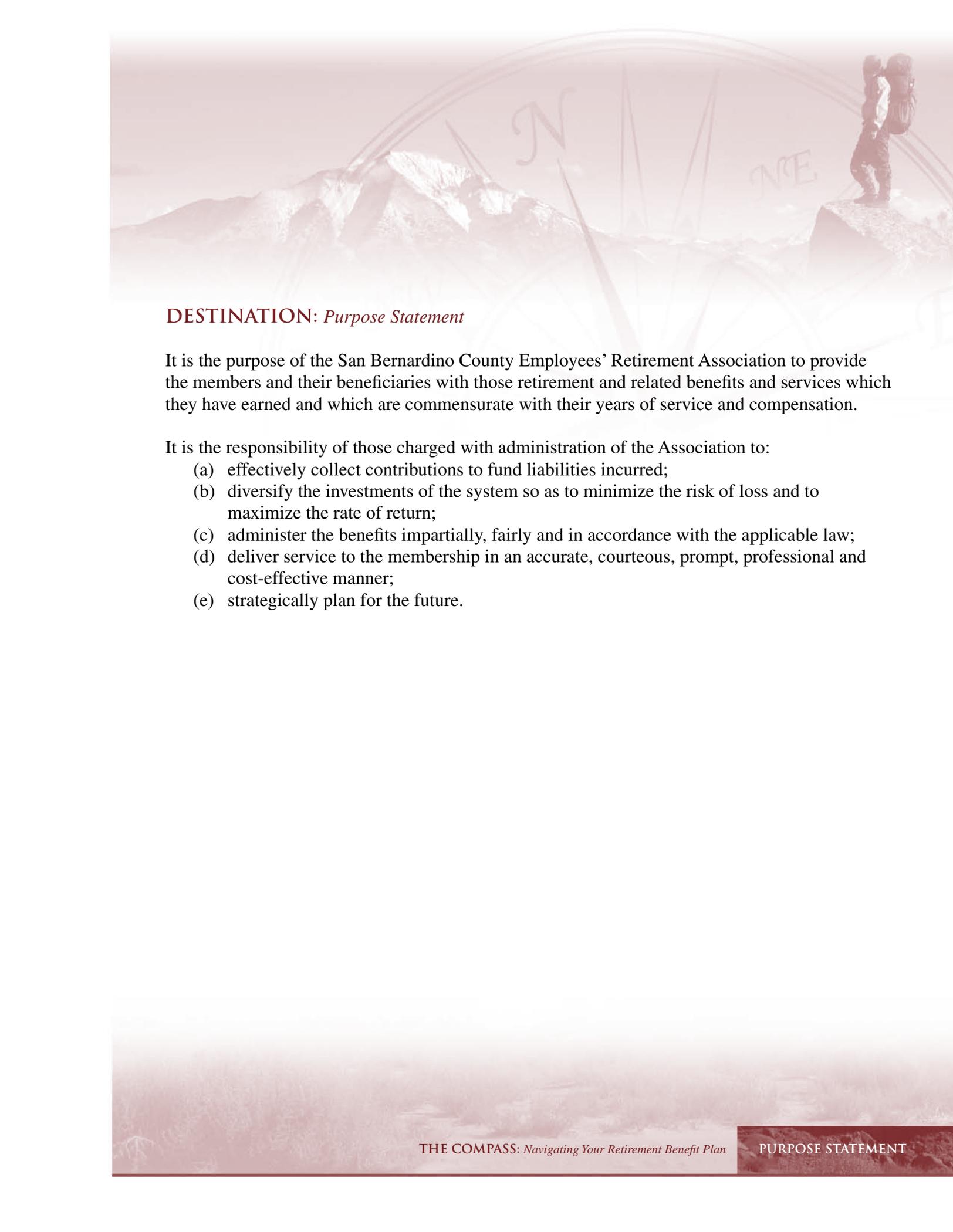




*Welcome to  
San Bernardino County Employees' Retirement Association  
Summary Plan Description*

General and Safety Members  
2008





**DESTINATION:** *Purpose Statement*

It is the purpose of the San Bernardino County Employees' Retirement Association to provide the members and their beneficiaries with those retirement and related benefits and services which they have earned and which are commensurate with their years of service and compensation.

It is the responsibility of those charged with administration of the Association to:

- (a) effectively collect contributions to fund liabilities incurred;
- (b) diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return;
- (c) administer the benefits impartially, fairly and in accordance with the applicable law;
- (d) deliver service to the membership in an accurate, courteous, prompt, professional and cost-effective manner;
- (e) strategically plan for the future.



The Compass is intended to give you a general idea of the benefits available through the San Bernardino County Employees' Retirement Association (SBCERA). This reference piece is formally known as the Summary Plan Description (SPD). Every effort has been made to ensure the timeliness and accuracy of the information offered.

However, you should not rely solely on the information contained herein. Your eligibility for benefits will depend on the particulars of your situation. Your actual benefits will be determined according to the applicable provisions of the California Government Code and the By-Laws and Policies of SBCERA. Therefore, your benefits may, in some cases, be different from those presented in this binder.

The California legislature periodically makes revisions and additions to retirement law. This binder is updated to the date shown on the title page or the individual page date in the case of future revisions. SBCERA will make every effort to keep you informed of future changes that affect your Retirement Plan. However, benefits are subject to change with or without notice.

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NOTE: In the event of any discrepancy between the information contained in this binder and the Code provisions and By-Laws and Policies referenced above, the Code provisions and By-Laws and Policies will govern.

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The California Government Code in its entirety may be accessed via the Internet at <http://www.leginfo.ca.gov>. The By-Laws may be accessed via the Internet at <http://www.sbcera.org>.

## HOMEBASE: *How to Contact Us*

### **SBCERA**

348 W. Hospitality Lane, Third Floor  
San Bernardino, CA 92415-0014

Phone (909) 885-7980  
Toll Free (877) 722-3721  
FAX (909) 884-1904

E-mail: Click on "Contact Us" at the website

Website: <http://www.sbcera.org>

Office hours: Weekdays, 8 a.m. to 5 p.m.  
Appointments are preferred.



### **Board of Retirement**

The Board members can be contacted through the SBCERA staff. Board meetings are open to the public and are held the first Thursday of each month at 9 a.m. at SBCERA at the address above on the First Floor. There is ample free regular and accessible parking.

Board meeting agendas and minutes are posted on the website at <http://www.sbcera.org>. Also, the agenda is physically posted outside the building at the address above.

