanCERA resources or contracts be reported as soon as suspected.

4.1.3. To provide a mechanism to report cases of suspected wrongdoing,

misuse, misappropriation of StanCERA assets, resources or contracts.

4.1.4. To emphasize StanCERA will make every reasonable effort, including court-ordered or personal restitution to recover or receive compensation from any appropriate

source to recover or receive compensation for the loss of any funds, assets, property or supplies due to fraud.

4.1.5. To create and enhance a working culture that is not tolerant of fraud, encourages full transparency and the reporting of instances of fraud, is alert to indicators of fraud, and limits attempts and opportunities of fraud.

5.0 PROCEDURES

5.1. Examples of fraud include, but are not limited to:

5.1.1. Stealing or otherwise taking or giving away StanCERA assets, property, and/or supplies for one's own benefit or convenience or someone else's benefit or convenience (other than minor, specially- marked or other promotional items distributed on behalf of StanCERA).

5.1.2. Using StanCERA assets, property, equipment, facilities, supplies or funds for purposes unrelated to StanCERA business for one's own benefit or convenience or someone else's benefit or convenience.

5.1.3. Obtaining StanCERA funds, property, or compensation through dishonesty for one's own benefit or convenience or someone else's benefit or convenience.

5.1.4. Accepting or seeking anything of material value or gifts from contractors or vendors who provide services or goods to StanCERA (which may appear as a personal pay-off for doing business with StanCERA). Occasional miscellaneous
items or meals (T-shirt, pen, holiday gift, etc.) from a vendor, member, or the public are allowable, subject to public gift disclosure laws.

5.1.5. Forgery or alteration of any document or account for one's own benefit or someone else's benefit.

5.1.6. Destruction, removal or inappropriate use of records, computers, furniture, fixtures, equipment, vehicles, or supplies. (Disposal of furniture, computers or equipment requires it be turned over to the County purchasing.)

5.1.7. Any claim for reimbursement of expenses that were not made for StanCERA-related purposes or any claim made fraudulently for reimbursement. Using StanCERA procurement for personal use. Using StanCERA accounts for personal use. Using StanCERA purchasing cards for personal use that is not reimbursed per the StanCERA and/or StanCERA purchasing card policies.

5.1.8. Participating in StanCERA procurement from a business owned or managed by the employee or employee's family, whether or not there was any personal monetary gain. This includes but is not limited to participating in the evaluation for a recommendation for a potential StanCERA contract, acquiring quotes, or approving a purchase requisition or purchase order. Simply entering a requisition or accepting delivery of goods or services does not result in any violation.

5.1.9. Negligently ordering excess supplies that are not needed and go to waste.

5.1.10. Intentional or reckless misuse of or damage to StanCERA equipment.

5.1.11. Requisitioning and/or using supplies for personal or family use.

5.1.12. Use of confidential information for one's own or someone else's actual or anticipated gain or benefit.

5.1.13. Financial reporting which either intentionally or recklessly results in the disclosure of misleading financial statements or the concealment of accurate financial statements.

5.2. Managers

5.2.1. Managers are responsible for establishing and maintaining a reasonable system of internal controls to ensure the detection and prevention of fraud, waste, abuse and other irregularities. Management should be reasonably familiar with the types of fraud that might occur with their area of responsibility, be alert for any indication of fraud, and realize the primary defense against fraud is prevention.

5.2.2. Managers have a responsibility to immediately report and handle any instances of fraud.

5.2.3. Managers will support and cooperate with external auditors, internal auditors, law enforcement agencies or other County/StanCERA Manager-appointed investigators.

5.2.4. Indicators of fraud **may** include the following:

5.2.4.1. Poor employee morale

5.2.4.2. Work sites with little management oversight

5.2.4.3. Anonymous letters

5.2.4.4. Sudden change in lifestyle of an employee

5.2.4.5. Unused vacation or reluctance to take time off or reluctance to relinquish certain duties (employee may be covering up for fraud)

5.2.4.6. Unusual, irrational, secretiveness, or inconsistent behavior

5.2.4.7. Lack of transparency regarding work items

5.2.4.8. Missing files or suddenly locked files

5.2.4.9. Unexpected or unusual work- related or personal purchases

5.2.4.10. Personal financial problems (bill collectors calling)

5.3. Employees (including managers)

5.3.1. Any employee, including managers, who knows or has reason to suspect that a fraud has occurred, is responsible to immediately notify his/her immediate manager. If the employee has reason to believe that the employee's immediate manager may be involved (directly or indirectly), the employee shall immediately notify the next level in the chain of command or to the Board Chair or other Board member.

