



# BEAVER COUNTY EMPLOYEE RETIREMENT PLAN

OCTOBER 2021

- Type & structure of plan
- Plan summary highlights
- Green Sheets
- Financials of plan
- Resources & future highlights
- Q&A



# Agenda



- **Defined Benefit**
- **All full time and part time employees working over 1000 hours per year**
- **Member contribution (pre-tax)**
  - 9%
- **Optional Member contribution (after tax)**
  - Up to 10%
- **Yearly interest of 5.5% on previous balance and 2.75% on current year contributions**

# Retirement Plan

# Defined Benefit vs. 401k?

## NOTICE OF AMOUNT PAYABLE UPON DEATH OF PENSIONER

County Beaver

Name of Deceased Pensioner [REDACTED]

Date of Pensioner Death 06/06/2021

Date of Retirement 12/18/2004

Designated Beneficiaries [REDACTED]

Option Selected at Retirement No Option

Accumulated Deductions withdrawn at retirement by pensioner \$ 0.00

### Amount Payable To Designated Beneficiary

Pro rata portion of basic pension \$ 0.00

The balance of the pensioner's accumulated deductions

Accumulated Deductions at retirement	\$ <u>113,195.05</u>
Total Pension paid to pensioner through June, 2021	\$ <u>572,247.13</u>
Balance to be paid to designated beneficiary	\$ <u><u>0.00</u></u>

The balance of the pensioner's present value

Present Value of pensioner's pension at retirement	\$ _____
Total Pension paid to pensioner through	\$ _____
Balance to be paid to designated beneficiary	\$ <u><u>_____</u></u>

- **When are you vested?**
  - 5 years
  - Must leave with county
- **When can you retire?**
  - Superannuation
  - Voluntary
  - Involuntary
- **How is your retirement calculated & options?**



## Plan Highlights

- **When are you vested?**
- **When can you retire?**
  - **Superannuation**
  - **Voluntary**
  - **Involuntary**
- **How is your retirement calculated & options?**



## Plan Highlights

# When Can You Retire?

<b>Superannuation Retirement</b>	<ul style="list-style-type: none"><li>• Age 60, no minimum service requirement</li><li>• Age 55 with minimum 20 years service</li></ul>
<b>Early Retirement (Voluntary)</b>	<ul style="list-style-type: none"><li>• 20 years service but younger than 55</li></ul>
<b>Early Retirement (Involuntary)</b>	<ul style="list-style-type: none"><li>• Elected official with 8 years service</li><li>• Employee with 8 years service whose job was eliminated for restructuring or who was terminated due to election turnover</li></ul>
<b>Disability</b>	With minimum 5 years of service and must occur while still working for county

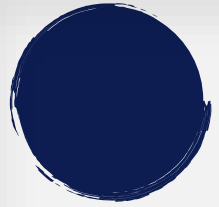
- **When are you vested?**
- **When can you retire?**
  - Superannuation
  - Voluntary
  - Involuntary
- **How is your retirement calculated & options?**



## Plan Highlights

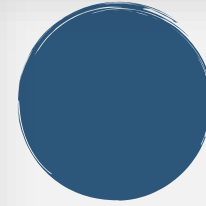


# How is your payment calculated?



Employee pension

**Accumulated  
Deductions / Actuarial  
Equivalent Factor**



County Pension

**1.667% x “Final Salary”  
x Years Service**

# Available Options for Retirement

Date of Retirement	6/1/2021			
Type of Retirement	Superannuation	Membership Service	13.99064	Yrs
Final Average Salary	\$61,319.00	Total Service	13.99064	Yrs

Member Contributions	\$0.00
IRC 414(h)(2) Pickup Contributions	\$61,386.49
Total Interest Credited	\$81,016.55
Accumulated Deductions	\$142,403.04
Present Value of Member's Retirement Allowance	\$288,608.90

