



# Understanding Your Retirement FAQ

San Joaquin County Employees' Retirement Association

## Table of Contents

### **Presentation Information** **Page. 2**

- Will a copy of this presentation be available?
- Is the presentation being recorded so we can watch it later?

### **Membership, Tiers & Eligibility** **Page. 2**

- What determines whether someone is a Safety or General member?
- What determines which Tier level you are in?
- What are the requirements to retire under Tier 1 and Tier 2?
- What is meant by "5 years to vested"? Is this calculated by calendar years or hours worked?

### **Contributions, Interest & Taxes** **Page. 3**

- Are retirement contributions taken from our paycheck or paid by the employer?
- Are retirement contributions taxable by the IRS and/or the state of California?
- If I leave before vesting, do I get my contributions back?
- How long can I leave my contributions with SJCERA if I leave but might return?

### **Retirement Benefit Calculations** **Page. 3**

- How are monthly benefits calculated?
- How is Final Average Compensation (FAC) calculated?

### **Payout Options & Leave Balances** **Page. 3**

- When I retire, when will I receive my first benefit payment?
- Payout Option Breakdown
- Why does the COLA appear on my May check when it goes into effect in April?

### **Beneficiaries & Survivor Benefits** **Page. 4**

- Who can be a beneficiary?
- How can I update my beneficiary?
- How long must I be married for my spouse to receive survivor benefits?
- How much and how long will my beneficiary receive payments?

### **Reciprocity** **Page. 5**

- How do I establish reciprocity?

### **Service Credit Purchases** **Page. 5**

- What types of service credit can I buy back?
- Are there flexible payment options for purchasing service credit?

### **Estimate Request & Retirement Planning** **Page. 5**

- How can I request a retirement benefit estimate?
- How far in advance can I apply for retirement?

## PRESENTATION INFORMATION

### Will a copy of this presentation be available?

Yes. You can find a copy of the presentation slides on our website. View the Power Point slides here: <https://www.sjcera.org/active-members/retirement-planning/retirement-planning-seminars>

### Is the presentation being recorded so we can watch it later?

Yes a version of the presentation is recorded and added to our YouTube page here: [https://youtu.be/lqyp5XPaf18?si=icHH53OHtk\\_HyCJ9](https://youtu.be/lqyp5XPaf18?si=icHH53OHtk_HyCJ9)

## MEMBERSHIP, TIERS & ELIGIBILITY

### What determines whether someone is a Safety or General member?

Your Membership Type is determined by your job classification.

- **Safety members** include: Probation officers, Firefighters, District Attorney Investigators, and more. You can find the full list here: [List of Safety Member Job Classifications](#)
- **General members** include: All other employees not included on that list.

### What determines which Tier level you are in?

Your membership tier is based on your hire date or the date you establish reciprocity with another California public retirement system.

- **Tier 1:** Members hired before January 1, 2013, or those with incoming reciprocity from a public agency before that date.
- **Tier 2:** Members hired on or after January 1, 2013, or those with incoming reciprocity from a public agency on or after that date.

### What are the requirements to retire under Tier 1 or Tier 2?

To retire from SJCERA, there is an age factor and years of service factor. Note that Tier 1 members are also required to have 10+ years of membership from their initial hire date.

- **Tier 1:** Age 50+ w/ 5 years of service and 10+ years of membership **OR** 70+ with any years of service.
- **Tier 2 General:** Age 52+ w/ 5 years of service
- **Tier 2 Safety:** Age 50+ w/ 5 years of service

### What is meant by “5 year vested”? Is this calculated by calendar years or hours worked?

SJCERA looks at hours worked vs calendar years. For example, a total of 2,080 hours is considered a full year of service and will be counted as such.

## CONTRIBUTIONS, INTEREST & TAXES

### Are retirement contributions taken from our paycheck or paid by the employer?

Both! Every paycheck a % of your gross pay is deducted as a contribution. At the same time, your employer also pays a higher % on your behalf. Both contributions play a vital role in building your lifetime benefit.

### Are contributions taxable by the IRS and/or the State of California?

Currently, contributions are deducted pre-tax. You will not be taxed until you retire and start receiving a benefit.

