

# CAMBRIA COUNTY EMPLOYEE RETIREMENT PRESENTATION



Dana Descavish  
Second Deputy Controller  
Pension Benefits Health Care  
Administrator

# Plan Authority

## “County Pension Law”

### Act 96 of 1971



## DISCLAIMER

This presentation is designed to provide a summarization of information concerning your Retirement Plan. Act 96 is the governing plan authority.



\$261,713,244

The Current Value of the Retirement Fund as of 05/30/2025

# Cambria County Retirement Board

Thomas  
Chernisky  
Trustee

Keith Rager  
Trustee

Scott W. Hunt  
Chairman

Ed Cernic, Jr.  
Secretary

Lisa Kozorosky  
Vice-  
Chairwoman

- By law, the retirement board members are the trustees of the retirement fund and are responsible for investing the funds subject to the limitations imposed by law upon fiduciaries. This law requires the trustees to exercise good judgment in the selection of securities, or in the selection of a deposit administrator to administer funds.
- The Retirement Board acting as fiduciaries invests your money with the aid of financial experts

**BOARD OF TRUSTEES  
(Retirement Board)**

Ameriserv Trust &  
Financial Services  
(Custodian)

Korn Ferry  
(Actuary)

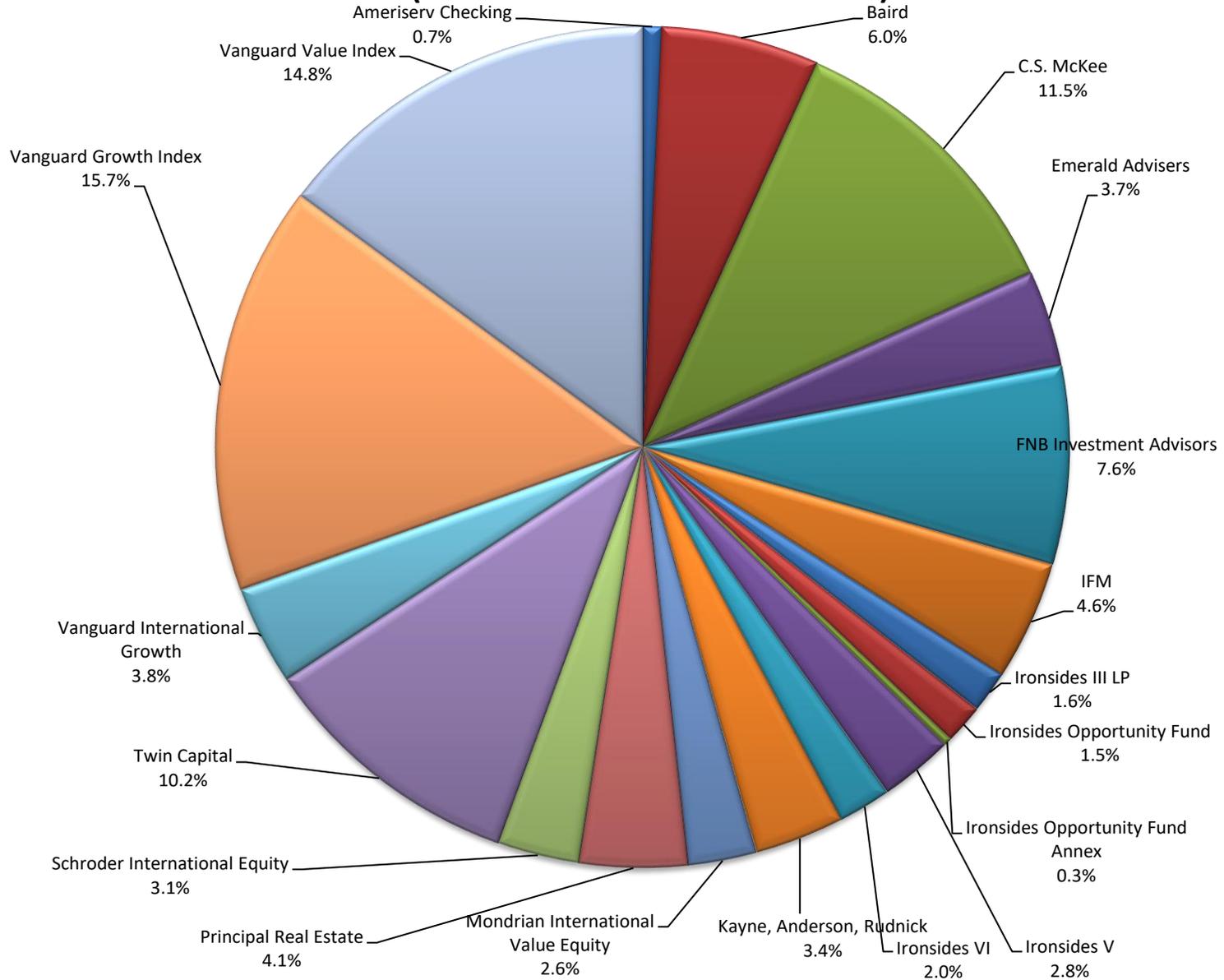
Marquette Associates  
(Consultant)

