



**VCERA**  
VENTURA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION

# Estimated Impact of Exclusion of Non-Cashable Flex Credit

March 27, 2023

# Opt-Out Fee (Prior Structure) SEIU EXAMPLE

- Biweekly non-cashable flex credit is estimated to be \$333.79 - *not pensionable* (lessor of \$352.06 opt out fee and \$333.79 lowest priced medical plan)
- Biweekly cashable flex credit is estimated to be \$163.21 - *pensionable* (\$497.00 flex credit - \$333.79 non-cashable = \$163.21 cashable)
- Monthly compensation used to calculate General Tier 2 retirement benefits is estimated to decrease by \$723.21 if non-cashable flex credit is excluded  
(-\$333.79 non-cashable flex x 26 pay periods / 12 months = -\$723.21 monthly retirement salary decrease)
- General Tier 2 retirement benefits are calculated based on age at retirement, years of service credit, and highest 36-month average salary. For a Tier 2 member retiring at age 55, a monthly salary decrease of \$723.21 would decrease the retirement benefit by \$10.80 per year of service credit

Full-Time Flex Credit	Opt Out Fee	Lowest Priced Medical Plan	Non-pensionable Biweekly	Pensionable Biweekly	Monthly VCERA Salary Change	Monthly VCERA Benefit Decrease per service year		
						Age 55	Age 60	Age 65
\$497.00	\$352.06	\$333.79	\$333.79	\$163.21	(\$723.21)	(\$10.80)	(\$13.86)	(\$17.59)

# Opt-Out Allowance (New Structure)

- Biweekly cashable amount is estimated to be \$145.00 – *pensionable*  
(\$145 opt out allowance estimated to be the lowest common value)
- For those receiving Flex credit, the remainder is estimated to be \$352.00 - *not pensionable*  
(\$497.00 flex credit - \$145.00 cashable = \$352.00 remainder)
- Monthly compensation used to calculate General Tier 2 retirement benefits is estimated to decrease by \$762.67 if flex credit is limited to the cashable amount.  
(-\$352.00 non-cashable flex x 26 pay periods / 12 months = -\$762.67)
- General Tier 2 retirement benefits are calculated based on age at retirement, years of service credit, and highest 36-month average salary. For a Tier 2 member retiring at age 55, a monthly salary decrease of \$762.67 would decrease the retirement benefit by \$11.39 for each year of service the member has per year of service credit

Full-Time Flex Credit	Opt Out Allowance	Non-pensionable Biweekly	Pensionable Biweekly	Monthly VCERA Salary Change	Monthly VCERA Benefit Decrease per service year		
					Age 55	Age 60	Age 65
\$497.00	\$145.00	\$352.00	\$145.00	(\$762.67)	(\$11.39)	(\$14.62)	(\$18.55)

# SEIU Examples

Retiring at age 60 (15 years of Tier 2 COLA service and \$80,000 salary)

- Opt-Out Fee Structure -\$207.90 monthly benefit decrease (-\$13.86 x 15 years)

Monthly retirement benefit would decrease from \$1883 to \$1675

Full-Time Flex Credit	Opt Out Fee	Lowest Priced Medical Plan	Non-pensionable Biweekly	Pensionable Biweekly	Monthly VCERA Salary Change	Monthly VCERA Benefit Decrease per service year		
						Age 55	Age 60	Age 65
\$497.00	\$352.06	\$333.79	\$333.79	\$163.21	(\$723.21)	(\$10.80)	(\$13.86)	(\$17.59)

- Opt-Out Allowance Structure: -\$219.30 monthly benefit decrease (-\$14.62 x 15 years)

Monthly retirement benefit would decrease from \$1883 to \$1663

Full-Time Flex Credit	Opt Out Allowance	Non-pensionable Biweekly	Pensionable Biweekly	Monthly VCERA Salary Change	Monthly VCERA Benefit Decrease per service year		
					Age 55	Age 60	Age 65
\$497.00	\$145.00	\$352.00	\$145.00	(\$762.67)	(\$11.39)	(\$14.62)	(\$18.55)

# VCDSA

The 2023 full-time flex credit for VCDSA is \$582.00.

The lessor of the opt out fee (\$352.06) and lowest priced medical plan (\$206.68) is estimated to be noncashable flex credit.

