Status (Retired) PolicyStat ID (11863998)

SB|cera
San Bernardino County Employees'
Retirement Association

Origination	11/1/2018
Last Approved	N/A
Effective	1/1/2023
Last Revised	1/1/2018
Next Review	3 years after approval

Area	Benefits
Applicability	SBCERA systemwide

Additional Retirement Credit (ARC) Under Government Code Sections 31658 and 7522.46

POLICY NO. 005

Pursuant to Government Code section 7522.46 of the California Public Employees' Pension Reform Act of 2013 (PEPRA), a public retirement system shall not allow the purchase of nonqualified service credit (Additional Retirement Credit-ARC) effective January 1, 2013.

The following policy applies to all ARC purchases prior to January 1, 2013:

The member purchased ARC pursuant to an irrevocable contract and paid the full actuarial cost of the ARC benefit based upon a "present value formula," which used the member's current salary and age together with actuarial assumptions for salary increases and retirement age, to calculate the cost of the ARC service in present dollars. The actuarial assumptions used in the calculation were stand alone.

Retirement or termination of service prior to the completion of the irrevocable ARC service purchase contract may be completed in the 120 day window after termination of service only by means of a pre-tax direct transfer from an employer 401(k) or 457 plan, and if not paid in full the ARC service will be prorated.

Money to purchase the ARC service is not refundable, even if the member is limited by tax laws to 100% of compensation earnable and inadvertently purchased too much ARC.

In accordance with the requirements of PEPRA regarding ARC service purchases, this Policy shall be rescinded effective January 1, 2023. After such date, in the event of any dispute regarding provisions rescinded herein shall be governed by applicable Internal Revenue Service regulations and/or County Employees' Retirement Law.

Approval Signatures

Step Description	Approver	Date
	Amy McInerny: Chief Financial Officer	Pending