**INVESTMENT MANAGERS**

Baird Intermediate Bond  
CS McKee Investment Managers(CSM)  
Constitutional Capital Partners (IronSides)  
Emerald Advisers  
Fidelity Investments  
FNB Investment Advisors, Inc.  
IFM Investors  
Kayne, Anderson, Rudnick  
Principal Real Estate  
Schroder International Equity  
Twin Capital Management  
Vanguard Mutual Funds (Value, Growth, International)

# CAMBRIA COUNTY RETIREMENT PLAN PORTFOLIO AS OF 12/31/2024

## (% OF PORTFOLIO BY MANAGER)



# What type of Retirement Plan does Cambria County have?



## DEFINED BENEFIT PLAN

A defined benefit plan is where the employer guarantees to pay the employee at retirement a fixed monthly income for life.

These plans have formulas to determine how much you receive in benefits based on criteria such as age, service time and final average salary.

# MEMBERSHIP



- All Full Time appointed County Employees and select other employees based on Union Contracts
- Elected Officials

# MEMBER BENEFICIARY DESIGNATION FORM

- Upon being hired as a full-time employee, you will complete a Member Beneficiary designation form for the pension system.
- It is very important to keep your Member Beneficiary form updated as changes occur in your life (e.g. marriage, divorce, death, having kids, etc.) We must payout to the designated primary or contingent beneficiary listed on the form regardless of the current relationship with the deceased.
- You are able to change this form at any time by contacting the Human Resources office at (814) 472-1610 or the form is available on the website [www.cambriacountypa.gov](http://www.cambriacountypa.gov)
- The person who witnesses your form cannot be a beneficiary



# MEMBER CONTRIBUTIONS



- 9% Mandatory deduction
  - These are known as “Pick Up Contributions” which means these contributions will not be subject to federal income taxes in the year of contribution
- Voluntary contributions
  - You can contribute up to an additional 10%
  - This change can be done during the open enrollment period from November 1st through December 15th effective for the 1<sup>st</sup> pay in January.
  - The contributions are made with after tax dollars

# INTEREST CREDIT

Your member contributions and/or “pickup contributions” receive interest for the entire time the money is in the fund up to the day before retirement, death or final pay.

The Retirement Board determines each year the rate of interest to be credited to your member account for that year.

Per Act 96, the rate of interest cannot be less than 4% nor more than 5 ½ %.



The current interest rate is **4.75%** and your member contributions and/or pickup contributions are credited at the end of each year per annum. Current year contributions receive ½ of the interest (2.375%).



## Leave of Absence without Pay

- Contributions are not required during a “leave of absence without pay”
- Consequently, service credit for pension purposes is not given.

### HOWEVER

- Credit may be given for a leave of absence if you pay both the member and county contribution, if applicable, and interest is compounded annually from the time of the absence to the date of purchase. Purchasing time must be approved by the Retirement Board.
- The request and purchase of unpaid leave time must be done before retirement.
- **PURCHASED LEAVE OF ABSENCE TIME IS ONLY CREDITED FOR PENSION PURPOSES**



# MILITARY TIME

- **Non-intervening military** service can be purchased if the employee has 3 years of county service  
  
The employee may receive credit for active military service not to exceed 5 years
- The purchase amount will include the member's share, the county share and interest at 4% compounded annually to the date of purchase.
- The members share and county share will each be based on the product of 5% of the average salary for the first 3 years of service
- **PURCHASED MILITARY TIME IS ONLY CREDITED FOR PENSION PURPOSES**
- **Intervening military service** an employee who has 6 months of service with the County and is a participating member will receive credit for service time during a time of war, armed conflict or national emergency declared by the President. The county will make the minimum contributions. This time will be credited for pension purposes