5.3.2. Employees may remain anonymous when reporting a suspected fraud (i.e., anonymous letter to the StanCERA Executive Director or a manager), however, they must be cognizant that action may be limited if they are not fully willing to report the details or otherwise provide some elements of proof. An employee wishing to remain
anonymous should include as much detail as possible with names and dates when making the anonymous report.

5.3.3. Employees reporting a suspected fraud must maintain confidentiality concerning the suspected fraud at all times, other than the reporting detailed above to a supervisor, and the additional testimony to the appropriate parties, as required. It is expected that employees will fully cooperate with the StanCERA investigation and the various agencies listed in section 5.2.3. that may be involved, and will make all reasonable efforts to assist and be available in the investigation.

5.3.4. An employee should not be involved in the procurement of any goods or services for StanCERA with a business in which a family member (mother, father, grandparents,
grandchildren, sibling, step sibling, child, stepchild, niece, nephew, aunt, uncle, domestic partner) has a direct financial interest in (owner, partner, officer, the administrator or board member). If the business is one which may be advantageous to the department or StanCERA to do business with, the procurement can be handled by the next level up in the chain of command or can be handled by the Purchasing Office. Procurement includes writing and evaluating bids, writing and evaluation of requests for proposals, the acquisition of quotes, and the entering or approval of subsequent purchase requisitions.

5.4. Investigation

5.4.1. Auditors (or other various agencies listed in section 5.2.3.) and other investigators will have full reasonable access to all StanCERA records, employees, and
premises within the scope of their investigation. StanCERA's legal counsel shall make the

final determination as to the reasonableness of the requests for records or access to employees or premises.

5.4.2. The decision to prosecute or refer the investigation to another law enforcement or regulatory agency will be made by the StanCERA Executive Director in consultationwith the StanCERA Board general legal counsel.

5.4.3. Action should be initiated as soon as possible to secure any documents, premises, desks, computer records or other evidence related to the incident.

5.4.4. Action should be initiated as soon as possible when the information is available to minimize future risk in the affected division or department or other operations StanCERA-wide by implementing appropriate controls to prevent recurrence.

5.4.5. If the employee feels that the StanCERA Executive Director is involved in the suspected fraud or if the employee otherwise feels it necessary, the employee may circumvent the chain of command and report the suspected fraud to StanCERA's legal counsel or StanCERA's Board Chair, or other Board member, as may be warranted.

5.5. Whistle-blower Protection

5.5.1. If an employee has acted in accordance with the requirements of this policy, he or she shall not be subject to any form of retaliation as the result of reporting.

5.6. Disciplinary or Legal Action

5.6.1. Disciplinary action will be taken within the parameters set in applicable County personnel rules and regulations, County collective bargaining contracts, and County, State, and Federal laws.

5.6.2. The employee against whom allegations are made will be given full opportunity to respond. Employees are assumed to be innocent of accusations of fraud until such time it is shown that there is credible proof of the fraud.

5.6.3. The employee against whom allegations are being made may be placed on administrative leave during the investigation.

5.6.4. If determined that the suspected fraud actually occurred, StanCERA will make every reasonable effort, including court- ordered or personal restitution to recover or receive compensation or reimbursement of any loss of any funds, assets, property or supplies.

5.7. This policy shall be distributed and reviewed at all new employee orientations and distributed to all current employees. Additional training shall be done as deemed necessary by the StanCERA Executive Director.

3.10 StanCERA Personnel Policy

The Stanislaus County personnel manual are the policies and procedures to manage all aspects of the County personnel process they are located the Stanislaud County website. at . StanCERA views this manual as fair and appropriate. StanCERA adopts and will abide by the policies and procedures in the Stanislaus County personnel manual with the following exceptions:

StanCERA's Retirement Board will coordinate and manage the recruitment, hiring, promotion, raises, disciplinary and termination policies and procedures of the Executive Director, Deputy Director, and Retirement Officer positions. The Board has assigned personnel management of the Deputy Director and the Retirement Officer positions to the Executive Director. StanCERA may consult with County personnel as necessary for any assistance during the recruitment process and for other HR functions.

StanCERA may augment the County IY "Information Technology Security Policy" with additional security policy requirements as adopted by the Retirement Board.

