



## MEMORANDUM

Date: March 20, 2020  
To: All Employers  
From: Gail Strohl, Chief Executive Officer  
Subject: CCCERA Update Concerning the Coronavirus (COVID-19)

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The recent coronavirus (COVID-19) pandemic and the resulting shelter in place order has caused CCCERA to close its office on a temporary basis but continue to perform its essential business functions. CCCERA continues to fulfill its mission to administer pension benefits earned by our members and to be prudent stewards of plan assets. To that end, we would like to provide the following update for employers.

### Retirement Benefit Payments

The April 1, 2020 retirement benefit payments will be paid timely and on schedule. CCCERA is planning on issuing future benefit payments on schedule as well.

### Retirement Applications

CCCERA is continuing to process retirement applications.

### Payroll Information and Payments

If you will be experiencing any difficulty in providing timely active payroll data, retiree deduction files, or contribution payments, please notify CCCERA in advance.

### Retirement Workshops

The pre-retirement and retirement overview workshops have been cancelled for the remainder of March and through April 7.

### Investment Program

The public health response to COVID-19 includes widespread social distancing measures that will restrict economic activity for an unknown period of time. The expected economic contraction has been reflected in sharp and widespread declines in financial assets.

### Investment Program (cont.)

It is important to remember that as a defined benefit plan, payments to retirees are maintained despite any decline in market value. As a result, the plan is designed to accept volatility in long-term investments while protecting assets designed to fund benefit payments over the next several years. In fact, CCCERA currently has nearly one fourth of the investment program allocated to fund the next 3-4 years of retiree benefit payments.

CCCERA staff and investment consultants continue to maintain frequent communications with CCCERA's investment managers. As the situation continues to evolve, we will engage in strategic rebalancing to maintain our long-term asset allocation. Our plan design, diversification and remote working capabilities are designed to allow us to carefully navigate and respond to a stressed market environment, and we are currently doing just that.

### Temporary Suspension of State Restrictions on Reemployment of Retirees

In response to the coronavirus (COVID-19) global pandemic, the State of California issued Executive Order N-25-20 on March 12, 2020. The Order has temporarily suspended certain rules that restrict public employers from allowing retirees to temporarily return to government service or employment. As of the start date of the state of emergency, March 4, 2020, consistent with federal law, work hour limitations and wait period requirements for retired annuitants have been suspended, as follows:

1. The 180-day separation requirement has been suspended, to ensure adequate staffing during the state of emergency.
2. The requirement of the governing board's approval of the appointment in a public meeting has been suspended, to ensure adequate staffing during the state of emergency.
3. The 180-day separation requirement for retirees in receipt of a retirement incentive (also known as a golden handshake) has been suspended, to ensure adequate staffing during the state of emergency.
4. The PEPRA 960-hour work limitation has been suspended, to ensure adequate staffing during the state of emergency.

The State's Executive Order does not allow relief from the 90-day break in service requirement nor from the bona fide separation required for those retiring before the normal age of retirement (55 for general members; 50 for safety members). Pre-retirement arrangements to be reemployed while retired are prohibited under federal law. More information about this requirement can be found in CCCERA's Regulations, Section VII.

Temporary Suspension of State Restrictions On Reemployment of Retirees (cont.)

The Executive Order has also not suspended the 12-month separation requirement for employees who received unemployment compensation. This restriction therefore remains in effect.

Employers are required to notify the director of the California Department of Human Resources of any individual employed pursuant to this Executive Order. Notification should be sent to [CAStateofEmergency@calhr.ca.gov](mailto:CAStateofEmergency@calhr.ca.gov).

CCCERA will continue to require employers who employ retirees pursuant to the Executive Order to provide CCCERA with a written certification during this period, evidencing their compliance.

Please contact CCCERA at [employers@cccera.org](mailto:employers@cccera.org) if you have any questions or comments.