**Thank you for your Service!**

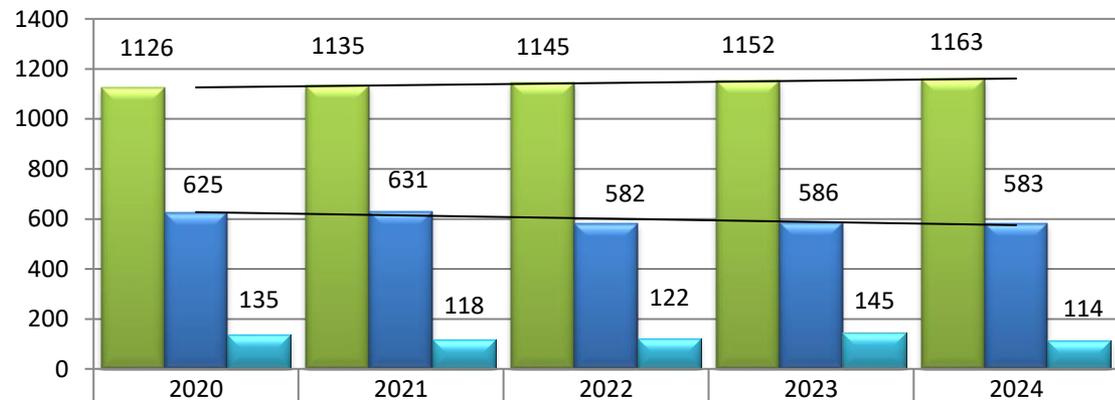
# County Contributions



- The County contributes amounts which are actuarially determined to be sufficient resources for the payment of current and future benefits and to build up and maintain the necessary reserves for the payment of all benefits.

Effective January 1, 2025, 13.5% of payroll was budgeted  
Effective July 1, 2025, 14% of payroll will be budgeted  
(was \$3.7 million for 2024)

## ACTIVE PLAN MEMBERS vs. ACTIVE RETIREES & VESTED MEMBERS



■ Retirees and Beneficiaries Receiving Benefits	1126	1135	1145	1152	1163
■ Active Plan Members	625	631	582	586	583
■ Terminated Plan Members Entitled to but not yet receiving benefits	135	118	122	145	114

- This graph represents the Active Plan members vs. the Active Retirees. Over the past five years, the number of retirees receiving benefits from the retirement plan has grown and is larger than the number of active plan members contributing to the retirement plan.
- Monthly retirement payroll for May 2025 was \$1,443,844.63



# VESTING



- County employees are VESTED after completing 5 years of County credited service.
- If you leave employment, you are entitled to a vested pension at normal superannuation age 60 or at age 55 (if you vested after having 20 years of service)
- Payment is contingent upon leaving your accumulated deductions with Cambria County
- The accumulated deductions continue to earn regular interest until pension payment starts
- If you withdraw your accumulated deductions before superannuation age, you will FORFEIT your “Vested Pension”
- If after vesting you die before becoming eligible for a vested pension, the full amount of your accumulated deductions, including interest will be paid to your designated beneficiary(ies).



# REFUNDS



- You may receive a refund of your accumulated deductions only when you leave County service. The refund can be made to you or as a direct rollover into an IRA account or other “qualified plan”.
- If you leave prior to completing five (5) years of service or have not reached the age of 60, the total accumulated deductions will be refunded. Accumulated deductions represent your total member contributions and/or “pick up contributions, plus interest credited to the final pay retirement contributions were deducted from
- If you do not rollover your member contributions, the Plan is required to withhold 20% of the payment for Federal Income Taxes.
- In addition, the Tax Reform Act of 1986 imposes a ten percent (10%) penalty tax on the taxable portion of your refund if you are not age 59 ½ and you don’t rollover the taxable portion into an IRA account or other “qualified plan”.

**\*\*\*YOU CANNOT BORROW FROM YOUR RETIREMENT PLAN\*\*\***



# DEATH

- Death in Active Service (after age 60 or after ten (10) years of credited service):
  - A lump sum death benefit will be paid to your designated beneficiary(ies).
  - The benefit will include both your member and county money
  - The amount is determined by calculating what your pension would be if you retired on the date of your death
  - The present value of your pension is then paid in a lump-sum as a death benefit