StanCERA will comply with reimbursement for travel expenses as identified in StanCERA policy. StanCERA will comply with all other aspects of the County travel policy that do not conflict with StanCERA policy.

StanCERA will administer and manage all of its own contracts as noted in the purchasing policies and procedures,.

StanCERA will maintain StanCERA-specific personnel rules that apply specifically to StanCERA staff. Changes to this document must be approved by the Executive Director.

As a separate legal entity, StanCERA reserves the right to modify and/or reject any of the County personnel policies and procedures in the personnel manual as it deems appropriate. Any such modifications and/or rejections will be documented and approved by the Retirement Board.

3.11 Succession Planning Policy

Overview

StanCERA staff under the Executive Director and the Deputy Director are responsible for identifying a plan for backup of all critical functions and succession planning for positions in the organization when an employee leaves or retires. Preparing employees for additional responsibilities and potential promotions is a key function of staff leadership.

Staff will periodically review all positions and identify the most likely paths for replacement which may include reworking responsibilities, internal promotions, outsourcing some functions or outside recruitment for the position. Staff leadership will also work with the Board and the County to develop a team structure best equipped to handle succession with minimal risk and disruption to normal StanCERA activities.

3.12 RECORDS RETENTION POLICY & SCHEDULE

Purpose

To provide guidance to Stanislaus County Employees' Retirement Association (StanCERA) for efficient record management including the, retention and disposal of records in accordance with their administrative, legal, fiscal, and historic value.

Authority

County Employees Retirement Law of 1937 ("CERL"): Government Code §31537,

> *"The board may establish efficient records management procedures, which may include, but not need to be limited to, maintenance and, when determined by the board to be necessary, disposal of records in its jurisdiction."*

Local Government Records Program, Government Code §12236, establishes guidelines for local government records retention.

Uniform Electronic Transaction Act, Civil Code §1633.1, provides requirements for an electronic record to be retained in lieu of the paper record. The law allows the electronic documents and electronic signatures to be enforceable in the same manner as paper documents.

Provisions

I. This policy applies to official records. "Official Records" are records that reflect the final- official position or activities of StanCERA related to the specific content of record. StanCERA is not required to retain unofficial records. Unofficial records consist of works in progress, preliminary drafts, and copies of notes and records that have either not been finalized or approved.

II. The Executive Director or Designee shall assume the duties of Records Manager and shall maintain a Records Retention Schedule listing the specific time frames to regularly purge documents consistent with this Policy and the law.

III. Records shall be retained for at least the minimum period indicated in the Records Retention Schedule. Unless otherwise noted, the retention period on the schedule applied to all documents.

IV. Board action is not required for the destruction of documents in accordance with the Records Retention Schedule.

V. Minimum retention period shall be consistent with applicable laws, orders, rules, and regulations. When no such mandate exists, a reasonable retention period shall be established based upon StanCERA's business needs and the usefulness of the information. Once records have reached the end of their retention period, they will be disposed of in accordance with the Records Retention Schedule.

VI. Imaged files or other electronic reproduction of records shall be deemed an "original" record of the paper record and the paper records may be destroyed, upon determination by the Executive Director, or Designee under the following conditions:

a. Records that were electronically imaged or recorded on a medium that is a trusted system that does not permit additions, deletions, or changes to the original document;

b. Device used to reproduce the record, paper, or document on the medium is one which accurately and legibly reproduces the original thereof, in all details and that does not permit additions, deletions, or changes to the original document images;

c. Imaged or reproduced records are used by StanCERA in the ordinary conduct of its business in lieu of the paper records and made as accessible for public reference as the paper records were;

d. Original paper documents can be destroyed after 30 days after imaged and committed to electronic record management system;

e. A true electronic copy or paper copy of archival quality shall be kept in a safe and separate location for security purposes; and

f. No pages of any record shall be destroyed if any page cannot be reproduced with full legibility. Every unreproducible page shall be permanently preserved in a manner that will afford easy reference.

VII. Exceptions to the Records Retention Policy may be made by the appropriate Manager in consultation with the Executive Director.

Litigation Hold

When StanCERA is involved in or anticipates that it may be involved in litigation, General Counsel will issue a litigation hold. This means all documents relating to the litigation matter must be kept in order to preserve any potential evidence. If StanCERA fails to do so, StanCERA can be sanctioned by the court for destroying evidence. A court has broad authority to impose these sanctions, which may include anything from unfavorable procedural rulings during trail to payment of monetary damages.

