

BYLAWS

OF THE

BOARD OF RETIREMENT

OF THE

SONOMA COUNTY EMPLOYEES'

RETIREMENT ASSOCIATION

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BYLAWS

I. ADMINISTRATION

A. Adoption of Bylaws

These Bylaws, adopted pursuant to Section 31525 of the Government Code of the State of California, when approved by the Board of Supervisors of the County of Sonoma, shall be official regulations of the Sonoma County Employees' Retirement Association Board of Retirement, shall be in full force and effect from the date of approval and shall repeal any and all previously promulgated Bylaws which may be in conflict.

B. Name

The name of this association is the Sonoma County Employees' Retirement Association (SCERA).

C. Management

The Board of Retirement ("Board") shall be responsible for the management of SCERA.

D. Board Officers

At the first regular meeting in January, the Board shall elect one of its members Chair and one of its members Vice-Chair. The Chair and Vice-Chair shall hold office for a term of one year or until a successor is duly elected or appointed. The Retirement Chief Executive Officer shall serve as the Secretary to the Board.

E. Committees of the Board

The Board may establish standing and ad hoc committees to assist the Board in conducting its business. The Board may adopt a charter for each standing committee of the Board. At the first regular meeting, the Committees shall elect one of its members Chair and one of its members Vice-Chair. The Chair and Vice-Chair shall hold office for a term of one year or until a successor is duly elected or appointed.

F. Charters

The Board may adopt and amend a charter of the Board, for each standing committee of the Board, the Board Chair, the Board Vice Chair, and the Chief Executive.

G. Policies and Procedures

The Board may establish and amend policies and procedures to govern the operation of SCERA. Policies and procedures will be consistent with these Bylaws.

II. BOARD MEETINGS

A. Regular Meetings

Regular Board meetings shall be held on the third Thursday in each month at the SCERA office at 433 Aviation Boulevard, Suite 100, Santa Rosa, CA, unless otherwise specified in the posted agenda.

B. Special Meetings

Special meetings of the Board may be called at any time by the Chair or by a majority of the Board as permitted by law.

III. RULES OF ORDER

A. Roberts' "Rules of Order"

Roberts' "Rules of Order", except as otherwise provided, shall guide the Board of Retirement in its proceedings.

B. Quorum

A majority of the members of the Board or its committees respectively shall constitute a quorum. No motion may be passed or business transacted without the affirmative vote of the majority of the members of the Board in attendance.

C. Communications

Communications and requests to the Board shall be made in writing. The substance of such request and the action of the Board shall be noted in the minutes. External communications of the Board shall be governed by the Board Communications Policy adopted by the Board on July 15, 2004 as amended.

D. Minutes

The Secretary or a designee shall cause to be recorded in the minutes the time and place of each meeting of the Board, the names of members present, all official acts of the Board, the votes given by members of the Board except where the action is unanimous and, when requested, a member's dissent or approval with the reasons. The Secretary shall cause the minutes to be drafted and presented for approval at the next regular meeting. The minutes or a true copy, submitted by the Secretary and signed by the Chair, shall form part of the permanent records of the Board.

IV. MEMBERSHIP

A. Sworn Statement

Every employee of a SCERA-covered employer shall, upon entry into SCERA, fill out and execute a member Enrollment Affidavit. Such affidavit, properly sworn to, is hereby adopted as the official SCERA Sworn Statement. The employer may withhold all payments of the employee's compensation until the employee has complied with this rule. In lieu of a member's sworn statement, the member's employer may submit to SCERA the information otherwise required, in a form determined by SCERA, including in electronic form.

B. Form of Annuity Certificate

The Board shall issue an appropriate form of annuity certificate, such as a Benefit Verification form or Claim form, to qualified retired employees.

C. Temporary, Seasonal, Intermittent, Part-Time and CETA Participant Employees

Temporary employees, seasonal employees, intermittent employees, part-time employees working less than 40 hours bi-weekly (50% of full-time) in a permanent position and CETA participant employees are excluded and exempt from membership in SCERA. For purposes of these Bylaws, "CETA Participant" employees are all County employees whose salary and benefits are subsidized through Federal employment and training programs under the Comprehensive Employment Training Act (CETA) or its successors, excluding, however, those employees occupying permanently allocated County positions.

D. Compulsory Membership

Any employee of a SCERA covered employer who is eligible for membership shall be considered to be a member on the first day of eligible employment.

1. Reciprocal employees, for the purpose of these Bylaws, shall be construed as being those employees who become members of SCERA within six months of last rendering service in another California public retirement system subject to the

conditions of Government Code Section 31840.2, provided that in no case shall a member be considered reciprocal unless the service was rendered in a California public retirement system providing a benefit based on a formula that includes age, years of service and average compensation.