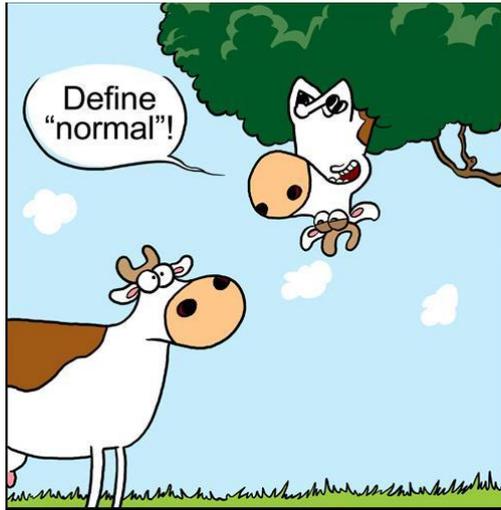
## OR

- Upon reaching age 60 or after 10 years of service you may file with the Retirement Board choosing to have the death benefit paid as a monthly lifetime pension to your beneficiary rather than a lump sum. (Form Election of Option 2-D)
- Death in Active Service (prior to age 60 or prior to ten (10) years of credited service):
  - The full amount of your accumulated deductions, including interest to the date of death, will be paid to your designated beneficiary(ies).

# There are three (3) different Types of Retirement



- Normal (Superannuation) Retirement
- Early Retirement
  - Voluntary
  - Involuntary
- Disability Retirement



# Normal Retirement (Superannuation)

You are eligible for a Normal Superannuation Retirement if you are:

- 60 years of age or older regardless of the length of your credited service
- 55 years of age with twenty (20) years of credited service time



# EARLY RETIREMENT



- **VOLUNTARY**

- You are eligible for a voluntary retirement pension if :
  - 20 years of credited service and have not reached the age of 55
  - Termination is voluntary

- **INVOLUNTARY**

- You are eligible for a involuntary retirement pension if :
  - 8 years of credited service
  - Termination is not voluntary
  - Elected official after 8 years of service

\*Early Retirement pensions are actuarially reduced from normal benefits to account for the expected longer period of payments and the shorter period of time during which interest accumulated



# DISABILITY RETIREMENT

- You are eligible for a disability retirement pension if
  - You become disabled while in service and are awarded Social Security Disability
  - Have five (5) years of credited service
  - Not eligible for a normal retirement
  - Disability retirement will be 25% of your final average salary (final salary is the average annual compensation received for the highest three (3) years of service).

YOU MADE IT.....





# RETIREMENT



An employee who is considering retirement should contact the Controller's Office and the Human Resources Department to discuss issues such as:

## Controller's Office:

- Final Day of Work
- Request a updated Retirement Quotation
- Available Pension Options
- Health care and Life Insurance eligibility upon retirement

## Human Resources Department:

- Final Day of Work
- Determine eligibility for terminal vacation or PTO payout, the amount and the payday in which the deposit will be made
- Determine eligibility for sick bonus
- Letter of resignation needs to be submitted to your supervisor and copied to the HR Department

# RETIREMENT OPTIONS



- Before making any decisions regarding your selection of a retirement option you are encouraged to seek the counsel of a financial advisor
- The Controller's Office is prohibited from giving advice on your selection of a retirement option
- All of the options offer a monthly pension for the rest of your life. Depending on the option you choose and the length of your life, there may or may not be anything left for a beneficiary(ies).



# **NO OPTION**



- This pays the highest full monthly pension amount possible.
- If you do not collect your entire portion of your accumulated deductions (member contributions and interest) at the time of death, the balance is paid to your beneficiary(ies).
- Under this option, you may name as many beneficiaries as you want and may change the beneficiaries as often as you want.



# OPTION ONE



- This option you will receive a lesser monthly amount than the full “no option” pension.
- If you do not collect the Present Value of your pension (i.e. member contributions, interest and the county’s portion) at the time of death, the balance will be paid to your beneficiaries.
- Under this option, you may name as many beneficiaries as you want and may change the beneficiaries as often as you want.



## OPTION TWO



- This is a 100% joint life pension, which is based on your age and the age of your designated beneficiary (survivor) and is payable as long as either lives.
- If your survivor survives you, the same monthly pension amount paid to you (less the COLA increase) will continue to be paid to your survivor for the balance of his/her life. If your survivor predeceases you, you will continue to receive a monthly pension until your death at which time all monthly payments cease.
- If you and your survivor die and receive less than what your member's accumulated deductions were at the time of retirement, the balance will be paid in a lump sum to the primary or contingent beneficiaries.
- Under this option, you may name as many primary or contingent beneficiaries as you want and may change the primary or contingent beneficiaries as often as you want. However, you may only name one (1) Survivor.