## TABLE OF CONTENTS

<b>THE LEGEND: <i>Definition of Terms</i></b> .....	L-1
<b>INTRODUCTION: <i>Starting Your Journey</i></b>	
An Overview of SBCERA and Your Retirement Plan .....	I-1
Plan Structure .....	I-1
Defined Benefit Formula.....	I-1
Contributions .....	I-2
Board of Retirement.....	I-2
SBCERA Staff Administration .....	I-2
<b>DESTINATION 1: <i>Active Employees</i></b>	
Plan Membership .....	D1-1
Contributions and Account Earnings .....	D1-1
Employee Contributions .....	D1-1
Refundable vs. Non-Refundable Contributions.....	D1-2
Employer Contributions.....	D1-3
Interest Earnings.....	D1-3
Access to Your Contributions .....	D1-4
Annual Member Statements .....	D1-4
Reciprocity.....	D1-4
Plan Investments.....	D1-5
Service Credit .....	D1-6
Earning Service Credit.....	D1-6
Purchasing Service Credit .....	D1-6
Prior Public Agency Service (PPAS).....	D1-6
Past Service—Ineligible for Membership .....	D1-7
Past Service—Withdrawn Contributions .....	D1-7
Leaves of Absence .....	D1-7
Additional Retirement Credit (ARC) .....	D1-8
Service Purchase Contract Changes .....	D1-8
Retirement Eligibility.....	D1-10
The Age Factor .....	D1-10
Ad Hoc Benefits.....	D1-11
Medical/Dental Insurance.....	D1-11
IRS Limits.....	D1-12
Cost of Living Adjustment (COLA).....	D1-12
Optimizing Your Retirement.....	D1-12

Monthly Retirement Payments .....	D1-13
Selecting the Right Retirement Option.....	D1-13
Unmodified Option .....	D1-14
Option 1 .....	D1-15
Option 2 .....	D1-15
Option 3 .....	D1-16
Other Payment Decisions .....	D1-16
Applying for Retirement .....	D1-17
Items to Bring to Your Appointment.....	D1-17
Social Security Eligibility.....	D1-18
Termination Before Retirement .....	D1-18
Pre-Retirement Checklist.....	D1-21
Reciprocity .....	D1-22
Reciprocal Systems.....	D1-22
Eligibility .....	D1-23
Special Requirements for Reciprocal Arrangements.....	D1-23
Death Benefits .....	D1-24
Nonservice-Related Death Benefit .....	D1-24
Survivor Benefits Table.....	D1-25
Service-Related Death Benefit.....	D1-25
Additional Benefits for Safety Members .....	D1-26

## DESTINATION 2: *Retirees*

Your Retirement Allowance .....	D2-1
Cost-of-Living Adjustments .....	D2-1
Taxability .....	D2-1
Direct Deposit.....	D2-1
Beneficiaries .....	D2-2
Social Security Eligibility.....	D2-2
Insurance .....	D2-2
Health/Medicare .....	D2-2
Long-Term Care .....	D2-3
Dental and Vision .....	D2-3
Life.....	D2-3
Other Deductions.....	D2-3

Death Benefits .....	D2-3
Unmodified Option .....	D2-3
Options 1-3 .....	D2-4
Post-Retirement Employment.....	D2-5
Journey Preparation Checklist .....	D2-6

### **DESTINATION 3: *Beneficiaries and Other Survivors***

Retirement Allowance for Eligible Beneficiaries.....	D3-1
Continuing Health Care for Survivors .....	D3-1
Checklist for Beneficiaries/Other Survivors of Deceased Members.....	D3-2

### **DESTINATION 4: *Disability Retirement and Legal Matters***

Service-Connected Disability Retirement.....	D4-1
Nonservice-Connected Disability Retirement .....	D4-1
Rehabilitation Programs.....	D4-2
Disability Retirement Application Process .....	D4-3
Supplemental Disability Benefits for General Members .....	D4-5
Temporary Disabilities.....	D4-5
Legal Representation.....	D4-5
Confidentiality of Records .....	D4-6
Garnishment .....	D4-6
Power of Attorney .....	D4-6
Living Trusts and Beneficiary Changes .....	D4-7
Dissolution of Marriage .....	D4-7

### **JOURNEY PLANNING TOOLS**

Benefit Estimate Worksheet .....	J-1
Compensation Percentage Tables.....	J-2, J-3

### **APPENDIX**

List of SBCERA Participating Employers.....	A-1
Contribution Rate Sheets .....	A-2, A-3

### **MEMBER STATEMENTS**



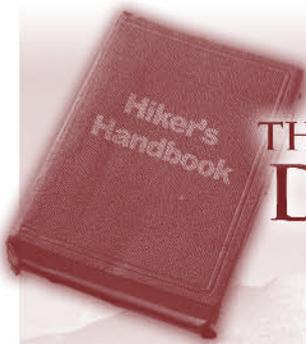
THE LEGEND:

# **DEFINITION OF TERMS**

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THE COMPASS: *Navigating Your Retirement Benefit Plan*





# THE LEGEND: DEFINITION OF TERMS

## THE LEGEND: DEFINITIONS

In addition to the terms defined below, you will find other key terms highlighted and defined where they appear in the text of The Compass.

**'37 Act** – The County Employees' Retirement Law of 1937–better known as the '37 Act– is a body of law enacted to govern retirement benefits for certain public employees. SBCERA is one of 20 county retirement systems in California subject to the provisions of the '37 Act.

**Active Member** – Member who is still working for the employer, and participating in SBCERA membership.

**Actuary** – Licensed retirement plan designer and consultant.

**Additional Retirement Credit (ARC)** – Service credit that you can purchase to increase your total retirement service credit. ARC is not based on actual employment. You must be an active member in the SBCERA plan with at least five (5) years of actual County or District service credit to purchase ARC.

**Age Factor** – This is the age used in determining retirement allowances. There are maximum ages for both membership types. Working beyond a maximum age will not provide you with any further age benefit, but you will continue to add to your retirement allowance by adding to your service credit and, possibly, achieving a higher final earnable compensation. The maximum age for Safety members is 50; for General members, it is age 65.

**Annuity** – A series of payments (retirement benefits) derived from your contributions and interest for a specific period of time such as a number of years or for life.

**Beneficiary** – Person(s) you name to receive lump-sum distribution and/or monthly continuance (if eligible) upon your death. If no beneficiary is named or if the beneficiary is no longer living, the beneficiary will be your surviving:

1. Legal spouse or registered domestic partner
2. Children, or if none,
3. Estate.

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NOTE: Beneficiary designations are subject to modification by court order.

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**Benefits** – Payments such as monthly retirement payments, disability payments or lump-sum payments.

**COLA** – A Cost-of-Living Adjustment (COLA) is the annual percentage increase in a member's monthly retirement. It is up to the Board of Retirement to award a COLA (up to 2%) annually based on the movement of a local region Consumer Price Index (CPI).

**Consumer Price Index (CPI)** – An indicator of the cost of living published by the Bureau of Labor Statistics, U.S. Department of Labor. It is an indicator of the changing purchasing power of the dollar.

**Contributions:**

**Employee** – Money deducted from your pay and credited to your retirement account.

**Employer** – Contributions made by your employer on behalf of SBCERA members, in total, to finance all SBCERA benefits.