### If I leave before vesting, do I get my contributions back?

If you decide to leave SJCERA membership before becoming vested, you will have the option to either leave your contributions, or receive a lump sum reimbursement with interest accrued.

### How long can I leave my contributions with SJCERA if I leave but might return?

You can leave your contributions here indefinitely until you either decide to retire, if vested, or until you return and continue to make more contributions. Your contributions will continue to accrue interest regardless if you are an active member or not.

## RETIREMENT BENEFIT CALCULATIONS

### How is my benefit calculated?

Your benefit follows a specific formula:

Final Average Compensation (\$ FAC) x Years of Service x Age Factor (%) = Monthly Benefit (\$)

### How do you calculate Final Average Compensation (FAC)?

To calculate your FAC:

Bi-weekly Pay (\$) x 26 pay periods / 12 months = FAC

## PAYOUT OPTIONS & COST OF LIVING ADJUSTMENTS

### When I retire, when will I receive my first benefit payment?

You should receive your benefit payouts on the first of the following month. For example, if you retire in June, you'll receive your first benefit July 1<sup>st</sup>. The only exception is if the first falls on a bank holiday in which case it will be the following business day.

## Payout Option Breakdown

	Member Benefit	Beneficiary Benefit
<b>Married</b>		
Unmodified	Highest benefit possible.	60% of benefit continuance.
Option 1	% reduction of benefit based on age.	0% of benefit continuance.
Option 2	% reduction of benefit based on age + % reduction for beneficiary continuance based on age difference between member and beneficiary.	100% continuance to beneficiary.
<b>Unmarried</b>		
Unmodified	Highest benefit possible.	0% continuance to beneficiary.
Option 1	% reduction of benefit based on age.	0% continuance to beneficiary.
Option 2	% reduction of benefit based on age + % reduction for beneficiary continuance based on age difference between member and beneficiary.	100% continuance to beneficiary.
Option 3	% reduction of benefit based on age.	50% continuance to beneficiary.

## Why does the COLA appear on my May check if it goes into effect in April?

SJCERA pays out a month behind. So the check you get in May is actually your April benefit.

# BENEFICIARIES & SURVIVOR BENEFITS

## Who can be a beneficiary?

A beneficiary can be a spouse, a child, a non-relative, entity, corporation or trust. For married individuals, your spouse/domestic partner will be your beneficiary by default due to California law. In order to list someone else other than your spouse, such as a child, your spouse must sign off on their rights. If you are unmarried, you are able to list anyone as a beneficiary.

## Who can I update my beneficiary?

To update your beneficiary information, you will need to fill out a Beneficiary Designation form and submit it to SJCERA at [contactus@sjcera.org](mailto:contactus@sjcera.org).

## How long must I be married for my spouse to receive survivor benefits?

You must be married at least one year before you retire.

## How much and how long will my beneficiary receive payments?

A continuance is based on which option you decide to choose. See Payout Options section for a breakdown of options.

## RECIPROCITY

### How do I establish reciprocity?

To establish reciprocity, please fill out the membership certification form and submit it to SJCERA. SJCERA will then contact your previous retirement system to establish reciprocity.

## SERVICE CREDIT PURCHASE

### What types of service credit can I buy back?

Here are the types of service credit you can purchase:

- County service prior to membership
- Medical leave of absence
- Redeposit of previously refunded SJCERA retirement contributions
- Public service
- Active military service

### Are there flexible payment options for purchasing service credit?

When you decide to purchase service credit, you have the option to either pay in a lump sum, or pay in installments. If you decide to pay in installments, you can have it deducted from your paycheck directly to make it easier for you.

## ESTIMATES & RETIREMENT PLANNING

### How can I request a retirement benefit estimate?

If you would like an estimate, please fill out the Estimate Request form and submit it to SJCERA at [contactus@sjcera.org](mailto:contactus@sjcera.org) or to our office 220 E. Channel St, Stockton, CA 95202

### How far in advance can I apply for retirement?

By law, we cannot receive your completed retirement application until 60 before your retirement date. The best way to stay on track for retirement is to view our [Retirement Checklist](#).