Member may elect to receive one of the following options	
<b>NO OPTION</b> <input type="checkbox"/>	\$2,324.85 payable monthly throughout the life of the member. Should the member fail to receive payments at least equal to his accumulated deductions of \$142,403.04, the balance shall be paid to his designated beneficiaries. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
<b>OPTION ONE</b> <input type="checkbox"/>	\$2,231.31 payable monthly throughout the life of the member. Should the member fail to receive payments at least equal to the present value of his retirement allowance of \$288,608.90, the balance shall be paid to his designated beneficiaries. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
<b>OPTION TWO</b> <input type="checkbox"/>	\$1,894.36 payable monthly throughout the life of the member. Upon his death \$1,894.36 shall be continued monthly throughout the life of his surviving designated beneficiary. Should the member and the primary beneficiary fail to receive payments at least equal to the accumulated deductions of \$142,403.04, the balance shall be paid to the member's contingent beneficiary. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
<b>OPTION THREE</b> <input type="checkbox"/>	\$2,085.00 payable monthly throughout the life of the member. Upon his death \$1,042.50 shall be continued monthly throughout the life of his surviving designated beneficiary. Should the member and the primary beneficiary fail to receive payments at least equal to the accumulated deductions of \$142,403.04, the balance shall be paid to the member's contingent beneficiary. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.

<b>OPTION FOUR</b>	Withdraw in one payment the accumulated deductions of \$142,403.04 credited to the member's account. This amount is eligible to be rolled over. Any portion not directly rolled over is subject to Federal Income Tax and twenty percent withholding, in accordance with IRC Section 402 (c). In addition, the member will receive a County annuity payable monthly and based on one of the following selections.
<b>(A)</b> <input type="checkbox"/>	\$1,191.73 payable monthly throughout the life of the member. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
<b>(B)</b> <input type="checkbox"/>	\$1,130.35 payable monthly throughout the life of the member. Should the member fail to receive payments at least equal to the present value of the County annuity of \$146,205.86, the balance shall be paid to his designated beneficiaries. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
<b>(C)</b> <input type="checkbox"/>	\$959.88 payable monthly throughout the life of the member. Upon his death, \$959.88 shall be continued monthly throughout the life of his surviving designated beneficiary. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
<b>(D)</b> <input type="checkbox"/>	\$1,063.31 payable monthly throughout the life of the member. Upon his death, \$531.66 shall be continued monthly throughout the life of his surviving designated beneficiary. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.

- When are you vested?
- When can you retire?
  - Superannuation
  - Voluntary
  - Involuntary
- How is your retirement calculated & options?
- **Military**
- **Option of Buy back**
  - Missed time - without pay (out –time)
  - For previous county employment



## Plan Highlights

Annual Rate of Pay for 2020	\$70,179.83
Average Salary as of 1/1/2021	\$70,179.83
Service to 1/1/2021	0.9167
Required Contribution Rate (pre-tax)	9.0%
Interest Rate the County Credits to Accumulated Deductions	5.5%

Member Contributions	\$0.00
IRC 414(h)(2) "Pickup" Contributions	6,316.10
Interest Credited	173.69

Total Accumulated Deductions:	\$6,489.79
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**Retirement Benefits Earned to 1/1/2021 and Payable on 12/1/2026**

Member-provided monthly benefit	\$66.32
County-provided monthly benefit	89.37

Total Estimated Monthly Benefit:	\$155.69
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Vested Portion of County-provided Earned Benefit:	0%
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**If you continue to work at your 2020 rate of pay until 12/1/2026 your retirement benefit is estimated to be:**

Member-provided monthly benefit	\$394.45
County-provided monthly benefit	666.20

Total Estimated Monthly Benefit:	\$1,060.65
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Lump Sum Death Benefit as of <b>January 1, 2021:</b>	\$6,489.79
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Every effort has been made to assure the accuracy of your statement. If upon review a discrepancy is noted, please report this to the Retirement Board.

The computed values have been determined assuming the benefit program will remain in effect and unchanged and that the interest and minimum contribution rate will continue at present levels until retirement. Because service is assumed to be continuous from the date of participation and may not reflect breaks in service, the actual pension may be less than what is estimated.

Please remember that your actual pension benefit will be determined at the time of your retirement and in accordance with the County Pension Law and the County's Plan Document.

The above retirement benefits are in addition to any retirement benefits that you and your spouse may be entitled to receive from Social Security.

# Green Sheets

Salary for 2020	\$53,634.13
Average Salary as of 1/1/2021	\$52,244.43
Service to 1/1/2021	12.6667
Required Contribution Rate (pre-tax)	9.0%
Interest Rate the County Credits to Accumulated Deductions	5.5%

Member Contributions	\$289.58
IRC 414(h)(2) "Pickup" Contributions	48,528.36
Interest Credited	18,026.50

Total Accumulated Deductions: **\$66,844.44**

**Retirement Benefits Earned to 1/1/2021 and Payable on 11/1/2034**

Member-provided monthly benefit	\$1,039.65
County-provided monthly benefit	919.30