**Deductions** – Money taken out of your active employee pay or retirement warrant.

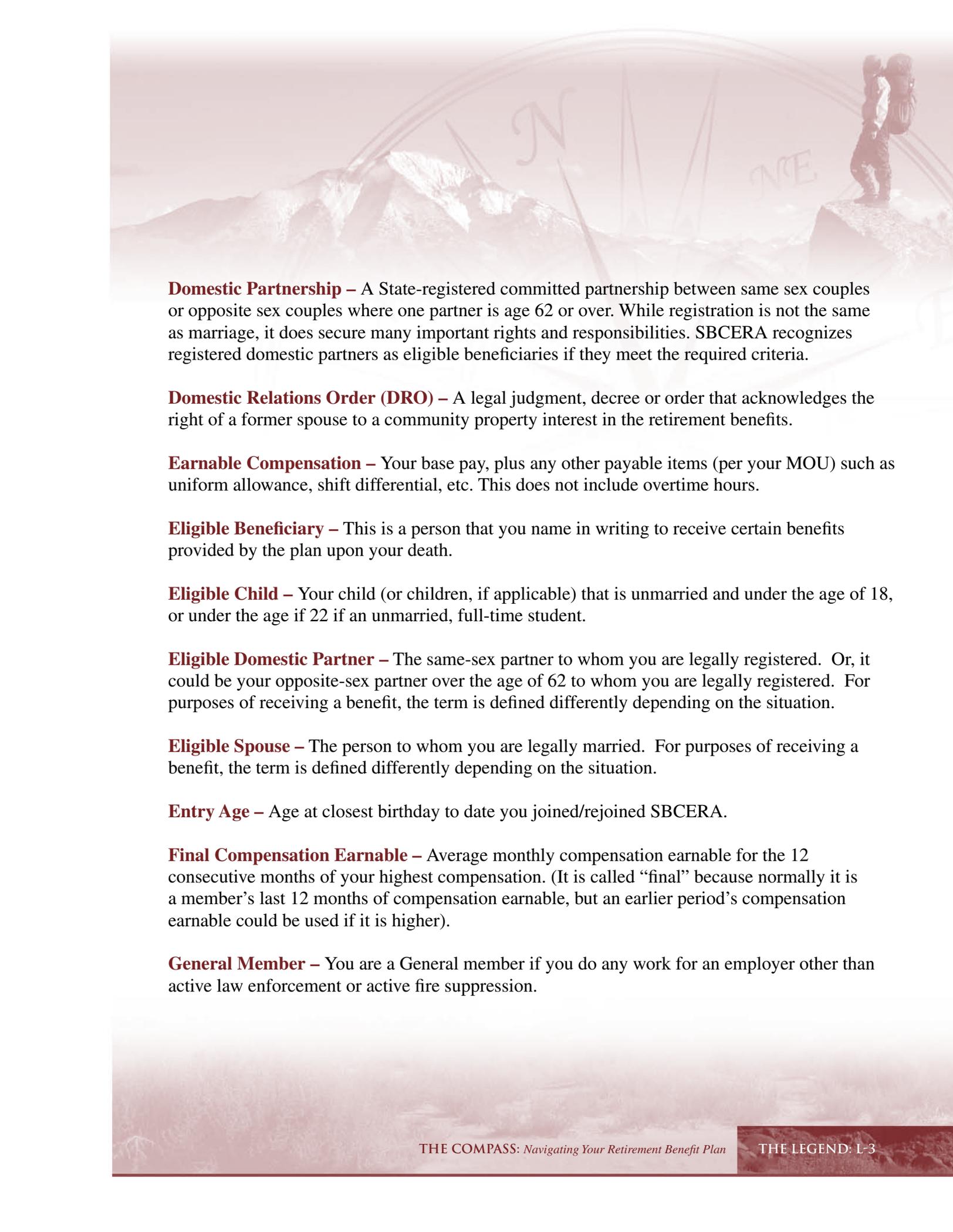
**Deferred Reciprocal Member** – A contributory member who elected to defer his retirement and entered employment covered by a reciprocal retirement system within six months of termination from County or District SBCERA-covered employment.

**Deferred Retirement** – As a vested member, you may leave your retirement accumulations, if any, on deposit with SBCERA and elect to retire at a later date.

**Disability Retirement** – For purposes of the Retirement Plan, “disabled” means that you are “permanently incapacitated of the performance of duty.”

**Service-Connected Disability** – The disability is a result of injury or illness arising out of and in the course of employment.

**Nonservice-Connected Disability** – The disability is not related to your job. NOTE: You must have at least five years of service credit to be considered for non-service connected disability retirement benefits.



**Domestic Partnership** – A State-registered committed partnership between same sex couples or opposite sex couples where one partner is age 62 or over. While registration is not the same as marriage, it does secure many important rights and responsibilities. SBCERA recognizes registered domestic partners as eligible beneficiaries if they meet the required criteria.

**Domestic Relations Order (DRO)** – A legal judgment, decree or order that acknowledges the right of a former spouse to a community property interest in the retirement benefits.

**Earnable Compensation** – Your base pay, plus any other payable items (per your MOU) such as uniform allowance, shift differential, etc. This does not include overtime hours.

**Eligible Beneficiary** – This is a person that you name in writing to receive certain benefits provided by the plan upon your death.

**Eligible Child** – Your child (or children, if applicable) that is unmarried and under the age of 18, or under the age of 22 if an unmarried, full-time student.

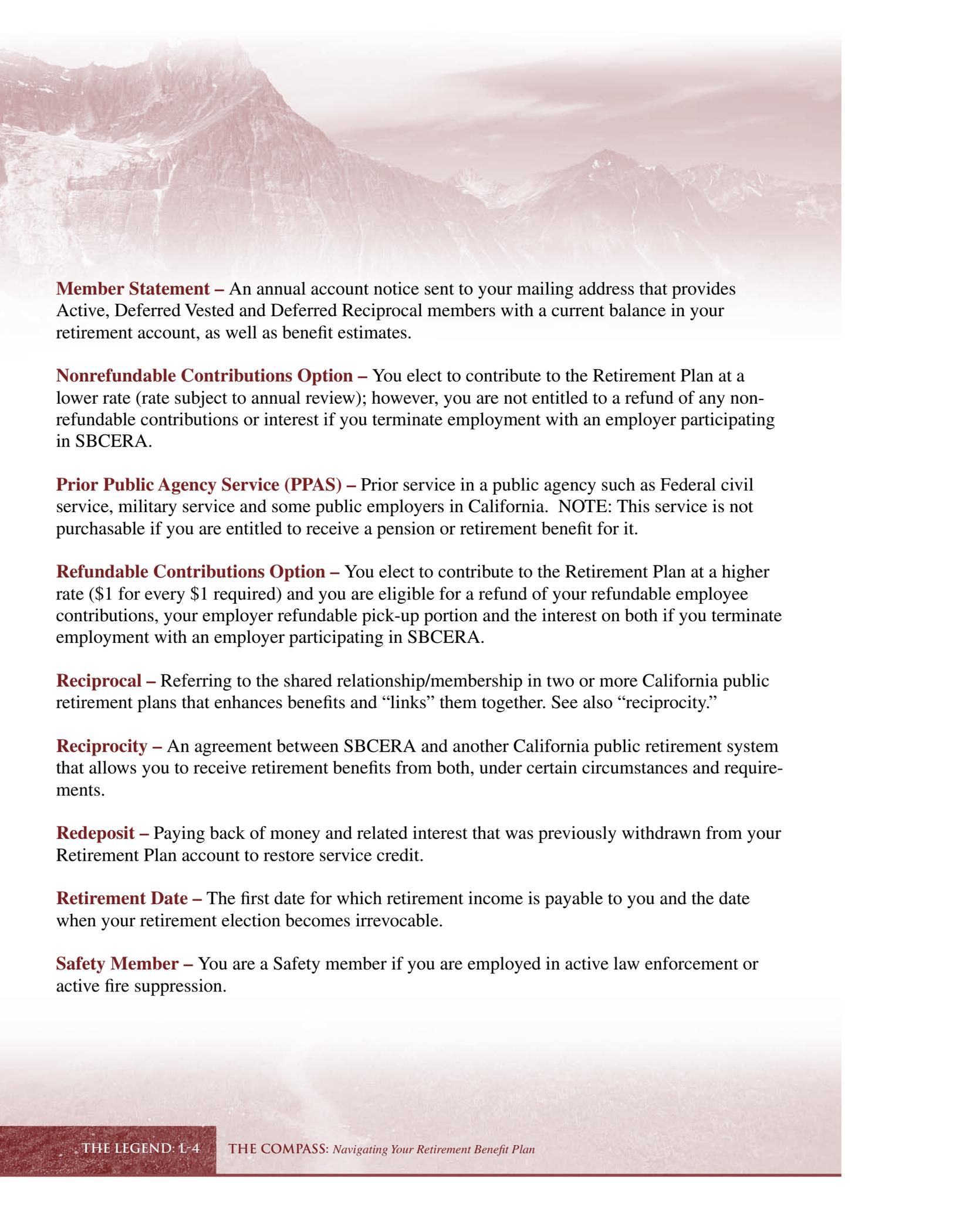
**Eligible Domestic Partner** – The same-sex partner to whom you are legally registered. Or, it could be your opposite-sex partner over the age of 62 to whom you are legally registered. For purposes of receiving a benefit, the term is defined differently depending on the situation.