$\$582.00 - \$206.68 = \$375.32$  flex credit included per pay period

Safety Tier 1 COLA									
Bargaining Units	Full-Time Flex Credit	Opt Out Fee	Lowest Priced Medical Plan	Noncashable Flex	Cashable Flex	Monthly FAC Change	Age 50*	Age 52*	Age 55*
VCDSA	\$582.00	\$352.06	\$206.68	\$206.68	\$375.32	(\$447.81)	(\$8.96)	(\$9.92)	(\$11.73)
VCPFA	\$532.00	\$352.06	\$244.42	\$244.42	\$287.58	(\$529.58)	(\$10.59)	(\$11.74)	(\$13.87)
VCPPPOA Probation Unit	\$557.00	\$352.06	\$333.79	\$333.79	\$223.21	(\$723.21)	(\$14.46)	(\$16.03)	(\$18.95)
VCSCOA	\$482.00	\$352.06	\$333.79	\$333.79	\$148.21	(\$723.21)	(\$14.46)	(\$16.03)	(\$18.95)
SPOAVC	\$472.00	\$352.06	\$333.79	\$333.79	\$138.21	(\$723.21)	(\$14.46)	(\$16.03)	(\$18.95)
MGMT	\$497.00	\$352.06	\$333.79	\$333.79	\$163.21	(\$723.21)	(\$14.46)	(\$16.03)	(\$18.95)

# VCDSA (continued)

-\$206.68 per pay period x 26 pay period / 12 months = -\$447.81  
decrease in monthly FAC used to calculate retirement benefits

When the Safety retirement benefit formula is applied, this equates to a decrease of -\$8.96 per year of service at age 50, -\$9.92 per year at age 52, and -\$11.73 per year at age 55.

Safety Tier 1 COLA									
Bargaining Units	Full-Time Flex Credit	Opt Out Fee	Lowest Priced Medical Plan	Noncashable Flex	Cashable Flex	Monthly FAC Change	Age 50*	Age 52*	Age 55*
VCDSA	\$582.00	\$352.06	\$206.68	\$206.68	\$375.32	(\$447.81)	(\$8.96)	(\$9.92)	(\$11.73)
VCPFA	\$532.00	\$352.06	\$244.42	\$244.42	\$287.58	(\$529.58)	(\$10.59)	(\$11.74)	(\$13.87)
VCPPOA Probation Unit	\$557.00	\$352.06	\$333.79	\$333.79	\$223.21	(\$723.21)	(\$14.46)	(\$16.03)	(\$18.95)
VCSCOA	\$482.00	\$352.06	\$333.79	\$333.79	\$148.21	(\$723.21)	(\$14.46)	(\$16.03)	(\$18.95)
SPOAVC	\$472.00	\$352.06	\$333.79	\$333.79	\$138.21	(\$723.21)	(\$14.46)	(\$16.03)	(\$18.95)
MGMT	\$497.00	\$352.06	\$333.79	\$333.79	\$163.21	(\$723.21)	(\$14.46)	(\$16.03)	(\$18.95)

# VCDSA (continued)

Example 1: Retiring at age 50 with 27.5 years of service

- $\$8.96 \times 27.5 \text{ years} = -\$246.40$  reduction due to noncashable flex

Example 2: Retiring at age 55 with 27.5 years of service

- $\$11.73 \times 27.5 \text{ years} = -\$322.58$  reduction due to noncashable flex

Safety Tier 1 COLA									
Bargaining Units	Full-Time Flex Credit	Opt Out Fee	Lowest Priced Medical Plan	Noncashable Flex	Cashable Flex	Monthly FAC Change	Age 50*	Age 52*	Age 55*
VCDSA	\$582.00	\$352.06	\$206.68	\$206.68	\$375.32	(\$447.81)	(\$8.96)	(\$9.92)	(\$11.73)
VCPFA	\$532.00	\$352.06	\$244.42	\$244.42	\$287.58	(\$529.58)	(\$10.59)	(\$11.74)	(\$13.87)
VCPPOA Probation Unit	\$557.00	\$352.06	\$333.79	\$333.79	\$223.21	(\$723.21)	(\$14.46)	(\$16.03)	(\$18.95)
VCSCOA	\$482.00	\$352.06	\$333.79	\$333.79	\$148.21	(\$723.21)	(\$14.46)	(\$16.03)	(\$18.95)
SPOAVC	\$472.00	\$352.06	\$333.79	\$333.79	\$138.21	(\$723.21)	(\$14.46)	(\$16.03)	(\$18.95)
MGMT	\$497.00	\$352.06	\$333.79	\$333.79	\$163.21	(\$723.21)	(\$14.46)	(\$16.03)	(\$18.95)

