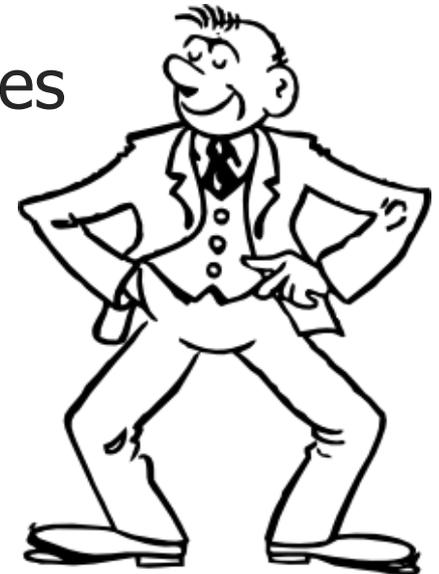




WELCOME

Sierra Orr, Communications Officer

1. SBCERA retirement plan and benefits
2. Benefits calculations
3. Ways to increase benefits
4. Reciprocity, Social Security & Beneficiaries
5. When you may want to retire
6. Resources



INTRODUCTION

- Established: **January 1, 1945**
- Active Plan Sponsors: **17**
- **Defined benefit** pension plan
- Total Membership: **33,495**
- **Two tiers** of membership classification
 - **Tier 1:** Membership date **prior to** Jan. 1, 2013
 - **Tier 2:** Membership date **on or after** Jan. 1, 2013
- Two Types of Membership: General and Safety

FISCAL FACTS

- Over **\$7 billion** in assets managed by the Board of Retirement
- Total Investment Portfolio Return: **15.05%** FY End June 30, 2013
- Funded Ratio: **79.27%**
- Average Retirement Benefit
 - **Monthly \$3,037**
 - **Annually \$36,446**



MILESTONE # 1 - VESTING

There are **two milestones** as a member of SBCERA

- After **5 years of service credit**, you become VESTED!
- Lifetime monthly benefit
 - Other Advantages
 - Deferred Retirement
 - Additional Death Benefits
 - Non Service-Connected Disability Retirement



MILESTONE #2 – RETIREMENT ELIGIBILITY

Tier 1 Members

- **50 or older** with at least **10 years** of service credit
- **70 or older**, (active status) with **any amount** of service credit
- **General** members, regardless of age, with at least **30 years** of service credit
- **Safety** members, regardless of age, with at least **20 years** of service credit
- **Active part-time** members at **age 55** or older with at least **10 years** of membership and **5 years** of service credit

MILESTONE #2 – RETIREMENT ELIGIBILITY

Tier 2 Members



- **General** members **Age 52** with at least **5 years of service credit**
- **Safety** members **Age 50** with at least **5 years of service credit**
- **Age 70** or older with **any amount** of service credit

TYPES OF RETIREMENT

- **Service Retirement**

- **Lifetime** monthly benefit
- Possible continuance to your beneficiary



- **Disability Retirement**

Disabled means you are **permanently incapable** of performing your essential job duties.

- Service-Connected
- Non Service-Connected

CALCULATING YOUR BENEFIT

Age at Retirement

Every **1/4 yr** counts

&

Years of Service Credit

Every **pay period**
counts

&

Final Average Compensation

Highest
12 -36 consecutive
months

&

Benefit Formula

Tier &
Classification

TOTAL MONTHLY LIFETIME BENEFIT

FINAL AVERAGE COMPENSATION

Tier 1: Highest earnable compensation over any **12 consecutive months**

- Earnable Compensation is base salary, plus:
 - Flexible benefit dollars
 - Bilingual pay
 - Shift differential



Tier 2: Highest pensionable compensation over any **36 consecutive months**

Excludes overtime hours

See your employer for details!

SAMPLE BENEFIT CALCULATION

Tier 1 Members

General Tier 1 Member

Formula: 2% @ 55

Service Credit: **25 years**

Final Compensation: **\$6,000**

Age: **55**

Formula % x Service Credit x Age Factor

$$2\% \times 25 \times 1 = .50$$

Result x Final Compensation

$$.50 \times \$6,000 = \underline{\$3,000}$$

Safety Tier 1 Member

Formula: 3% @ 50

Service Credit: **20 years**

Final Compensation: **\$6,000**

Age: **50**

Formula % x Service Credit x Age Factor

$$3\% \times 20 \times 1 = .60$$

Result x Final Compensation

$$.60 \times \$6,000 = \underline{\$3,600}$$

- Average SBCERA **General** Service Retirement (Tier 1)
 - Age 64.95
 - 18.53 years of SBCERA Service Credit
- Average SBCERA **Safety** Service Retirement (Tier 1)
 - Age 58.47
 - 24.65 years of Service Credit