2. Notwithstanding Government Code Section 31527(h), a member claiming reciprocity shall allow the Board to coordinate with the member's previous retirement association in establishing the dates of membership and termination so that there is no overlap of membership between the two systems. SCERA will adjust the membership date if necessary to allow for the development of reciprocity, provided that date shall be no later than 12 weeks after the member's entrance into SCERA covered employment and no earlier than 12 weeks prior to the member's termination from SCERA covered employment and provided that the member's entrance or termination to be adjusted is after December 31, 2010.
3. Temporary employees, for the purpose of these Bylaws, shall be construed as being those appointed for temporary service and those employees who are appointed as provisional employees except where the provisional employee is already a member of the system.
4. Seasonal employees, for the purpose of these Bylaws, shall mean employees whose service for the SCERA covered employer is at certain specified periods each year or every second year.
5. Intermittent employees, for the purpose of these Bylaws, shall mean employees whose service for the SCERA covered employer is not regular in nature, but periodic and recurrent at intervals.
6. Part-time employees, for the purpose of these Bylaws, shall mean employees whose scheduled service for the SCERA covered employer requires the performance of duties less than 50% of the full standard hours required in service.
7. A newly hired employee, age 60 or over, shall have the privilege of waiving membership in accordance with the provisions of Government Code Section 31552. The waiver of membership must be received by SCERA within 60 days of the newly hired employee's first day of service.
8. Elected officers shall file a declaration with the Board to become a member in accordance with the provisions of Government Code Section 31553.

V. CONTRIBUTIONS

Except for members subject to the Public Employees' Pension Reform Act ("PEPRA")

(Government Code §§ 7522-7522.74) the normal rates of contributions shall be based upon the member's age at the nearest birthday at time of entrance into SCERA or, if appropriate, a reciprocal agency. For members subject to PEPRA, normal contribution rates shall be determined by Government Code § 7522.30.

A. Normal Contributions

Contributions shall be based on the compensation earned and member contributions shall be deducted only for the hours during which service for compensation is rendered; however, if the amount of the warrant should be less than the contributions, the deduction shall be made from the succeeding warrant.

B. Deposit of Contributions for Part-time, Temporary, Seasonal, Intermittent Service

Where service for a SCERA covered employer, prior to membership in SCERA, was rendered on a part-time, temporary, seasonal, or intermittent basis and the employee desires to receive credit for such service and elects to pay into the association the contributions the employee would have made had the employee been a member for that service approved by the Board, the employee may pay for such service by lump sum or by installment payments over a length of time not to exceed the length of the period of service being purchased.

Any member seeking credit for temporary, part-time, or seasonal (intermittent) employment shall be responsible for providing proof of the nature of such employment and its relationship to regular full-time employment. Certification of such credit must be requested from the Payroll Division of the SCERA covered employer.

All payments are to be made prior to the date of retirement.

C. Withdrawals

Any member may terminate membership in SCERA after terminating their covered employment by withdrawing the member's accumulated contributions together with the interest accrued to the member's account. In order for a vested member to withdraw tax deferred contributions and interest, the former vested member cannot establish reciprocity with another California state funded retirement system. In order for a non-vested member to withdraw tax deferred contributions and interest, the former non-vested member cannot be employed in SCERA covered employment or be a member of a California state funded retirement system and cannot be eligible to develop reciprocity with another California retirement system.

A vested member is a member who has accrued five or more years of service credit.

D. Redeposit of Contributions Withdrawn

A member may redeposit accumulated contributions previously withdrawn at any time prior to his or her retirement date. Redeposit may be made by lump sum, or by installment payments over a length of time not to exceed the length of the period of service being redeposited. Regular interest is charged thereon for the period from the date of separation from the retirement system until the required redeposit amount has been paid in full.

E. Correction of Errors

The SCERA Chief Executive Officer shall have full authority to take whatever actions are necessary or appropriate to correct any errors in the payment of contributions or administration of this section, including but not limited to, repayment of contribution overpayments or collection of contribution underpayments. The initial responsibility for proper payment of or corrections to employer contributions and member contributions, as well as any interest on such contributions, remains with the employer.

VI. SERVICE CREDIT

A. Service

These Bylaws recognize that under the County Employees Retirement Law (CERL) a system is contemplated in which the employees of certain public agencies, namely the County itself and certain districts within the County (together, SCERA covered employers), will receive benefits based on credit for service.

Service rendered prior to the time that the employee becomes a member of SCERA shall be known as prior service. In addition, service rendered to such employer after the individual becomes a member of SCERA shall be referred to as current service.

No member may be credited with more than one year of service for any one-year period.

B. Credit for Service Prior to Membership

An individual may receive prior service credit by compliance with the provisions of the following Government Code Sections 31641.5, 31641.56, 31641.6, 31648, 31648.5, and 31649, by paying the sums required by those sections, subject to those provisions in those instances in which law permits such employee contributions to be paid by the employer. For purposes of Section 31648, members brought into the system shall have the privilege of making employees' contributions to obtain credit for service rendered prior to membership while employed by a SCERA covered employer by making a payment at any time prior to retirement.