# How to Estimate Using Pension Calculator

<https://www.vcera.org/post/legacy-pension-calculator>

Select Your Retirement Plan (choose one):  
 General Tier 1  
 General Tier 2  
 Safety

Minimum Requirements

Age Quarter at Retirement:   
Definition of Age Quarter

Years of Service at Retirement:   
Definition of Service Years

Final Average Monthly Compensation:  
(Do not use commas or dollar signs.) **\$65,000 / 12** →   
Definition of Compensation

Reset Calculate

Based on the information you provided above, your estimated monthly retirement benefit is:

With \$497 employee-only flex credit

Select Your Retirement Plan (choose one):  
 General Tier 1  
 General Tier 2  
 Safety

Minimum Requirements

Age Quarter at Retirement:   
Definition of Age Quarter

Years of Service at Retirement:   
Definition of Service Years

Final Average Monthly Compensation:  
(Do not use commas or dollar signs.) **\$5,416.67 - \$762.67** →   
Definition of Compensation

Reset Calculate

Based on the information you provided above, your estimated monthly retirement benefit is:

With cashable flex only (subtract \$762.67)



# Cashable/Non-Cashable Flex Credit

- Biweekly non-cashable flex credit is estimated to be \$206.68 – *not pensionable* (lessor of \$352.06 opt out fee and \$206.68 lowest priced medical plan)
- Biweekly cashable flex credit is estimated to be \$375.32 - *pensionable* (\$582.00 flex credit - \$206.68 non-cashable = \$375.32 cashable)
- Monthly compensation used to calculate VCDSA retirement benefits is estimated to decrease by \$447.81 if non-cashable flex credit is excluded (-\$206.68 non-cashable flex x 26 pay periods / 12 months = -\$447.81)
- Safety Tier 1 retirement benefits are calculated based on age at retirement, years of service credit, and highest 12-month average salary. For a Safety Tier 1 member retiring at age 50, a monthly salary decrease of \$447.81 would decrease the retirement benefit by \$8.96 per year of service credit

Full-Time Flex Credit	Opt Out Fee	Lowest Priced Medical Plan	Non-pensionable Biweekly	Pensionable Biweekly	Monthly VCERA Salary Change	Monthly VCERA Benefit Decrease per service year		
						Age 50	Age 52	Age 55
\$582.00	\$352.06	\$206.68	\$206.68	\$375.32	(\$447.81)	(\$8.96)	(\$9.92)	(\$11.73)

# VCDSA Example

Retiring at age 50 (27.5 years Safety Tier 1 service and \$132,000 salary)

-\$246.40 monthly benefit decrease (-\$8.96 x 27.5 years)

Monthly retirement benefit would decrease from \$6,050 to \$5,803

Full-Time Flex Credit	Opt Out Fee	Lowest Priced Medical Plan	Non-pensionable Biweekly	Pensionable Biweekly	Monthly VCERA Salary Change	Monthly VCERA Benefit Decrease per service year		
						Age 50	Age 52	Age 55
\$582.00	\$352.06	\$206.68	\$206.68	\$375.32	(\$447.81)	(\$8.96)	(\$9.92)	(\$11.73)

# How to Estimate Using Pension Calculator

<https://www.vcera.org/post/legacy-pension-calculator>

Select Your Retirement Plan (choose one):

General Tier 1  
 General Tier 2  
 Safety

Minimum Requirements


Age Quarter at Retirement:

Definition of Age Quarter

Years of Service at Retirement:

Definition of Service Years

Final Average Monthly Compensation:  
(Do not use commas or dollar signs.)

$\$178,680 / 12$  

Definition of Compensation

Reset Calculate

Based on the information you provided above, your estimated monthly retirement benefit is:

With current employee-only flex credit

Select Your Retirement Plan (choose one):

General Tier 1  
 General Tier 2  
 Safety

Minimum Requirements


Age Quarter at Retirement:

Definition of Age Quarter

Years of Service at Retirement:

Definition of Service Years

Final Average Monthly Compensation:  
(Do not use commas or dollar signs.)

$\$14,890 - \$447.81$  

Definition of Compensation

Reset Calculate

Based on the information you provided above, your estimated monthly retirement benefit is:

With cashable flex only (subtract \$447.81)

## Disclaimer

These examples are simplified to explain the estimated cashable flex credit amount. At retirement, a member's final average compensation measurement period is likely to obtain multiple flex credit amounts and may span across both the prior and new methods. Members should contact VCERA to request a retirement benefit estimate if they are nearing retirement rather than relying on the information contained in this presentation. VCERA does not recommend members make retirement decisions based solely on this presentation.