In the event StanCERA's General Counsel announces a litigation hold on any or all StanCERA records as a result of pending or anticipated litigation, all records covered by such litigation hold **MUST NOT** be discarded, deleted, or destroyed. Further, the IT department will suspend the automatic deletion of emails for all individuals covered by the litigation hold. Any questions regarding the litigation hold should be directed to General Counsel.

Records Retention Schedule

Government Code §25501.5, §26907, §31537

RECORD	RETENTION PERIOD	AUTHORITY/COMMENTS
Administration/Governance		
Retirement Board Approved Policies	Permanent	Most recent electronic version is maintained or accessible by link on StanCERA Website. Previous versions are archived electronically.
Retirement Board & Committee Agenda & Attachments/Minutes/Notices	Permanent	Agenda, minutes, and attachments are archived electronically.
Retirement Board & Committee Meeting Audio/Video Recording	Permanent	File is formatted and sent to County I.T. Department and uploaded to County Media Server.
Retirement Board Due Diligence Records	Permanent	
Retirement Board Resolutions	Permanent	Most recent electronic version is maintained or accessible by link on StanCERA Website. Previous versions are archived electronically.
Trip Authorizations	FY + 5 Years	
Bylaws & Regulations	Permanent	Most recent electronic version is maintained or accessible by link on StanCERA Website. Previous versions are archived electronically.
Code of Fiduciary Conduct & Ethics	Permanent	Most recent electronic version is maintained or accessible by link on StanCERA Website. Previous versions are archived electronically.

RECORD	RETENTION PERIOD	AUTHORITY/COMMENTS
Conflict of Interest Code	Permanent	Most recent electronic version is maintained or accessible by link on StanCERA Website. Previous versions are archived electronically.
County Employees Retirement Law of 1937 (CERL)	Permanent	Most recent electronic version is maintained or accessible by link on StanCERA Website. Previous versions are archived electronically.
Office Correspondence	Department Head or Designee Discretion	
Fiscal Services		
Accounts Payable expenditure vouchers & invoices	FY + 5 years	
Accounts Receivables ledgers and schedules	FY + 5 years	
Active Contribution Document	Permanent	
Contracts (investment managers, investment consultant, auditors, actuary, etc.)	Active + 5 years	
Contribution batch detail	Permanent	
Departmental Receipts	FY + 5 years	
Deposit Permits	FY + 7 years	
Financial Statements, Auditors Reports & Workpapers	Permanent	
Forms: 1099 MISC	FY + 4 years	
Forms: 1099R's	FY + 4 years	1099R Data is stored in member record files and document may be reproduced if necessary.

RECORD	RETENTION PERIOD	AUTHORITY/COMMENTS
Garnishments	After final payment + 5 years	
General Ledger	Permanent	
Internal Audits	FY + 5 years	
Inventories of StanCERA Property	FY + 5 years	
Investment Asset Lists	Permanent	
Investment Reconciliations	FY + 5 years	
Journal Vouchers	FY + 5 years	
Oracle/QB's, Refund & Contribution Reconciliations	FY + 5 years	
Payroll Reports (Federal & State)	FY + 15 years	
Proposed Budgets, Final Budget	Permanent	
Purchasing Card Documentation	FY + 5 years	
Retiree Payroll (detail & checks/advices)	FY + 15 years	
Stale Dated Checks & Stop Payment Documents	FY + 5 years	
State Controller's Office & Census Bureau Reports	Permanent	
Member Services/Benefits		
Member Records	Life of member & beneficiary, plus 7 years	Members records are contained in Arriovs Imaging System. All documents received from or regarding member are scanned and verified to the member's

RECORD	RETENTION PERIOD	AUTHORITY/COMMENTS
		record, including initial membership documents, application for retirement, etc.
StanCERA Personnel Stanislaus County is the employee of record for StanCERA		
Accident Reports, Injury Claims, Settlements	Duration of employment	Destroy upon termination, send official record to Stanislaus County Personnel
Applications, Changes, & Terminations	Duration of employment	Destroy upon termination, send official record to Stanislaus County Personnel
Attendance Records	Duration of employment	Destroy upon termination, send official record to Stanislaus County Personnel
Employee Contracts	Duration of employment	Destroy upon termination, send official record to Stanislaus County Personnel
Insurance Records, Employees	Duration of employment	Destroy upon termination, send official record to Stanislaus County Personnel
Evaluation Forms	Duration of employment	Destroy upon termination, send official record to Stanislaus County Personnel
Garnishments	Duration of employment	Destroy upon termination, send official record to Stanislaus County Personnel
Job Descriptions	Duration of employment	Destroy upon termination, send official record to Stanislaus County Personnel
Payroll Records	Duration of employment	Destroy upon termination, send official record to Stanislaus County Personnel