**Eligible Spouse** – The person to whom you are legally married. For purposes of receiving a benefit, the term is defined differently depending on the situation.

**Entry Age** – Age at closest birthday to date you joined/rejoined SBCERA.

**Final Compensation Earnable** – Average monthly compensation earnable for the 12 consecutive months of your highest compensation. (It is called “final” because normally it is a member’s last 12 months of compensation earnable, but an earlier period’s compensation earnable could be used if it is higher).

**General Member** – You are a General member if you do any work for an employer other than active law enforcement or active fire suppression.



**Member Statement** – An annual account notice sent to your mailing address that provides Active, Deferred Vested and Deferred Reciprocal members with a current balance in your retirement account, as well as benefit estimates.

**Nonrefundable Contributions Option** – You elect to contribute to the Retirement Plan at a lower rate (rate subject to annual review); however, you are not entitled to a refund of any non-refundable contributions or interest if you terminate employment with an employer participating in SBCERA.

**Prior Public Agency Service (PPAS)** – Prior service in a public agency such as Federal civil service, military service and some public employers in California. NOTE: This service is not purchasable if you are entitled to receive a pension or retirement benefit for it.

**Refundable Contributions Option** – You elect to contribute to the Retirement Plan at a higher rate (\$1 for every \$1 required) and you are eligible for a refund of your refundable employee contributions, your employer refundable pick-up portion and the interest on both if you terminate employment with an employer participating in SBCERA.

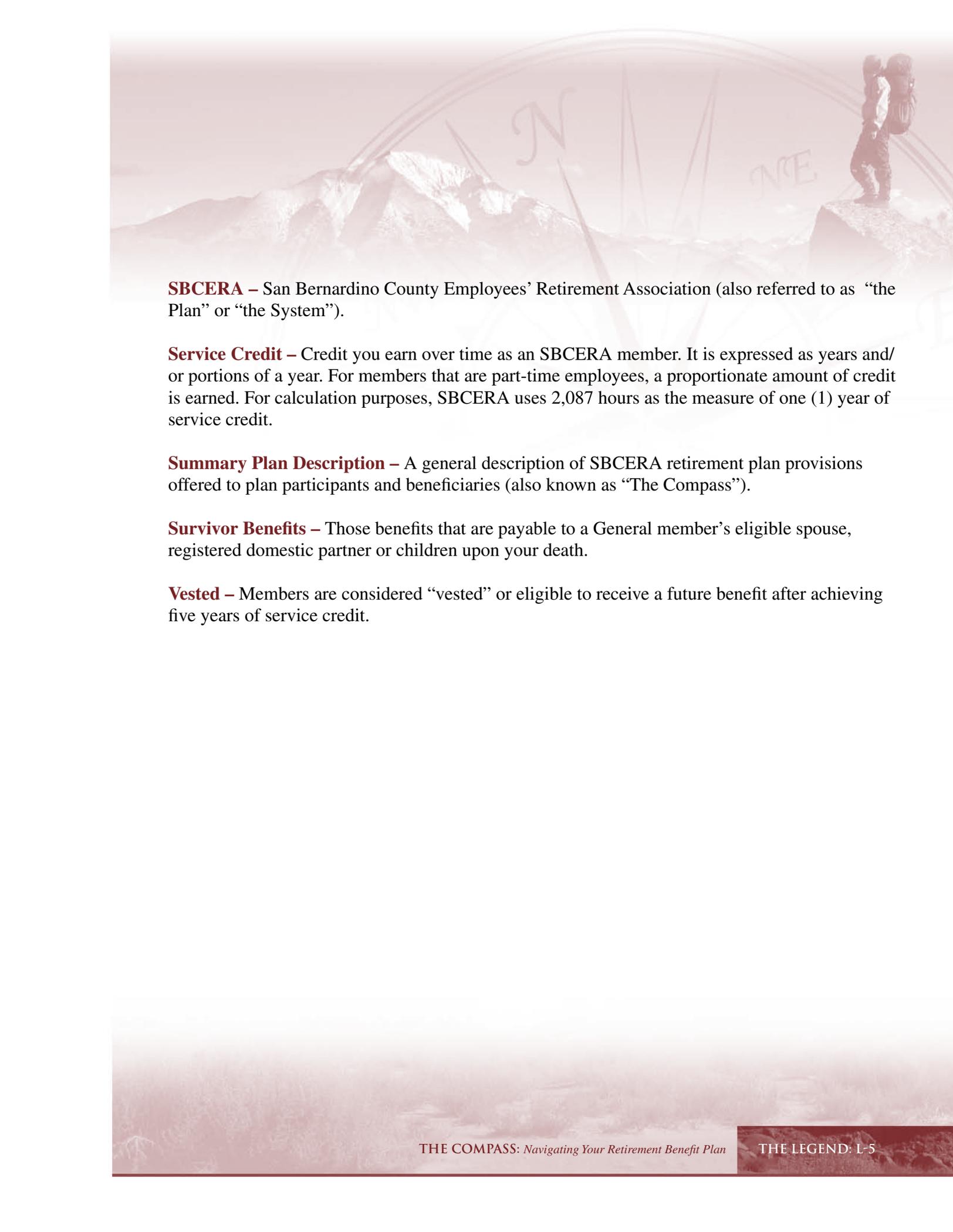
**Reciprocal** – Referring to the shared relationship/membership in two or more California public retirement plans that enhances benefits and “links” them together. See also “reciprocity.”