# OPTION THREE



- This is a 50% joint life pension, which is based on your age and the age of your designated surviving beneficiary (survivor) and is payable as long as either live.
- If your beneficiary (survivor) survives you, one-half of the monthly pension amount (less any COLA increase) will be paid to your beneficiary for the balance of his/her life.
- If your beneficiary (survivor) predeceases you, you will continue to receive a monthly pension until your death at which time all monthly payments cease.
- If you and your survivor die and receive less than what your member's accumulated deductions were at the time of retirement, the balance will be paid in a lump sum to the primary or contingent beneficiaries.
- Under this option, you may name as many primary or contingent beneficiaries as you want and may change the primary or contingent beneficiaries as often as you want. However, you may only name one (1) survivor.



# OPTION FOUR



- This option allows you to withdraw in one payment the accumulated deductions credited to your individual member account. The accumulated deductions consist of the member contributions and/or pickup contributions plus all interest that has been credited to the account to the day before retirement.
- You have the option to rollover the amount dollar for dollar, withdraw the amount and/or both. If you elect to withdraw the contributions, 20% is withheld for federal income tax. If you are under age 59 1/2, you will also pay an additional 10% penalty to the IRS when filing taxes.
- These rules are IRS rules, not the County's. The government has given a tax deferral on the "pickup contributions" while you were contributing them with the intent the funds would be used for retirement purposes. If you withdraw them in lieu of rolling them over, they assume that it will not be used as a retirement and impose an early withdrawal penalty.

# **OPTIONS 4A THROUGH 4D**

**are exactly the same set-up as NO OPTION through OPTION THREE except you are taking your contributions out of the plan and receiving the county share in a monthly pension**

## **OPTION 4A**

- is the same as NO OPTION except there is nothing left for any beneficiary(ies) because you have taken out the lump sum.

## **OPTION 4B**

- is the same as OPTION ONE. If the retiree dies before receiving the total County portion, the balance is paid to their beneficiary (ies). Under this option, you may name as many beneficiaries as you want and may change the beneficiaries as often as you want.

## **OPTION 4C**

- is the same as OPTION TWO. You can only name one surviving (survivor) beneficiary. If your beneficiary (survivor) predeceases you, you will continue to receive a monthly pension until your death at which time all monthly payments cease. There is no lump sum left for any beneficiary (ies).

## **OPTION 4D**

- is the same as OPTION THREE. You can only name one surviving (survivor) beneficiary. If your beneficiary (survivor) predeceases you, you will continue to receive a monthly pension until your death at which time all monthly payments cease. There is no lump sum left for any beneficiary (ies).

# Calculation of a Normal Superannuation Pension

Total retirement is comprised of two parts:

- The member's pension is equivalent to the value of your accumulated deductions credited to your member account
- The county pension formula for a Normal Pension is:  
Class Basis x Final Salary x Years Credited Service
  - The current class basis is  $\frac{1}{60}$  which is equivalent to .01667% (Class basis determines the benefit level the County has authorized).

## **CRITERIA USED for SAMPLE QUOTES**

This person is:

- Retiring at Age 55 in 2026
- Started in 1992
- Total of 33 years, 7 months and 13 days of credited service
- Final average salary of \$34,771.36

### **QUOTE 5:**

- Employee contributed a voluntary amount of 2% for two years and then changed back to the mandatory 9% in 2015 and remained at 9% until retirement

### **QUOTE 6:**

- Employee contributed a voluntary amount of 5% starting in year 2015 until retirement 2026

# CAMBRIA COUNTY RETIREMENT QUOTATION

**Quote #5**

Member's Name:		Date of Birth:		Sex: F	Age: 55
Beneficiary:		Date of Birth:		Sex: M	Age: 56
Date of Retirement:	<b>01/31/2026</b>	Last Day of Work:	1/30/2026		
Final Salary:	\$34,771.36	Type of Retirement:	Superannuation		

Member Contributions:		\$1,586.68			
IRC 414 (h) (2) ' Pickup' Contributions:		\$78,974.43			
Total Interest Credited:		\$92,952.89			
Accumulated Deductions:		\$173,514.00			
Present Value of Member's Retirement Allowance:		\$392,670.48			

Non-INTV Mil Service:		0 YRS.	0 MO.	0 DAYS
Prior Service:		0 YRS.	0 MO.	0 DAYS
Membership Service:		33 YRS.	7 MO.	13 DAYS
<b>Total Service:</b>		<b>33 YRS.</b>	<b>7 MO.</b>	<b>13 DAYS</b>