ENHANCING YOUR BENEFIT

Service Credit Purchases

- As your years of **service credit** go **↑** , your retirement **benefit** goes **↑**
- Ways to increase service credit: Work longer **or** **purchase service credit** (if applicable)



TYPES OF PURCHASES

Type	Purchase Limit	Allowable Uses of Time	Cost
Redeposit of Withdrawn Contributions	None	<ul style="list-style-type: none"> • Vesting • Retirement Eligibility • 30-Yr Cont. Requirement (<i>Tier 1</i>) • Enhanced Benefit 	\$
Past Ineligible Service <i>(Part-Time, Temp, Seasonal)</i>	None	<ul style="list-style-type: none"> • Vesting • Retirement Eligibility • 30-Yr Cont. Requirement (<i>Tier 1</i>) • Enhanced Benefit 	\$
Authorized Leave <i>(Military, Injury, Illness)</i>	Up to 12 consecutive months per sick leave	<ul style="list-style-type: none"> • Vesting • Retirement Eligibility • 30-Yr Cont. Requirement (<i>Tier 1</i>) • Enhanced Benefit 	\$
Prior Public Agency Service <i>(County, Federal, Military)</i>	None	<ul style="list-style-type: none"> • Enhanced Benefit 	\$\$

PAYMENT OPTIONS

- Rollover from deferred compensation (i.e. 457b or 401k)
- Payment Plan
- After-Tax Lump Sum Payment
- Partial Lump Sum and Payment Plan



PURCHASES & PLANNING IN ADVANCE

General Member - Tier 1 - Retirement Planning Table

		Age At Retirement								
		57	58	59	60	61	62	63	64	65+
Years of Service Credit	10	22.01%	23.37%	24.73%	26.19%	27.22%	28.25%	29.28%	30.31%	31.34%
	11	24.31%	25.71%	27.20%	28.80%	29.94%	31.07%	32.20%	33.34%	34.47%
	12	26.52%	28.15%	52.37%	31.42%	32.66%	33.90%	35.13%	36.37%	37.60%
	13	28.72%	30.58%	32.15%	34.04%	35.38%	36.72%	38.06%	39.40%	40.74%
	14	30.93%	32.72%	34.62%	36.66%	38.10%	39.54%	40.99%	42.43%	43.87%
	15	33.14%	35.06%	37.01%	39.28%	40.82%	42.37%	43.91%	45.46%	47.00%
	16	35.35%	37.40%	39.57%	41.90%	43.55%	45.19%	46.83%	67.33%	50.14%
	17	37.56%	39.73%	42.04%	44.52%	46.27%	48.02%	49.77%	51.52%	53.27%
	18	39.77%	42.07%	44.51%	47.13%	48.99%	50.84%	52.70%	54.55%	56.40%
	19	41.98%	44.41%	46.99%	49.76%	51.71%	53.67%	55.62%	57.58%	59.54%
	20	44.19%	46.74%	49.46%	52.37%	54.43%	56.49%	58.55%	60.61%	62.67%
	21	46.40%	49.08%	51.93%	54.99%	57.15%	59.32%	61.48%	63.64%	65.81%
	22	48.61%	51.42%	54.41%	57.61%	59.88%	62.14%	64.41%	66.67%	68.94%
	23	50.82%	53.76%	56.88%	60.23%	62.60%	64.97%	67.33%	69.70%	72.07%
	24	53.03%	56.09%	59.35%	62.85%	65.32%	67.79%	70.26%	72.73%	75.21%
	25	55.24%	58.43%	61.83%	65.47%	68.04%	70.62%	73.19%	75.77%	78.34%
26	57.45%	60.77%	64.30%	68.08%	70.76%	73.44%	76.12%	78.80%	81.47%	

ESTABLISHING RECIPROACITY

Linking **public** retirement systems together to preserve and enhance overall benefits

Requirements to Establish Reciprocity

- Must **elect** to establish
- **No more than 6 months**, or 180 days, break in service
- Cannot be retired from the other system
- Contributions were left with previous system
- No overlapping service credit
- Must retire **concurrently** from all systems on the **same effective date** (SBCERA Requires Advance Notice)

BENEFITS OF RECIPROACITY

1. **Service credit** counts toward **vesting and eligibility** requirements
2. Highest **Final Average Compensation** from either system may be used by both systems to calculate your benefit
3. If **a member** of an eligible reciprocal public retirement system **prior to January 1, 2013** establishes reciprocity, they **may** be eligible for the tier and benefit levels in place prior to January 1, 2013



BENEFICIARIES

- Designate a **beneficiary** for various **benefits**
 - Can designate one person, multiple people or your estate (no trusts)
 - Spouse/domestic partner, eligible child, your estate or someone with an insurable interest
- **Benefits vary** based on
 - Active or Retired
 - Vested or Non-Vested
 - Service or Non Service-Connected



WHAT ABOUT MY CONTRIBUTIONS?