**Reciprocity** – An agreement between SBCERA and another California public retirement system that allows you to receive retirement benefits from both, under certain circumstances and requirements.

**Redeposit** – Paying back of money and related interest that was previously withdrawn from your Retirement Plan account to restore service credit.

**Retirement Date** – The first date for which retirement income is payable to you and the date when your retirement election becomes irrevocable.

**Safety Member** – You are a Safety member if you are employed in active law enforcement or active fire suppression.



**SBCERA** – San Bernardino County Employees’ Retirement Association (also referred to as “the Plan” or “the System”).

**Service Credit** – Credit you earn over time as an SBCERA member. It is expressed as years and/or portions of a year. For members that are part-time employees, a proportionate amount of credit is earned. For calculation purposes, SBCERA uses 2,087 hours as the measure of one (1) year of service credit.

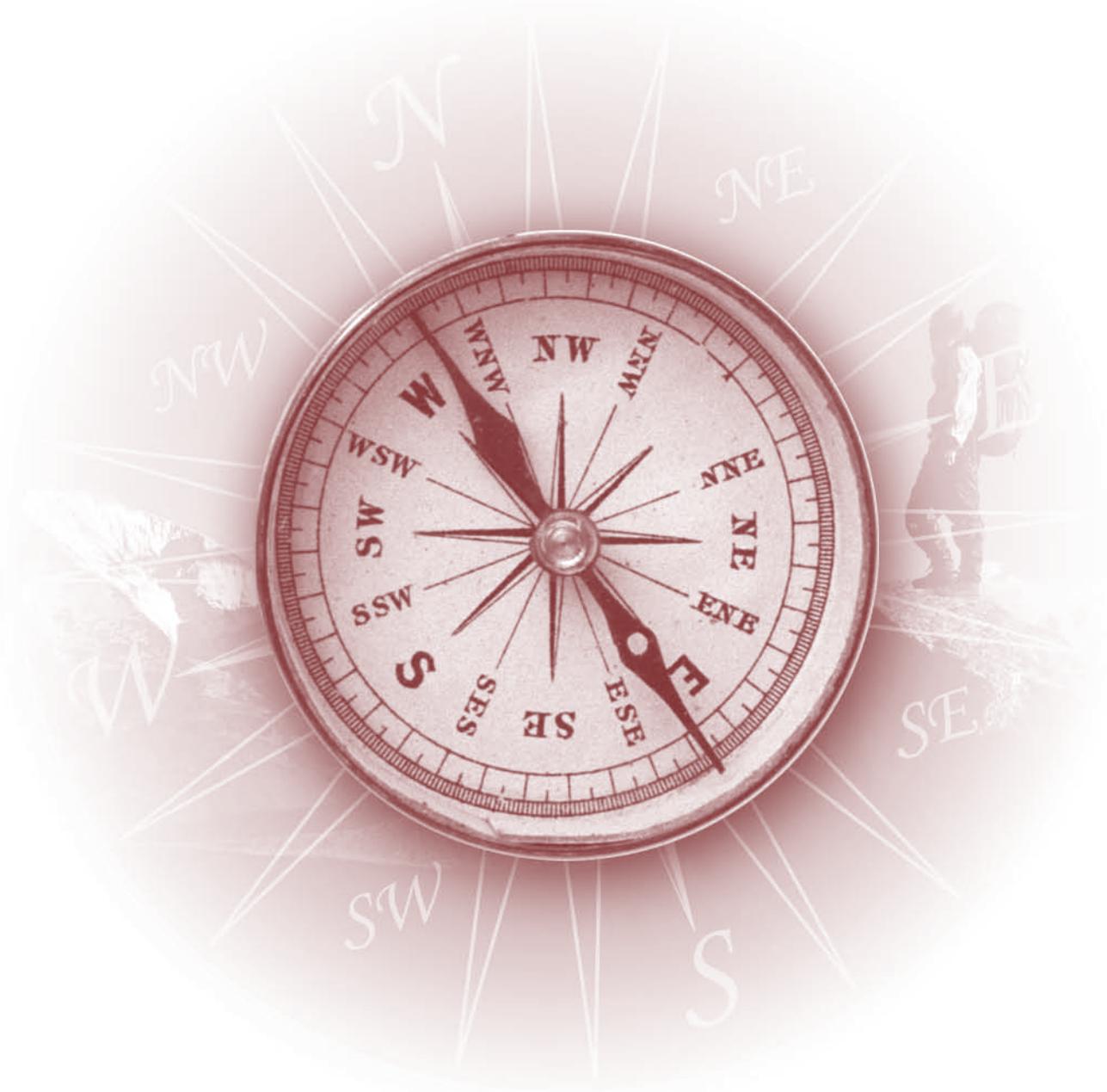
**Summary Plan Description** – A general description of SBCERA retirement plan provisions offered to plan participants and beneficiaries (also known as “The Compass”).

**Survivor Benefits** – Those benefits that are payable to a General member’s eligible spouse, registered domestic partner or children upon your death.

**Vested** – Members are considered “vested” or eligible to receive a future benefit after achieving five years of service credit.



ACCESS "THE COMPASS" ONLINE AT  
[WWW.SBCERA.ORG](http://WWW.SBCERA.ORG)



INTRODUCTION:

# STARTING YOUR JOURNEY

THE COMPASS: *Navigating Your Retirement Benefit Plan*





# INTRODUCTION: STARTING YOUR JOURNEY

## PLAN STRUCTURE

The San Bernardino County Employees' Retirement Association (SBCERA) is a public agency that was created to administer retirement benefits. It was established in 1945, following a vote by the people of the County on May 16, 1944. SBCERA's membership includes active members, deferred members and retired members of the following agencies and organizations (these are called the "participating employers"):

- County of San Bernardino
- South Coast Air Quality Management District (SCAQMD)
- Mojave Desert Air Quality Management District (MDAQMD)
- California State Association of Counties
- City of Big Bear Lake
- City of Chino Hills
- Crest Forest Fire District
- Special districts governed by the Board of Supervisors
- Law Library
- Trial Courts