**MEMBER MAY ELECT TO RECEIVE ONE OF THE FOLLOWING OPTIONS:**

	<p>For Federal Income Tax purposes, the member will be able to exclude \$4.41 each month from gross income as determined by the IRS Simplified Method for No Option and Option One, and \$4.41 for Option Two and Option Three.</p>
<b>NO OPTION</b> [ ]	<p>\$2,909.86 payable monthly throughout the life of the member. Should the member fail to receive payments at least equal to her accumulated deductions of \$173,514.00, the balance shall be paid to her designated beneficiaries.</p>
<b>OPTION ONE</b> [ ]	<p>\$2,809.47 payable monthly throughout the life of the member. Should the member fail to receive payments at least equal to the present value of her retirement allowance of \$392,670.48, the balance shall be paid to her designated beneficiaries.</p>
<b>OPTION TWO</b> [ ]	<p>\$2,531.29 payable monthly throughout the life of the member. Upon her death \$2,531.29 shall be continued monthly throughout the life of her surviving designated beneficiary. Should the member and the primary beneficiary fail to receive payments at least equal to the accumulated deductions of \$173,514.00, the balance shall be paid to the member's contingent beneficiary.</p>
<b>OPTION THREE</b> [ ]	<p>\$2,707.33 payable monthly throughout the life of the member. Upon her death \$1,353.67 shall be continued monthly throughout the life of her surviving designated beneficiary. Should the member and the primary beneficiary fail to receive payments at least equal to the accumulated deductions of \$173,514.00, the balance shall be paid to the member's contingent beneficiary.</p>

<b>OPTION FOUR</b> <input type="checkbox"/>	Withdraw in one payment the accumulated deductions of \$173,514.00 credited to the member's account, of which \$701.13 will be recovered tax free in the year of the withdrawal. If not paid directly to the member, this latter amount is eligible to be rolled over. The remaining balance is also eligible to be rolled over. Any portion of the remaining balance 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. For Federal Income Tax purposes, the member will be able to exclude \$2.46 each month from gross income as determined by the IRS Simplified Method for Options Four (A) and (B), and \$2.46 for Options Four (C) and (D).
<b>(A)</b> <input type="checkbox"/>	\$1,624.12 payable monthly throughout the life of the member.
<b>(B)</b> <input type="checkbox"/>	\$1,568.09 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 \$219,156.48, the balance shall be paid to her designated beneficiaries.
<b>(C)</b> <input type="checkbox"/>	\$1,412.82 payable monthly throughout the life of the member. Upon her death, \$1,412.82 shall be continued monthly throughout the life of her surviving designated beneficiary.
<b>(D)</b> <input type="checkbox"/>	\$1,511.08 payable monthly throughout the life of the member. Upon her death, \$755.54 shall be continued monthly throughout the life of her surviving designated beneficiary.
Calculation Completed By:	
<i>CBIZ Benefits &amp; Insurance Services, Inc.</i>	Date

## CAMBRIA COUNTY RETIREMENT QUOTATION

Member's Name:		Date of Birth:		Sex:	F	Age:	55
Beneficiary:		Date of Birth:		Sex:	M	Age:	56
Date of Retirement:	<b>01/31/2026</b>	Last Day of Work:	1/30/2026				
Final Salary:	\$34,771.36	Type of Retirement:	Superannuation				

Member Contributions:	\$18,971.56	<b>( Additional 5% contribution starting 1/1/2015)</b>
IRC 414 (h) (2) ' Pickup' Contributions:	\$78,974.43	
Total Interest Credited:	\$97,694.13	
Accumulated Deductions:	\$195,640.12	
Present Value of Member's Retirement Allowance:	\$414,794.68	

Non-INTV Mil Service:	0 YRS.	0 MO.	0 DAYS
Prior Service:	0 YRS.	0 MO.	0 DAYS
Membership Service:	33 YRS.	7 MO.	13 DAYS
<b>Total Service:</b>	<b>33 YRS.</b>	<b>7 MO.</b>	<b>13 DAYS</b>

### MEMBER MAY ELECT TO RECEIVE ONE OF THE FOLLOWING OPTIONS:

	For Federal Income Tax purposes, the member will be able to exclude \$52.70 each month from gross income as determined by the IRS Simplified Method for No Option and Option One, and \$52.70 for Option Two and Option Three.
<b>NO OPTION</b> [ ] <b>\$163.95</b>	\$3,073.81 payable monthly throughout the life of the member. Should the member fail to receive payments at least equal to her accumulated deductions of \$195,640.12, the balance shall be paid to her designated beneficiaries.
<b>OPTION ONE</b> [ ] <b>\$158.29</b>	\$2,967.76 payable monthly throughout the life of the member. Should the member fail to receive payments at least equal to the present value of her retirement allowance of \$414,794.68, the balance shall be paid to her designated beneficiaries.
<b>OPTION TWO</b> [ ] <b>\$142.62</b>	\$2,673.91 payable monthly throughout the life of the member. Upon her death \$2,673.91 shall be continued monthly throughout the life of her surviving designated beneficiary. Should the member and the primary beneficiary fail to receive payments at least equal to the accumulated deductions of \$195,640.12, the balance shall be paid to the member's contingent beneficiary.
<b>OPTION THREE</b> [ ] <b>\$152.54</b>	\$2,859.87 payable monthly throughout the life of the member. Upon her death \$1,429.94 shall be continued monthly throughout the life of her surviving designated beneficiary. Should the member and the primary beneficiary fail to receive payments at least equal to the accumulated deductions of \$195,640.12, the balance shall be paid to the member's contingent beneficiary.

