



# **MEMBER CONTRIBUTION UNDERPAYMENT COLLECTION POLICY**

## **PURPOSE**

The purpose of this Policy is to set forth procedures for handling the underpayment of member contributions discovered during the retirement application process.

## **POLICY**

The Board of Retirement ("Board") has a fiduciary obligation to conserve retirement fund assets and protect the integrity of the fund for the benefit of the members and beneficiaries of the Sacramento County Employees' Retirement System ("SCERS").

The Board determines the required member contributions in accordance with law and in consultation with its actuary. Subject to all applicable laws, it shall be SCERS' policy to make every reasonable effort to recover from a member the amount of any underpayment of contributions consistent with this Policy and the procedures established by the Board.

During the retirement application process, SCERS Staff reviews the member's employment history to determine whether the member has made the requisite member contributions (not those contributions associated with service purchases) over the course of his/her career. On occasion, there is a discrepancy. Often these discrepancies amount to only a few dollars. Currently, Staff notifies the member and requires the member to remedy the discrepancy prior to continuing the application process. This can significantly delay the process.

This policy provides Staff the authority to exercise its discretion in resolving minor contribution discrepancies.

In the event of any inconsistency between applicable law and this Policy, the law shall take precedence.

## **APPLICATION**

### **Underpayment of Member Contributions by Members**

The Board believes that considerations of cost effectiveness make it prudent and reasonable to pursue recovery of underpayments only where the cumulative total amount underpaid by the member is \$100 or more. In the review of a member's employment history to determine whether the member has made the requisite member contributions (not those contributions associated with service-related purchases), the Board authorizes the SCERS' Chief Executive Officer (CEO) to not seek recovery of any underpayments where the total amount underpaid by the member is less than \$100.

## RESPONSIBILITIES

Executive Owner: Chief Benefits Officer

## POLICY HISTORY

| Date       | Description               |
|------------|---------------------------|
| 08-01-2018 | Renumbered from 00x       |
| 07-19-2018 | Board approved new policy |