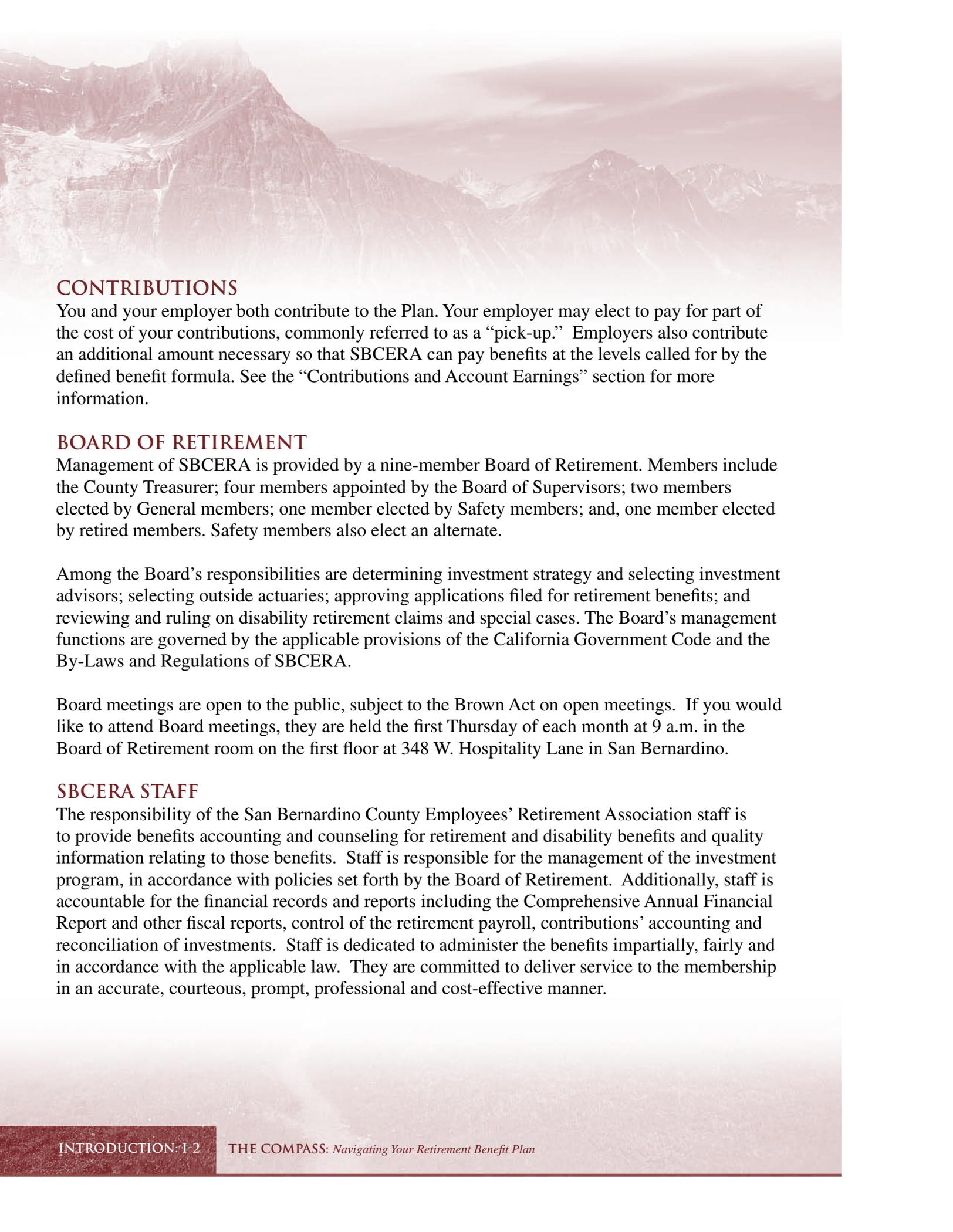
The retirement benefits administered by SBCERA are those related to your compensation and service, including the benefit that is the focus of this reference guide—the retirement allowance. It is the monthly benefit eligible employees receive after they retire.

## DEFINED BENEFIT FORMULA

SBCERA's retirement plan is what is known as a "defined benefit" plan. That means benefit amounts are defined by a formula—they do not depend on how much money accumulates in your account, as they would under a "defined contribution" plan such as a 401(k) or 457 plan. Under this formula, benefit amounts are based on the following:

- Your age at retirement;
- Your years of service credit;
- Your highest consecutive 12 months' earnable compensation;
- And, factors from the '37 Act.

Your benefit amounts will also depend on whether you are a General member or Safety member and which payment option you select. See "Plan Membership" for more information on membership categories and "Retirement Eligibility" in Destination 1 for more information on the components that make up the formula and the payment options available.



## CONTRIBUTIONS

You and your employer both contribute to the Plan. Your employer may elect to pay for part of the cost of your contributions, commonly referred to as a “pick-up.” Employers also contribute an additional amount necessary so that SBCERA can pay benefits at the levels called for by the defined benefit formula. See the “Contributions and Account Earnings” section for more information.

## BOARD OF RETIREMENT

Management of SBCERA is provided by a nine-member Board of Retirement. Members include the County Treasurer; four members appointed by the Board of Supervisors; two members elected by General members; one member elected by Safety members; and, one member elected by retired members. Safety members also elect an alternate.

Among the Board’s responsibilities are determining investment strategy and selecting investment advisors; selecting outside actuaries; approving applications filed for retirement benefits; and reviewing and ruling on disability retirement claims and special cases. The Board’s management functions are governed by the applicable provisions of the California Government Code and the By-Laws and Regulations of SBCERA.

Board meetings are open to the public, subject to the Brown Act on open meetings. If you would like to attend Board meetings, they are held the first Thursday of each month at 9 a.m. in the Board of Retirement room on the first floor at 348 W. Hospitality Lane in San Bernardino.

## SBCERA STAFF

The responsibility of the San Bernardino County Employees’ Retirement Association staff is to provide benefits accounting and counseling for retirement and disability benefits and quality information relating to those benefits. Staff is responsible for the management of the investment program, in accordance with policies set forth by the Board of Retirement. Additionally, staff is accountable for the financial records and reports including the Comprehensive Annual Financial Report and other fiscal reports, control of the retirement payroll, contributions’ accounting and reconciliation of investments. Staff is dedicated to administer the benefits impartially, fairly and in accordance with the applicable law. They are committed to deliver service to the membership in an accurate, courteous, prompt, professional and cost-effective manner.



DESTINATION 1:

# **ACTIVE EMPLOYEES**

*THE COMPASS: Navigating Your Retirement Benefit Plan*





## DESTINATION 1: **ACTIVE EMPLOYEES**

### **PLAN MEMBERSHIP**

Any person who is a permanent employee of the County or another participating employer working 20 hours per week or more must become a member of SBCERA.

SBCERA membership begins on the following:

- The date of hire as a permanent employee, or
- The date of transfer from a non-qualifying position to one that requires membership.

There are two plans or categories of members in SBCERA: General members and Safety members. Safety members are employees in law enforcement and firefighting. All other eligible members are General members.