RECORD	RETENTION PERIOD	AUTHORITY/COMMENTS
Workers Compensation	Duration of employment	Destroy upon termination, send official record to Stanislaus County Personnel

3.13 ACCOUNTING POLICY

Purpose

Stanislaus County Employees' Retirement Association (StanCERA) is a governmental Fiduciary fund used to report resources that are required to be held in trust for the members and beneficiaries of the defined benefit pension plan. This document describes the principles under which StanCERA records their operational transactions and reports their financial position.

Policy

The County Employees' Retirement Law of 1937 and Public Employees' Pension Reform Act of 2013 govern the administration of StanCERA.

California Government Code Section 30200 requires the State Controller to prescribe uniform accounting procedures for governmental entities. The State Controller issued the *Accounting Standards and Procedures for Counties.* Chapter 20 of the State Controller's *Accounting Standards and Procedures for Counties* is the guidance for governmental retirement systems.

In accordance with the State Controller's *Accounting Standards and Procedures for Counties,* StanCERA operations will follow generally accepted accounting principles (GAAP). According to GAAP, Fiduciary funds should be maintained on the accrual basis of accounting.

In addition to the State Controller's guidance, the Governmental Accounting Standards Board (GASB) issued the following statements pertaining to governmental pension plans:

1. GASB Statement No. 25 – *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures* which establishes financial reporting standards.

2. GASB Statement No. 67 – *Financial Reporting for Pension Plans* which is an amendment of GASB Statement No. 25 improving financial reporting for governmental pension plans and employers.

3. GASB Statement No. 72 – *Fair Value Measurement and Application* which provides guidance on determining the fair value measurement for financial reporting purposes.

4. GASB Statement No. 82 – *Pension Issues* which provides further clarification regarding GASB Statement No. 67.

Governmental pension plan accounting and financial reporting standards established in these authoritative pronouncements are to be incorporated into the various sections of the StanCERA Annual Comprehensive Financial Report (ACFR). Processes and procedures incorporated to maintain this policy are documented, reviewed and included in the year end audit, annually.

3.14 STALE DATED & UNCLAIMED CHECKS POLICY

Purpose

Stanislaus County Employees' Retirement Association (StanCERA) issues warrants (checks) for Retiree Benefits, Member Refunds, Death Benefits, and Accounts Payable. Once a check is issued, the recipient has 180 days to deposit the check. If the check has not cleared StanCERA's bank after 180 days, the check is considered stale. StanCERA complies with the provisions of California Employees' Retirement Law of 1937, Government §31783.5 regarding stale dated checks.

It is StanCERA's policy to review and process stale dated and unclaimed checks monthly. Multiple accounts for Stale Dated and Unclaimed Checks (benefit payments, burial allowances, death benefits, and accounts payable) have been created to act as "holding" liability accounts for these funds until payment is reissued to the payee or absorbed by the StanCERA.

Process

1. Determining Stale Dated Checks
    a. StanCERA Staff will identify and generate a list of outstanding checks six months old or older, by issue date, utilizing its treasury management reporting each month.
    b. The identified funds are moved to the appropriate liability holding account in the General Ledger for up to five (5) years.
    c. StanCERA Staff will attempt to locate the payee per Government Code §31583.5 using available search tools

2. Canceling Stale Dated Checks
    a. StanCERA will notify the payee or beneficiary in writing that a check was issued more than six months ago and has not cleared StanCERA's treasury account. The payee will be provided a "Declaration to Obtain Duplicate of a Lost or Destroyed Check" form. If payee is deceased with no beneficiary, StanCERA will obtain an Affidavit Under California Probate Code Section 13101.
    b. 30 days after initial notification - If there is no reply from the payee or beneficiary, a second notification will be sent by certified mail.
    c. 60 days after initial notification - If no reply has been received a final notice will be sent to the payee or beneficiary. The funds will remain in the holding account for up to five (5) years and will be absorbed into the System's reserves if unclaimed.

3. Re-issuing Stale Dated Checks
    a. Payee or beneficiary must provide a completed "Declaration to Obtain

Duplicate of a Lost of Destroyed Check" affidavit, signed by the payee or beneficiary, under California Probate Code Section 13101, if applicable.

b. Once the required documents are received by StanCERA, a new check will be issued to the payee or beneficiary through StanCERA's accounts payable process.

