County of Monterey
Board Policy Manual

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Partial Service Retirement Program	P-241	1 of 4
Policy Category Personnel		

I. Purpose

The purpose of the policy is to offer voluntary partial service retirement (PSR) to eligible employees based on departmental operational needs. The Partial Service Retirement Program (PSRP) is a benefit that allows full-time (0.8 or greater) employees to work part-time schedules while beginning to draw retirement benefits and is in accordance with the California Public Employees' Retirement System (CalPERS). This new benefit will allow managers to provide unique mentoring opportunities for employees while increasing access to the decades of institutional knowledge and experience that retirees possess

II. Policy

Contingent upon CalPERS approval and consistent with departments' operational needs, it is the intent of the County to provide employees the opportunity to participate in the PSRP in accordance with CalPERS requirements and applicable State regulations. Employees participating in the PSRP are considered "active" employees with a reduced full-time equivalent (FTE), between 0.2 and 0.6. The appointing authority has the sole discretion to identify which positions may be eligible for the PSRP. Participating employees may reduce their work time as part of the program consistent with departments' operational needs.

a) Eligibility

Identified positions may be eligible to participate in PSRP if the prerequisites below are met:

- Prior to retirement, the employee is a full-time (as defined by CalPERS local miscellaneous or local safety member;
- The employee has met the minimum required years of service and normal retirement age based on membership status (i.e., if the employee's retirement formula is 2% at 55 the normal retirement age is 55); and,
- The department has an operational need to retain the employee's specific skill set, experience, and institutional knowledge to ensure the continuity of service to the public.

b) Employee Benefits

Employees participating in PSRP are not considered "retired" for purposes of CalPERS until they apply and are approved for full retirement benefits by CalPERS. Under the program benefits are determined as follows:

- Benefits – Participants are entitled to the same benefits as provided by law for employees under the same circumstances who are employed full time (0.8 FTE or greater). Participants are eligible to participate in the Internal Revenue Code, section 125 Cafeteria Flexible Benefits Plan as provided by law for employees under the same circumstance who are active permanent benefited employees to include participation in Medical, Dental, Vision, Flexible Spending Account, Dependent Care Assistance Program, and Annual Leave/Vacation/Personal Time Off (PTO) Buy Back Plan.

- Flex Credits/County Contributions – Participants working a minimum 0.5 FTE are eligible to receive the same County flex credits/contribution received by active full-time employees as outlined in the employee's corresponding Memorandum of Understanding or Personnel Policies and Practices Resolution No. 98-394.

- Federal Insurance Contributions Act (FICA) and Medicare Contribution – Participants will continue to contribute to FICA and Medicare in accordance with Federal requirements and as appropriate.

- Service Retirement Credits – Based upon actual hours worked, service credits are accumulated until they equal one month of full-time service; for example, participants working half-time (0.5 FTE) must work two months to earn one month of full-time service.

- 457(b) Deferred Compensation Plan – Participants will continue to be eligible to voluntarily participate in the plan.

- Holidays – Participants will be compensated for County Observed Holidays prorated based on their FTE.

- Annual Leave – Participants will be credited and prorated for annual leave based on their FTE.

- Vacation – Participants will be credited and prorated for vacation based on their FTE.

- Sick Leave – Participants will be credited and prorated for sick leave based on their FTE.

- Paid Time Off – Participants will be credited and prorated for PTO based on their FTE.

- Workers Compensation Leave of Absence – Participants will be eligible in accordance with applicable California State Law.

- Life Insurance – Participants are only eligible as outlined in their corresponding Memorandum of Understanding or Personnel Policies and Practices Resolution No. 98-394 based on their classification and a minimum 0.5 FTE.

- 401(a) Defined Contribution Plan – Participants will not be eligible and all employer contributions will cease.

III. Method of Payment

Participants will receive two types of payments. One payment represents the partial pension issued by CalPERS typically on a monthly basis on the first day of each month. These payments are recalculated when the participant has a change in FTE status or applies for full-service retirement. County base wage adjustments will not impact the monthly issued partial pension.

The second payment represents the corresponding portion of the hours worked as a particular service retiree for the participant's classification and paid by the County of Monterey on a bi-weekly basis. Participants are taxed on the hours worked. Taxes and payroll deductions will be taken from the County issued paycheck. It is the participant's responsibility to ensure there is enough net income to cover any deductions (i.e., out of pocket benefit deductions and/or deferred compensation).

IV. Reporting Procedure

The roles and responsibilities for the PSRP include:

a) The Department Head's budget must absorb the participant(s) costs.

b) The Department Head must complete the County's PSRP Request Form and receive approval from the County Administrative Officer (CAO) or designee prior to communicating with a potential participant. The CAO may approve positions/classifications to participate for up to two (2) years with an option to extend participation twice on one (1) year intervals for a maximum of four (4) years.

c) The Department Head, with CAO approval, must agree to the workload reduction before the potential participant can apply for PSR with CalPERS. This workload reduction may be for no less than 20 percent and no more than 60 percent.

d) Participants must submit the PSR Application (CalHR 062) to CalPERS. The CAO or designee will sign the PSR Application on behalf of the Personnel Officer. Applications must be submitted at least 60 days before the effective date of PSR.

e) Upon approval from CalPERS, the Department Head's assigned Departmental Human Resources Analyst and Benefit Coordinator will complete the necessary paperwork to update the employee record in the Human Resources Management System.

V. Change in Full-Time Equivalent (FTE)

a) Pursuant to CalPERS requirements, participants may elect only once a fiscal year to further reduce their FTE and elect only once in five years to increase their FTE to another less than full-time schedule.
b) Pursuant to CalPERS requirements, participants who elect to return to full-time status (0.8 or greater FTE) shall not be eligible to reapply for PSR within five (5) years.
c) Participants can submit a request to reinstate to full-time status; however, shall be subject to approval by the CAO. If approved, pursuant to CalPERS requirements, the participant shall not be eligible to apply for PSR within five (5) years.
d) The County of Monterey may require a participant to return to full-time status only in the event of an emergency requiring the participant's full-time service.

VI. Change in Position/Classification

a) A change in the participant's position/classification or transfer to a new department will automatically terminate participation in PSRP.
b) The Department Head must complete a new PSRP Request Form and receive approval from the CAO if the Department Head wishes to continue the participant's PSR under the new position/classification.

VII. Resources

- Human Resources Department Employee Benefits Division
  benefitshelp@co.monterey.ca.us

- CalPERS
  https://www.calpers.ca.gov/

Other Resources Materials

- CalPERS Partial Service Retirement Guide
  https://www.calpers.ca.gov/docs/forms-publications/partial-service-retirement.pdf

VIII. Review Date

a) This Policy will be reviewed for continuance by July 25, 2028

IX. Board Action

a) Legistar File No. Res 23-134, July 25, 2023