### **CONTRIBUTIONS AND ACCOUNT EARNINGS**

#### **Employee Contributions**

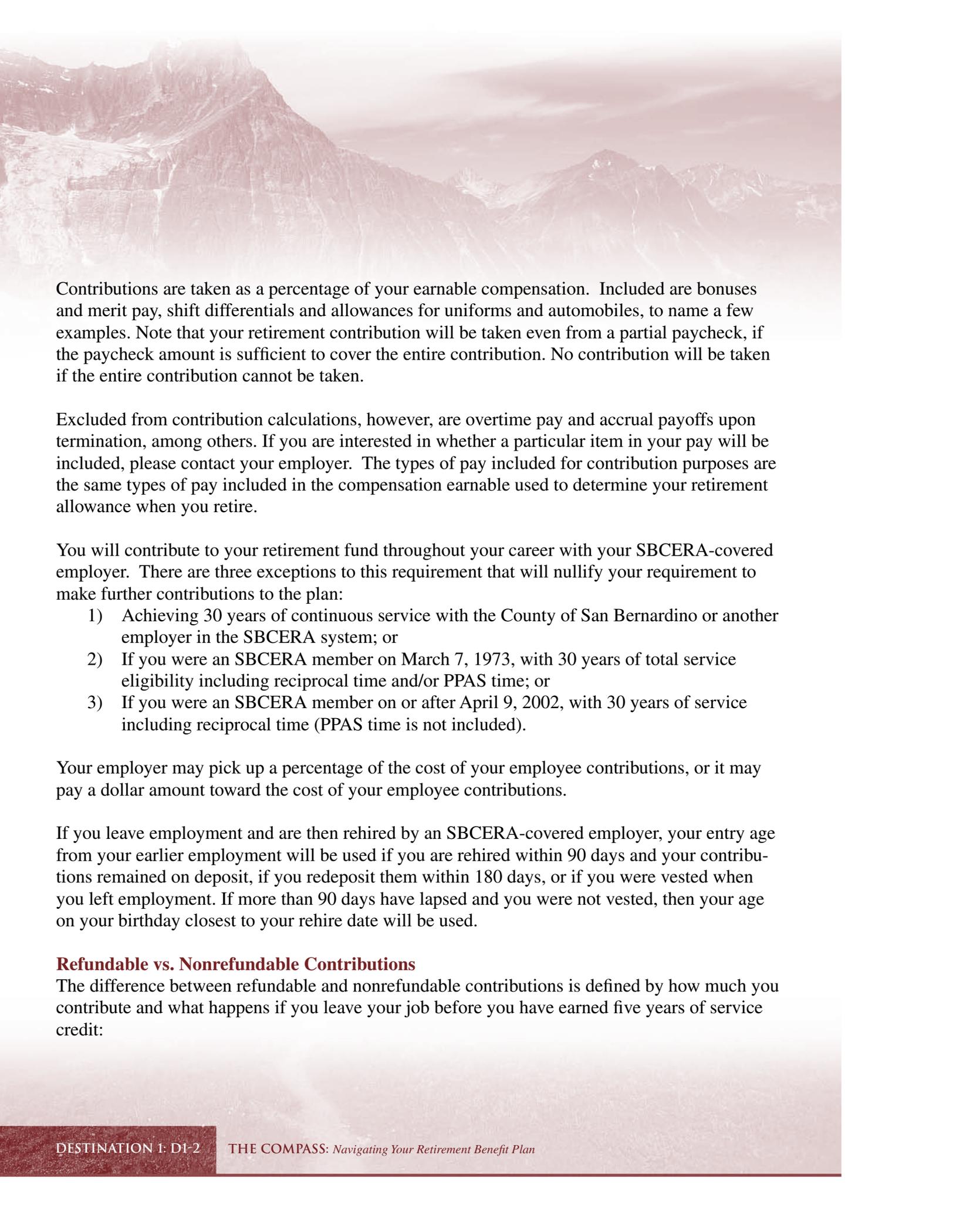
Contributions to the fund are made by you and your employer. Contribution rates for both the employee and employer are determined by outside actuaries. Contributions are taken as payroll deductions. You will also receive an annual member statement (shortly after your birthday month) and it will report your accumulated contributions.

Your contribution is based on the following factors:

- Your entry age
- Your years of service credit (your employer may pick up part or all of the cost of your contributions after a certain time)
- Whether you choose **refundable** or **nonrefundable** contributions
- Your plan (General or Safety)

Contribution rates change based on the fund's outside actuaries' annual studies of the rates. The Board of Retirement recommends contribution rate increases or decreases on the basis of those studies.

You may not increase your contributions or add to them with other funds. As noted earlier, this is a defined benefit plan. Your eventual retirement benefit will be calculated according to a formula. Increasing your contributions would not increase your retirement allowance.



Contributions are taken as a percentage of your earnable compensation. Included are bonuses and merit pay, shift differentials and allowances for uniforms and automobiles, to name a few examples. Note that your retirement contribution will be taken even from a partial paycheck, if the paycheck amount is sufficient to cover the entire contribution. No contribution will be taken if the entire contribution cannot be taken.

Excluded from contribution calculations, however, are overtime pay and accrual payoffs upon termination, among others. If you are interested in whether a particular item in your pay will be included, please contact your employer. The types of pay included for contribution purposes are the same types of pay included in the compensation earnable used to determine your retirement allowance when you retire.

You will contribute to your retirement fund throughout your career with your SBCERA-covered employer. There are three exceptions to this requirement that will nullify your requirement to make further contributions to the plan:

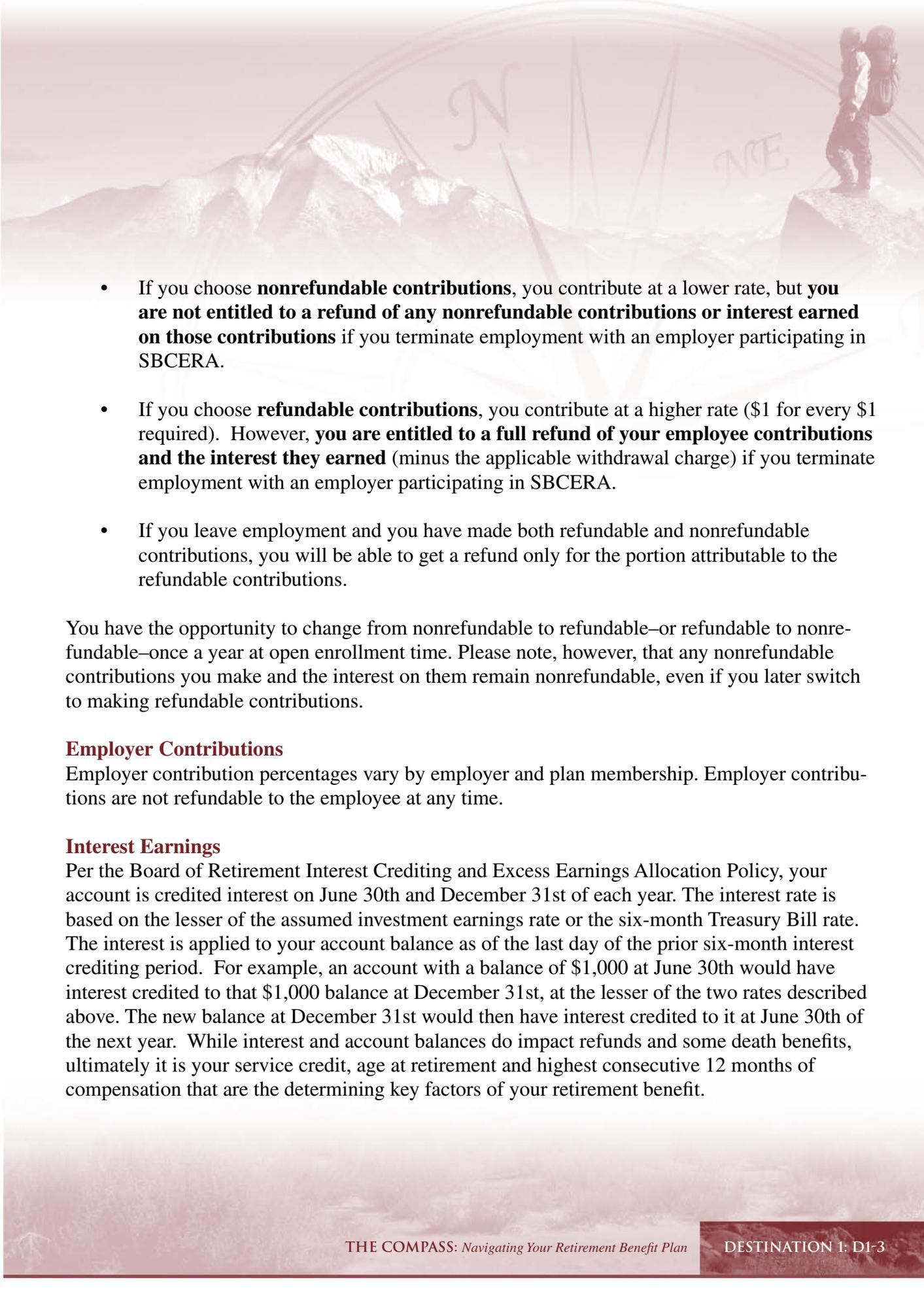
- 1) Achieving 30 years of continuous service with the County of San Bernardino or another employer in the SBCERA system; or
- 2) If you were an SBCERA member on March 7, 1973, with 30 years of total service eligibility including reciprocal time and/or PPAS time; or
- 3) If you were an SBCERA member on or after April 9, 2002, with 30 years of service including reciprocal time (PPAS time is not included).