Total Estimated Monthly Benefit: **\$1,958.95**

Vested Portion of County-provided Earned Benefit: **100%**

**If you continue to work at your 2020 rate of pay until 11/1/2029 your retirement benefit is estimated to be:**

Member-provided monthly benefit	\$1,124.77
County-provided monthly benefit	1,601.90

Total Estimated Monthly Benefit: **\$2,726.67**

Lump Sum Death Benefit as of **January 1, 2021**: **\$111,634.43**

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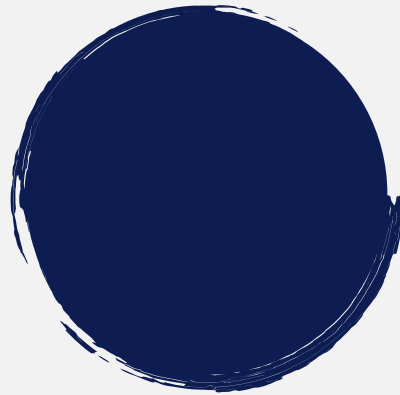
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# Green Sheets

# Current Fund Financials



# \$370.9 million

- Fully funded
- County ADC

## Beaver County Employees Pension Plan

Investment Manager	Policy Benchmark	(1) Estimated 9/20/2021 Value	(2) Estimated 9/20/2021 Allocation	(3) Current Target Allocation
<b>Large Cap Equity</b>				
CIM	S&P 500	\$42,819,959	11.5%	12.0%
Vanguard S&P 500 Index (VFINX)	S&P 500	\$50,227,501	13.5%	12.0%
Vanguard R1000 Value Index (VRVIX)	Russell 1000 Value	\$12,076,616	3.3%	3.0%
CS McKee	S&P 500	\$39,946,719	10.8%	9.0%
<i>Total Large Cap Equity</i>		\$145,070,795	39.1%	36.0%
<b>Small Cap Equity</b>				
CIM	Russell 2000	\$14,081,615	3.8%	4.0%
Anchor Capital- Janney	Russell 2000 Value	\$15,408,413	4.2%	4.0%
Emerald Advisors	Russell 2000 Growth	\$14,100,682	3.8%	4.0%
<i>Total Small Cap Equity</i>		\$43,590,710	11.8%	12.0%
<b>International Equity</b>				
Henry James International	MSCI EAFE Growth	\$26,462,802	7.1%	6.0%
DFA	MSCI EAFE Value & Emerg. Mkts	\$23,424,733	6.3%	6.0%
<i>Total Int'l Equity</i>		\$49,887,535	13.5%	12.0%
<b>Total Equity</b>		\$238,549,040	64.3%	60.0%
<b>Domestic Fixed Income</b>				
CIM	Barclays Gov't/Credit	\$34,358,902	9.3%	11.0%
Columbus Macro	Barclays Global Aggregate	\$10,812,964	2.9%	3.0%
Gndiron Partners	Barclays US Aggregate	\$6,275,027	1.7%	3.0%
CS McKee	Barclays Int. Aggregate	\$26,686,680	7.2%	8.0%
<b>Total Fixed</b>		\$78,133,573	21.1%	25.0%
<b>Real Estate</b>				
- ERECT Fund II	NCREIF Property	\$18,643,367	5.0%	4.0%
- Bentall GreenOak / MEPT	NCREIF Property	\$9,733,598	2.6%	3.0%
- Washington Alliance Capital (\$5M)	NCREIF Property-Office	\$7,305,185	2.0%	3.0%
<b>Real Estate Subtotal</b>		\$35,682,150	9.6%	10.0%
<b>Private Equity</b>				
- iNetworks Opportunity Fund, LP (\$8M)	Russell Microcap+3%	\$10,770,032	2.9%	2.0%
- iNetworks IN OF-III Fund LLC	Russell Microcap+3%	\$1,446,109	0.4%	1.0%
- Draper Triangle Ventures III, LP (\$5M)	Russell Microcap+3%	\$5,759,165	1.6%	2.0%
<b>Private Equity Subtotal</b>		\$17,975,306	4.8%	5.0%
<b>Total Alternatives</b>		\$53,657,456	14.5%	15.0%
Huntington Cash	91-day Tbill	\$526,029	0.1%	0.0%
<b>Total Account</b>		\$370,866,098	100%	100%

# RESOURCES

INFO ON COUNTY SITE (CONTROLLER'S PAGE)

IN 2022

EMPLOYEE WEB PORTAL





**QUESTIONS**