C. Current Service Calculations – Credit

Current service credit shall be given for the eligible time in pay status for which a contribution is made by the employee to SCERA.

D. Leave of Absence Without Pay – Contributions and Service Credit

In the event that any member in any regular pay period has a leave of absence without pay due to the member's own illness, injury, maternity leave (not bonding time) or military leave (active duty), a contribution will be taken and service credit will be given for the remaining eligible time in pay status. The right to pay for time representing a leave of absence without pay shall nevertheless be subject to the provisions of Government Code Section 31646 (illness) or Government Code Section 31649.5 (military) and, as such, if the employee does not return to SCERA covered service following the conclusion of such leave of absence, the employee shall be denied service credit for the time represented by the leave of absence without pay.

E. Purchase of Service

1. Tax Limits

a. Internal Revenue Code Section 415(b)

Prior to accepting any funds for redeposit or purchase of service, SCERA shall evaluate whether Section 415(b) of the Code, as implemented by SCERA's Regulations for IRC Code §415 Annual Limits, limits the amount of benefits that can be paid by SCERA to the member and shall inform the member of the results and consequences thereof. The employer may have established a replacement benefits plan under Section 415(m) of the Code to pay the difference between the total benefits that can be earned by the member under the retirement plan and the benefits that can be paid by SCERA. In all cases, SCERA shall notify the member that 1) should the benefits from his/her service purchase or redeposit exceed the limits of Section 415 of the Code, the benefits in excess of the Section 415 limits can only be paid, if authorized, by the member's employer from the employer's general assets, which are subject to the claims of its creditors; and 2) the employer is solely responsible for the establishment and administration of the replacement benefits plan, and questions regarding the availability and operation of that plan should be directed to the employer.

b. Internal Revenue Code Section 415(n)

Prior to accepting any funds for purchase of service, SCERA shall evaluate whether Section 415(n) of the Code, as implemented by SCERA's Regulations for IRC Code §415 Annual Limits, limits the amount of

benefits that can be purchased under the system by the member and shall inform the member of the results and consequences thereof. In all cases, SCERA shall notify the member that 1) should the benefits from his/her service purchase or redeposit exceed the limits of Section 415 of the Code, the benefits in excess of the Section 415 limits can only be paid, if authorized, by the member's employer from the employer's general assets, which are subject to the claims of its creditors; and 2) the employer is solely responsible for the establishment and administration of the replacement benefits plan and questions regarding the availability and operation of that plan should be directed to the employer.

2. Interest on Payment by Member

The Board will adopt a policy for assessment of interest on service credit purchases that is consistent with applicable law.

3. Correction of Errors

The SCERA Chief Executive Officer shall have full authority to take whatever actions are necessary or appropriate to correct any errors in the calculation or crediting of service, purchases of service, or administration of this section, including but not limited to, repayment of excess transfers or rollovers, reduction of the amount of service credit purchased or collection of overpayments.

VII. COMPENSATION EARNABLE OR PENSIONABLE COMPENSATION

A. Salaried Employees

For Plan A (Legacy) members, compensation earnable shall be the hourly regular compensation on the basis of 2,087.12 hours per year or per 12 months. For Plan B (PEPRA) members pensionable compensation shall be the hourly regular compensation on the basis of 6,261.36 hours per three consecutive years. For part-time employees, compensation earnable or pensionable compensation shall be the hourly regular compensation on the basis of 2,087.12 hours for a year's worth of service credit or 6,261.36 hours per three consecutive years regardless of the amount of time it takes to obtain these hours.

B. Regular Compensation

Regular compensation, under the CERL and PEPRA, shall be construed as base pay plus eligible premium pay excluding overtime or all other items excluded by CERL, PEPRA or Board action..

C. Earnings Limits (Internal Revenue Code - 401(a)(17))

Eligible earnings for the calculation of a retirement benefit are limited by this Internal Revenue Code section, as implemented by SCERA Regulations for IRC Code §401(a)(17) Compensation Limit.

VIII. BOARD ELECTIONS

The Board of Retirement shall establish a procedure for election of elected members of the Board, including the alternate retired member, consistent with Government Code Sections 31520.1 and 31520.5.

IX. REVIEW

These Bylaws will be reviewed at least every three years to ensure they remain relevant and appropriate.

X. HISTORY

These Bylaws were enacted in 1946. They were reviewed and revised from 1946 to 1998. They were reviewed and revised on July 21, 1998, May 17, 2001, August 6, 2002, September 10, 2002, September 4, 2004, March 19, 2009, May 21, 2009, June 21, 2011, April 10, 2018, May 19, 2022 and 8/18/2022.