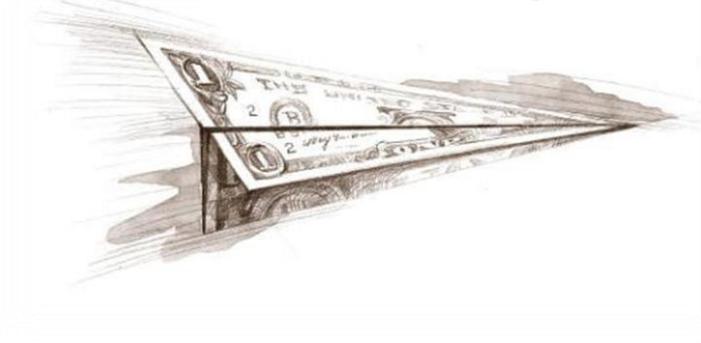
- Benefit is **not** based on your contributions
- After **30-years** of continuous service **contributions end** (Tier 1 members only)
- **Refundable** versus **non-refundable**
 - **ONLY REFUNDABLE** contributions can **ever** be refunded to you or your beneficiaries
- **Cannot** borrow from your contributions at any time



WHAT IF I TERMINATE EMPLOYMENT?

Your Options Upon Termination

- **Lump Sum Refund**
 - Only **REFUNDABLE** contributions and interest
 - Waives any future benefits from SBCERA
- **Deferred Retirement**
 - Leave contributions **on deposit** with SBCERA
 - Retire at a later date once you are eligible and ready to retire



WHAT ABOUT SOCIAL SECURITY?

- Must have **40 credits** of employment with Social Security
- Reduced by **Windfall Elimination Provision (WEP)** and/or the **Government Pension Offset (GPO)**
- GPO impacts your ability to collect S.S. benefits on a spouse's record
- Likely eligible for Medicare benefits
- Use the **WEP Calculator** at **www.ssa.gov**



KEEP IN MIND, AT ALL TIMES

▪ **Divorce**

- SBCERA **must** receive a conformed (*signed by the judge*) copy of your divorce settlement/judgment

▪ **All Life Changes**

- Forms are available in Member Direct, on the SBCERA Mobile app, or by request over the phone
 - **Name** (updated via employer while active)
 - **Address** (updated via employer while active)
 - **Marital Status** (updated via employer while active, but must contact SBCERA re: judgment or beneficiaries)
 - **Beneficiaries** (MUST contact SBCERA)



CHOOSING WHEN TO RETIRE

- **Your Birthday:** Every $\frac{1}{4}$ year counts up to specific age based on your retirement benefit formula
- **Winter:** Upon retirement, you may receive lump-sum payments for remaining leave accruals. These payments may be included in your taxable income and place you in a higher tax bracket.
- **Leave Accruals:** Some members may be eligible to complete a sell-back or cash-out prior to retirement. This may increase your final average compensation for the year.
- **Cost-of-Living Adjustment (COLA)**
 - Effective April 1st, if approved
 - Based on Consumer Price Index (CPI) & Rounded to nearest .5%
 - **Up to 2% increase**

GETTING READY TO RETIRE

- Can only **sign and file application within 60 Days** of effective date
- **Required Documents**
 - Member and Beneficiary's **Birth Certificate(s)**
 - **Marriage Certificate** or **Domestic Partnership Registration**
 - Original or Certified copies **ONLY!**
- **Benefit paid the last business day of the month**
- **Benefit is taxable**



SBCERA RESOURCES

- **www.SBCERA.org** - Create online account & benefit estimates
- **Member Direct** – Membership portal
- **The Compass** - Plan Description
- **Quarterly Review** Newsletter *
- **Annual Member Statement** *
- **Retirement Representatives**—available by phone or appointment
- **SBCERA Mobile App** – Android and Apple



CONTACT INFORMATION

San Bernardino County Employees' Retirement Association

SBCERA

348 W. Hospitality Lane, 3rd Floor
San Bernardino, CA 92415-0014
(909) 885-7980

Toll Free (877) 722-3721
Appointments Preferred

WWW.SBCERA.ORG