

## OCERS Administrative Procedure (OAP) Required Minimum Distributions

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### Authority

Gov. Code § 31706:

Any member who has left county service and has elected to leave accumulated contributions in the retirement fund or who is deemed to have elected a deferred retirement pursuant to subdivision (b) of Section 31700 and has attained age 70 but has not yet applied for a deferred retirement allowance and who is not a reciprocal member of a retirement system established pursuant to this chapter or the Public Employees' Retirement Law shall be notified in writing by the treasurer, or other entity authorized by the board, that the member is eligible to apply for and shall begin receiving a deferred retirement allowance by April 1 of the year following the year in which the member attains age 70. The notification shall be made at the time the deferred member attains age 70 and shall be sent by certified mail to the member's last known address, or to the member's last known employer, as shown by the records of the retirement system. If the member can be located but does not make proper application for a deferred retirement allowance with retirement to be effective by April 1 of the year in which the member attains age 70, the retirement system shall commence paying an unmodified allowance to the member. If the member cannot be located by April 1 of the year following the year in which the member attains age 70, all of the member's accumulated contributions and interest thereon shall be deposited in, and become a part of, the current pension reserve fund of the retirement system. The board may at any time after transfer of proceeds to the reserve fund upon receipt of proper information satisfactory to it, redeposit the proceeds to the credit of the claimant, to be administered in the manner provided under this law. This section shall not apply to a member while the member is actively employed past mandatory retirement age in a retirement system established under the provisions of this chapter or the Public Employees' Retirement Law.

*See also* IRC § 401(a)(9) and OCERS Regulation for IRC § 401(a)(9) – Minimum Distributions Rules

### Process

1. When a deferred member who is not an active member of a reciprocal system as stated in section 31706 has reached age 70, OCERS will notify that member in writing that the member is eligible to apply for retirement and will begin receiving a retirement allowance on April 1 of the year following the calendar year in which the member attains the age of 70.
2. For purposes of this procedure a deferred member of OCERS is a member who has left employment of an OCERS covered employer and elected to leave his or her member contributions on deposit with OCERS.
3. This procedure does not pertain to active members who have reached the age of 70 and are still employed by an OCERS covered employer. Members who continue to be actively employed by an OCERS covered employer are exempt from minimum distributions rules pertaining to OCERS. Minimum distribution rules pertaining to other retirement systems may still apply.
4. This procedure does not apply to a deferred member who has reached the age of 70 and is still an active member of a reciprocal county employees retirement system or CalPERS where reciprocity has been established.

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5. The notice will be sent via certified mail to the member's last known address or last known employer.
6. If the member can be located but does not make an application for retirement that will be effective by April 1 of the year following the calendar year in which the member attains the age of 70, OCERS will set up the retirement benefit and begin paying the member an unmodified allowance (Gov. Code § 31760.1).
7. If the member cannot be located by April 1 of the year following the calendar year in which the member attains the age of 70, all of the member contributions and interest on those member contributions will be deposited in the OCERS pension reserve fund.
8. After deposit of member contributions and interest into the pension reserve fund, the member or a beneficiary may petition the Board of Retirement to redeposit the member contributions and interest into the system to the credit of the claimant. The claimant must provide information and documentation satisfactory to the Board showing that that claimant is entitled to the credit.
9. A petition to the Board should be sent to OCERS Member Services Director. The matter will then be placed on a regular Board meeting agenda.
10. If the Board determines the information provided is satisfactory, the member contributions and interest will be credited back to the member's account and benefits will be administered according to the County Employees Retirement Law.
11. If the Board determines the information provided is not satisfactory, the claimant shall be given the opportunity to provide additional information. If after having had the opportunity to provide additional information, the totality of the information is still not satisfactory to the Board, the claimant may request an administrative hearing of the matter. Administrative hearings will be conducted in accordance with OCERS' Administrative Hearing Procedures.
12. If OCERS is unable to determine the age or amount of service of a member, the Board may estimate the member's age and length of service in order to administer benefits under the County Employees Retirement Law (Gov. Code § 31531).
13. In the event that this procedure conflicts with statutory or case law, that statutory or case law will prevail.