

BENEFIT PAYMENT POLICY

I. PURPOSE

The payment of benefits to members is the core purpose of the Mendocino County Employees Retirement Association (MCERA). The MCERA Strategic Plan recognizes this fact with the stated objective “MCERA will maintain a 100% success rate in the timely delivery of monthly retirement benefits.” The purpose of this Policy is to establish and document the guidelines and procedures regarding the payment of benefits to members.

II. POLICY OBJECTIVES

Payment via automated clearing house (ACH or direct deposit) is the most secure and certain means by which MCERA is able to ensure timely delivery of benefits to our members. Accordingly, all members are strongly encouraged to elect direct deposit for regular monthly benefit delivery.

III. POLICY GUIDELINES

MCERA pays regular monthly retirement benefits and lump sum benefits to members. All benefit payments are made monthly, in arrears, on the last banking day of the month. The following policy guidelines regarding the payment of benefits are hereby adopted.

A. REGULAR MONTHLY RETIREMENT BENEFIT PAID BY DIRECT DEPOSIT

For members retiring after November 6, 2019, benefit payments will only be made via automated clearing house (ACH or direct deposit) to the account designated by the member. Once a member has elected direct deposit, that member, regardless of their retirement date shall only have future benefits paid by direct deposit. The Executive Director may allow exceptions to the direct deposit requirement in extenuating circumstances.

MCERA will pay regular monthly retirement benefits by direct deposit on the last banking day of the month. MCERA has a Business Continuity Plan (BCP) with back-up capabilities to ensure the

payment of regular monthly retirement benefit paid by direct deposit occurs on the scheduled payment date.

B. REGULAR MONTHLY RETIREMENT BENEFIT PAID BY CHECK

For members who retired prior to November 6, 2019 and have not previously elected to receive benefits by direct deposit, MCERA will process regular monthly retirement benefits by check. These checks will be mailed to the member at the address provided to MCERA by the member.

It is the position of the Board that the processing of regular monthly retirement benefits paid by check is not a critical operation in the event of a disruption to MCERA operations, and the activation of the BCP. In accordance with this position, MCERA will not process regular monthly retirement benefits paid by check during a disruption to MCERA operations requiring the activation of the BCP. MCERA will process regular monthly retirement benefits paid by check after the conclusion of the disruption to MCERA operations and the de-activation of the BCP. The Executive Director may, at his or her sole discretion, approve the processing of regular monthly retirement benefits paid by check during a disruption to MCERA operations, and the activation of the BCP.

If MCERA receives advance notice of a disruption, staff may attempt to complete the processing of regular monthly retirement benefits paid by check in advance of the disruption. If advance processing of regular monthly retirement benefits paid by check is completed, those checks will be mailed to members in accordance with this policy. The processing of regular monthly retirement benefits paid by direct deposit shall always take precedence over the processing of regular monthly retirement benefits paid by check.

Regular monthly retirement benefit checks will be delivered by mail only, members may not pick up a check. Regular monthly retirement benefit checks will be mailed on or after the last banking day of the month. If either the MCERA Office or County Offices are closed, for any reason, on the last banking day of the month, checks will be mailed on the next business day on which both MCERA and County Offices are open.

C. LUMP SUM BENEFIT PAYMENTS

Lump sum benefit payments to members are paid by paper check and will be processed in a manner similar to the regular monthly retirement benefit checks paid by check described above.

D. LOST CHECKS

If a member notifies MCERA that a regular retirement benefit check or a lump sum benefit check has been lost, MCERA will send the member the Lost Check Affidavit form. When the member returns the Lost Check Affidavit, MCERA staff will initiate the process to issue a replacement payment. If the member elects to receive the replacement benefit by direct deposit, the replacement benefit will be issued the business day following the receipt of the completed Lost Check Affidavit form. If the member elects to receive the replacement benefit by check, a replacement check will be issued no sooner than 5 business days after receipt of the Lost Check Affidavit form. A replacement check will be treated in a manner similar to the regular monthly retirement benefit checks paid by check described above.

IV. POLICY REVIEW

This Policy is subject to change in the exercise of the judgment of MCERA management. The Executive Director may review and amend this policy at any time in accordance with the Executive Director Charter, Section II.C.7.

V. POLICY HISTORY

This policy was implemented by the MCERA Executive Director on November 6, 2019.