**\$22,126.12 more**

**OPTION FOUR**

Withdraw in one payment the accumulated deductions of \$195,640.12 credited to the member's account, of which \$8,948.04 will be recovered tax free in the year of the withdrawal. If not paid directly to the member, this latter amount is eligible to be rolled over. The remaining balance is also eligible to be rolled over. Any portion of the remaining balance 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. For Federal Income Tax purposes, the member will be able to exclude \$27.84 each month from gross income as determined by the IRS Simplified Method for Options Four (A) and (B), and \$27.84 for Options Four (C) and (D).

**(A)**

\$1,624.12 payable monthly throughout the life of the member.

**(B)**

\$1,568.09 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 \$219,154.56, the balance shall be paid to her designated beneficiaries.

**(C)**

\$1,412.82 payable monthly throughout the life of the member. Upon her death, \$1,412.82 shall be continued monthly throughout the life of her surviving designated beneficiary.

**(D)**

\$1,511.08 payable monthly throughout the life of the member. Upon her death, \$755.54 shall be continued monthly throughout the life of her surviving designated beneficiary.

Calculation Completed By:

*CBIZ Benefits & Insurance Services, Inc.*

Date

Effective 01/01/2026 – The Retirement Board, at the recommendation of the Actuary, will update the mortality table to the RP2013 Annuitant Mortality Table

Mortality tables show how long you are expected to live and are based on your year of birth and sex. These tables are used in the calculation of your monthly Pension Amounts.

The change in the mortality table will affect the present value of the member's benefit and the amounts for the optional forms of payment.

The following are some examples of the change in the mortality table. Sample 1 is the GAM83 and Sample 2 is the RP2013.

SAMPLE 1 COUNTY RETIREMENT ESTIMATE

Member: Jenny James Date of Birth: 1/1/1965 Sex: F Age: 60  
Beneficiary: Jesse James Date of Birth: 1/1/1965 Sex: M Age: 60  
Date of Retirement: 1/1/2025 Type of Retirement: Superannuation  
Final Salary: \$ 40,000.00

Member Contributions: \$ 0.00 /  
IRC 414(h)(2) 'Pickup' Contributions: \$ 30,000.00  
Total Interest Credited: \$ 30,000.00  
Accumulated Deductions: \$ 60,000.00

Present Value of Member's Retirement \$ 162,991.32

Allowance: Membership Service: 15.00000 Yrs

Member may elect to receive one of the following options:

- NO OPTION**  \$1,310.55 payable monthly throughout the life of the member. Should the member fail to receive payments at least equal to her accumulated deductions of \$60,000.00, the balance shall be paid to her designated beneficiaries. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
- OPTION ONE**  \$1,249.48 payable monthly throughout the life of the member. Should the member fail to receive payments at least equal to the present value of her retirement allowance of \$162,991.32, the balance shall be paid to her designated beneficiaries. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
- OPTION TWO**  \$1,099.46 payable monthly throughout the life of the member. Upon her death \$1,099.46 shall be continued monthly throughout the life of her surviving designated beneficiary. Should the member and the primary beneficiary fail to receive payments at least equal to the accumulated deductions of \$60,000.00, the balance shall be paid to the member's contingent beneficiary. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
- OPTION THREE**  \$1,195.06 payable monthly throughout the life of the member. Upon her death \$597.53 shall be continued monthly throughout the life of her surviving designated beneficiary. Should the member and the primary beneficiary fail to receive payments at least equal to the accumulated deductions of \$60,000.00, the balance shall be paid to the member's contingent beneficiary. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.

Retirement Estimate for Jenny James-Sample 1, Superannuation

**OPTION FOUR**

Withdraw in one payment the accumulated deductions of \$60,000.00 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.

