

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)  
POLICY REGARDING RECIPROCAL MEMBERS'  
FINAL COMPENSATION DETERMINATIONS  
Adopted: December 14, 2011**

**I. PURPOSE**

The Board of Retirement of MCERA ("Board") implements this policy to apply the reciprocity rules under the County Employees' Retirement Law of 1937 (Gov. Code sec. 31450 et seq.), as described in *Stillman v. Board of Retirement* (2011) 198 Cal. App. 4th 1355 ("*Stillman*") and set forth herein.

**II. POLICY**

**A. Reciprocal Members' Final Compensation Determinations**

As provided in *Stillman*, the items of compensation that MCERA is to include in its calculation of "compensation earnable" and "final compensation" for a member who has established reciprocity with another public retirement system in California includes only those items of compensation that are permitted to be included in final compensation determinations under CERL and by MCERA.

For example, because MCERA Board Resolution No. 2008/09-04 provides that MCERA determinations of compensation earnable are not to include cash outs of accrued leave in excess of that which the member is permitted to both earn and receive in cash during a single twelve-month period, any cash outs by a reciprocal member in excess of such amount also will not be included in the calculation of an MCERA member's benefit, even if a reciprocal system includes that payment in its retirement allowance calculation.

Other examples of items that are excluded from MCERA calculations of compensation earnable, that may potentially be included by other public retirement systems under laws, policies, agreements or practices applicable to them, include, without limitation: (i) employer payments of employee contributions; (ii) employer payments of deferred compensation on behalf of employees; (iii) noncash advantages that are excluded from compensation earnable under the CERL; (iv) cash payments for accrued leave in amounts that exceed that which the member earned and was permitted to receive in cash during a twelve-month period as described in MCERA Board Resolution No. 2008/09-04. (v) executive bonuses, as described in MCERA Board Resolution Nos. 2008/09-05 and 2009/10-04; and (vi) payments made in connections with separation, as described in MCERA Board Resolution No. 2011/12-04.

Conversely, items that a reciprocal retirement system does not include under its laws, policies, agreement or practices, but that laws governing MCERA require to be included in retirement allowance calculations, will be included.

For clarification, MCERA will not disapprove the inclusion in, or exclusion from, a retirement allowance calculation of any item that is approved by the reciprocal retirement system, so long as such inclusion or exclusion does not conflict with the laws, policies, agreements and practices that govern MCERA.

**B. Implementation**

For purposes of implementing this Policy, the rules set forth herein shall apply only to MCERA members who retire from MCERA on and after its date of adoption. All MCERA members who retire before said adoption date, and their beneficiaries, shall not be impacted by this Policy.

**III. POLICY REVIEW**

The Board shall review this Policy at least every three years to ensure that it remains relevant and appropriate. The Policy may be amended at any time by majority vote.

**IV. ADOPTION HISTORY**

This Policy was adopted by the Retirement Board on December 14, 2011.

**V. RETIREMENT ADMINISTRATOR'S CERTIFICATE**

I, Jeff Wickman, the duly appointed Retirement Administrator of the Marin County Employees' Retirement Association, hereby certify that this policy was adopted and made effective by MCERA on this \_\_\_\_ day of \_\_\_\_\_ 2011.

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Retirement Administrator