

Federated Retirement Fund**Fund 134****PURPOSE OF THE FUND:**

The Federated Retirement Fund was established to manage investments and to provide for retirement benefits to eligible employees of the City, except members of the Police and Fire Retirement Plan, and their beneficiaries. Retirement benefits include service retirement payments, service connected disability and non-service connected disability retirement payments, survivorship benefit payments, death benefit payments, and medical and dental benefits payments. All income and other moneys related to these benefits are paid into and held in this fund. All benefits or allowances to retired members of the Federated City Employees' Retirement System and their beneficiaries are paid from this fund.

AUTHORITY FOR THE FUND:

San José Municipal Code Sections 3.28.010 through 3.28.375. The Federated Retirement Board has the exclusive control over the administration and investment of the Federated Retirement Fund.

SOURCE OF FUNDS:

- City contributions
- Employee contributions
- Interest earnings
- Interfund transfers
- Investment earnings

FUND RESTRICTIONS:

Funds are held in trust for the exclusive purpose of providing benefits to members of the Federated Retirement System and their beneficiaries and defraying the reasonable expenses of administration of the System. Because the System is designed to be a "qualified plan," additional limitations are imposed by the Internal Revenue Code.

LEAD RESPONSIBILITY:

Retirement Services Department

Federated Retirement Fund**Fund 134****FINANCIAL INFORMATION AND LOCATION:****Comprehensive Annual Financial Report (CAFR) Designation:**

Fiduciary Fund

Budget Location:

Adopted Operating Budget

Funding Sources Resolution and Appropriation Ordinance Location:

N/A

NOTES:

The Federated Retirement Fund is budgeted separately from all other City funds, and therefore, is not represented in the Appropriation Ordinance. This fund appears in the Adopted Operating Budget for informational purposes only, due to the fact that City staff directly charge this fund.

A cap on administrative expenses of 0.1% of Total Assets exists for this fund. The percentage is calculated by dividing the total personal services costs by total assets held in the fund. The cap may be changed through the meet and confer process with employee organizations representing members of the Federated System.

The Federated Employee Cost of Living Fund (Fund 140) is a memo fund to this fund.