4. Redeposit to Reserves (5 Years)
    a. At fiscal year-end, the holding accounts will be reconciled; any unclaimed funds five (5) years and older, from the date of initial contact, will be moved to the appropriate reserve account(s).

3.15 FILE COPYING FEE POLICY

StanCERA may charge a fee for copying or extracting information from the member file, upon the request of the member.

StanCERA may charge a flat fee of $25.00 for up to ten pages. There will be an additional charge of $1.00 per page for any number of pages in excess of ten pages. All charges must be paid in full prior to the release of the requested copies.

This fee is being charged to cover the expenses incurred by StanCERA for staff time, IT expense, paper and photo copier fees. If there are any special circumstances that require additional expense to pull the records StanCERA may charge additional fees. If any additional expenses apply StanCERA staff will identify that before fulfilling the request.

This fee may apply, but not be limited to the following:

- Marriage certificate
- Birth certificate
- Divorce documents
- Medical records
- Member semi-annual contribution statement
- Retiree monthly advice notice

3.16 Wire Transfer Policy

I. Overview

StanCERA disburses funds from multiple sources using a variety of payment methods including wire transfer, Automated Clearing House (ACH), and paper checks. Each type of payment method and payment source has its own processing requirements designed to monitor and control expenditures and cash flow. This policy addresses the general controls over wire transfer activity. Detailed procedures are developed by staff responsible for processing transactions. Procedures will be in compliance with this policy and applicable laws such as, but not limited to, Government Code section 31590.

StanCERA staff will ensure the existing provider of treasury services will maintain strong industry-standard controls for the wire transfer of any funds from the system.

II. General Principles

Wire transfers are a method to facilitate the quick movement of funds electronically between banks. StanCERA utilizes wire transfers to move money among its custodial/disbursement banks and investment managers when necessary.

III. Policy For Wire Transfers

1. Wire transfers will be initiated by staff authorized by the Executive Director or Deputy Director (hereinafter "authorized staff"). The wire transfer can only be initiated after the review of current cash flow needs, appropriate documentation in support of the transfer (e.g. rebalancing actual asset allocations to target levels), and verified instructions. All transactions are subject to the controls in place with StanCERA bank accounts and custodial fund accounts.

2. Requests for the initiation of a wire transfer will be accompanied by any of the following documents, as deemed necessary by authorized staff:

   a: An updated cash flow statement, asset allocation rebalancing document, foreign expense or other documentation as appropriate

   b: An official request from an established investment manager, properly executed contract, Board direction if a new investment manager, or reconciled payroll schedule if funding the retiree payroll or retiree payroll taxes.

   c: Transfers from the StanCERA Treasury account must include anelectronic wire transfer form that has been reviewed and signed by authorized staff for, transferring the money from the

StanCERA operating fund to the appropriate payee bank and account.

d: Cover letter/transfer direction to the bank that includes all the following information:

Wire instructions
Bank or Investment Manager receiving the transfer and/or any other parties involved with the transaction

3. Copies of all wire transfer documentation and approved requests will be provided to the StanCERA accountant.

3.17 ESTIMATE REQUEST POLICY

Purpose

To manage the receipt and processing of service retirement estimate requests received by Stanislaus County Employees' Retirement Association (StanCERA).

Guidelines

Members are encouraged to use the member portal when possible to estimate StanCERA benefits. StanCERA staff may prepare service retirement estimates to members upon submission of requests. Estimates shall be prepared if the following criteria is met:

- Member is eligible to retire within five (5) years;
- Member has not submitted a request within six (6) months of previous estimate calculation;
- No more than three (3) dates may be submitted on request form; and
- Estimate will be calculated using information provided by member and current data StanCERA has in member's file.

Tier 3 members must provide a Social Security Estimate for service retirement estimate to be calculated.

StanCERA staff will calculate service retirement estimates utilizing salary information on file unless a different amount is provided by the member.

The estimate provided to the member by StanCERA does not constitute an official StanCERA retirement allowance, nor should it be relied upon as such. Estimates are based on the information provided by the employer on current data in the StanCERA member file and are not binding between the member and StanCERA. Actual retirement allowances, including any options available will be determined by StanCERA after application for retirement is received.

4.1 Policies Under Consideration

- Business Continuity
- Death Payments
- Retired Members 960 Hour Rule