- (A) \$833.50 payable monthly throughout the life of the member. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
- (B) \$789.52 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 \$102,991.32, the balance shall be paid to her designated beneficiaries. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
- (C) \$694.80 payable monthly throughout the life of the member. Upon her death, \$694.80 shall be continued monthly throughout the life of her surviving designated beneficiary. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
- (D) \$757.86 payable monthly throughout the life of the member. Upon her death, \$378.93 shall be continued monthly throughout the life of her surviving designated beneficiary. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.

Date: 09/24/2024

\_\_\_\_\_  
Korn Ferry (US)

\* Please check Option selected, initial, date, and return to the secretary of the retirement board.

\* Please note that this is an estimate and is based on information provided by the county. Upon review, if a discrepancy is noted, please report this to the retirement board.

SAMPLE 2 COUNTY RETIREMENT ESTIMATE

Member:	Jenny James	Date of Birth:	1/1/1965	Sex:	F	Age:	60
Beneficiary:	Jesse James	Date of Birth:	1/1/1965	Sex:	M	Age:	60
Date of Retirement:	1/1/2025	Type of Retirement:	Superannuation				
Final Salary:			\$			40,000.00	
Member Contributions:			\$			0.00	
IRC 414(h)(2) 'Pickup' Contributions:			\$			30,000.00	
Total Interest Credited:			\$			<u>30,000.00</u>	
Accumulated Deductions:			\$			60,000.00	
Present Value of Member's Retirement Allowance:			\$			170,359.68	
Membership Service:					15.00000		Yrs

Member may elect to receive one of the following options:

- NO OPTION**      \$1,281.31 payable monthly throughout the life of the member. Should the member fail to receive payments at least equal to her accumulated deductions of \$60,000.00, the balance shall be paid to her designated beneficiaries. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
- OPTION ONE**      \$1,239.17 payable monthly throughout the life of the member. Should the member fail to receive payments at least equal to the present value of her retirement allowance of \$170,359.68, the balance shall be paid to her designated beneficiaries. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
- OPTION TWO**      \$1,135.90 payable monthly throughout the life of the member. Upon her death \$1,135.90 shall be continued monthly throughout the life of her surviving designated beneficiary. Should the member and the primary beneficiary fail to receive payments at least equal to the accumulated deductions of \$60,000.00, the balance shall be paid to the member's contingent beneficiary. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
- OPTION THREE**      \$1,203.92 payable monthly throughout the life of the member. Upon her death \$601.96 shall be continued monthly throughout the life of her surviving designated beneficiary. Should the member and the primary beneficiary fail to receive payments at least equal to the accumulated deductions of \$60,000.00, the balance shall be paid to the member's contingent beneficiary. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.

Retirement Estimate for Jenny James- Sample 2, Superannuation

**OPTION FOUR**

Withdraw in one payment the accumulated deductions of \$60,000.00 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.

- (A) \$833.50 payable monthly throughout the life of the member. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
- (B) \$802.74 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 \$110,359.68, the balance shall be paid to her designated beneficiaries. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
- (C) \$735.90 payable monthly throughout the life of the member. Upon her death, \$735.90 shall be continued monthly throughout the life of her surviving designated beneficiary. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.
- (D) \$781.67 payable monthly throughout the life of the member. Upon her death, \$390.84 shall be continued monthly throughout the life of her surviving designated beneficiary. For Federal Income Tax purposes, the entire monthly annuity is subject to tax.

Date: 09/24/2024

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Korn Ferry (US)

- \* Please check Option selected, initial, date, and return to the secretary of the retirement board.
- \* Please note that this is an estimate and is based on information provided by the county. Upon review, if a discrepancy is noted, please report this to the retirement board.

To summarize the changes in the mortality table:

- Most amounts are increasing. For every member, the present value of the benefit will increase. This is since people are expected to live longer.
- The early retirement factors are increasing, meaning there is less reduction to the benefit at the same age.
- The amount for the other optional forms of payment of the member's benefit will change also. The amounts of No Option at and after superannuation retirement age will decrease. The amounts for No Option for early retirements and Option One may increase or decrease.
- The magnitude of the change depends on various factors including age at retirement, the amount of accumulated deductions, and the present value benefit.
- For Option 2 and Option 3, the benefit amounts were mostly higher using the new table.



# “RETIRE FROM WORK, BUT NOT FROM LIFE.”

Contact Information:

Dana Descavish

Second Deputy Controller

Pension Benefits Health Care Administrator

200 S. Center St.

Ebensburg, PA 15931

[ddescavish@co.cambria.pa.us](mailto:ddescavish@co.cambria.pa.us)

814-472-1620 or x 6302

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