Your employer may pick up a percentage of the cost of your employee contributions, or it may pay a dollar amount toward the cost of your employee contributions.

If you leave employment and are then rehired by an SBCERA-covered employer, your entry age from your earlier employment will be used if you are rehired within 90 days and your contributions remained on deposit, if you redeposit them within 180 days, or if you were vested when you left employment. If more than 90 days have lapsed and you were not vested, then your age on your birthday closest to your rehire date will be used.

### **Refundable vs. Nonrefundable Contributions**

The difference between refundable and nonrefundable contributions is defined by how much you contribute and what happens if you leave your job before you have earned five years of service credit:

- 
- If you choose **nonrefundable contributions**, you contribute at a lower rate, but **you are not entitled to a refund of any nonrefundable contributions or interest earned on those contributions** if you terminate employment with an employer participating in SBCERA.
  - If you choose **refundable contributions**, you contribute at a higher rate (\$1 for every \$1 required). However, **you are entitled to a full refund of your employee contributions and the interest they earned** (minus the applicable withdrawal charge) if you terminate employment with an employer participating in SBCERA.
  - If you leave employment and you have made both refundable and nonrefundable contributions, you will be able to get a refund only for the portion attributable to the refundable contributions.

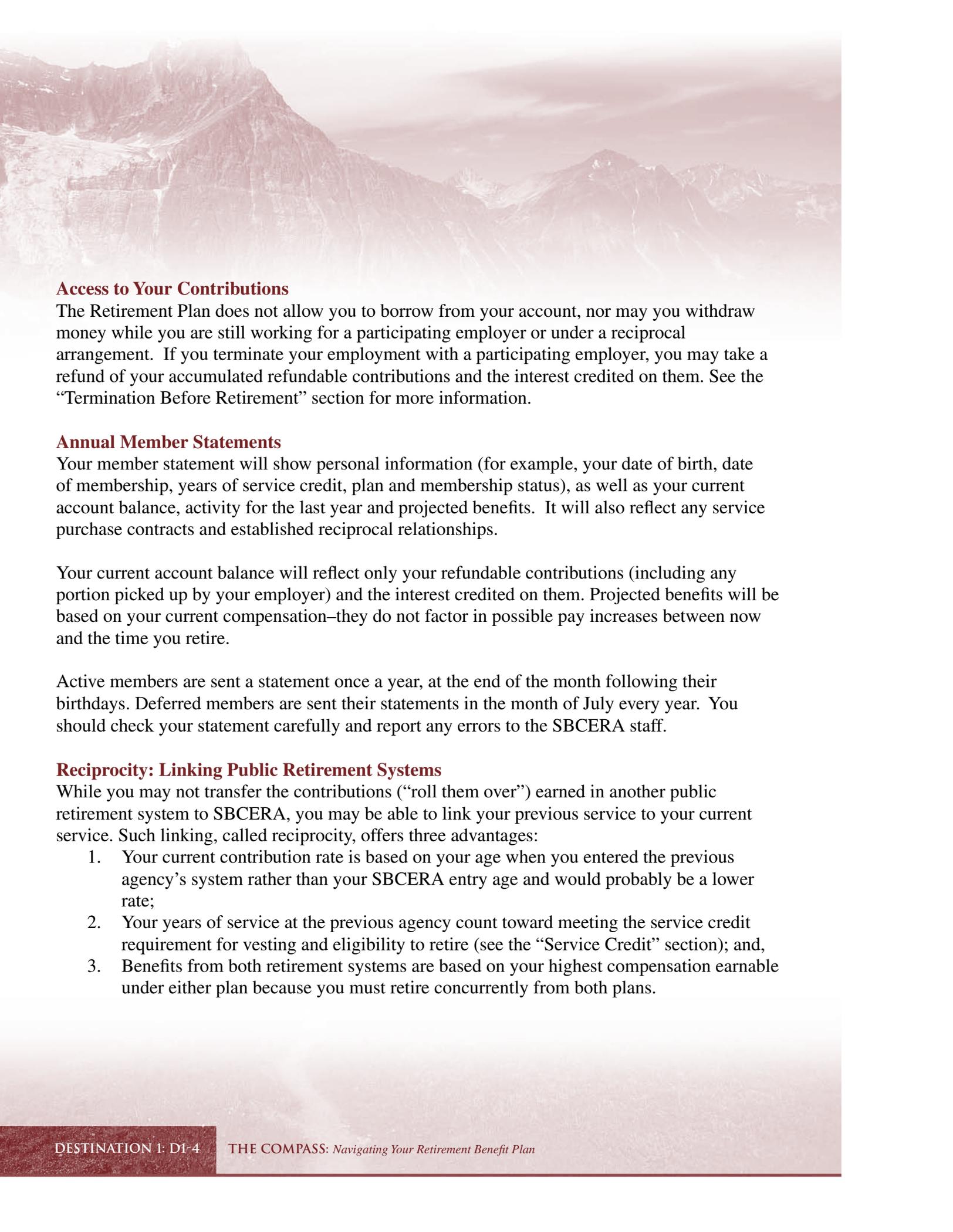
You have the opportunity to change from nonrefundable to refundable—or refundable to nonrefundable—once a year at open enrollment time. Please note, however, that any nonrefundable contributions you make and the interest on them remain nonrefundable, even if you later switch to making refundable contributions.

### **Employer Contributions**

Employer contribution percentages vary by employer and plan membership. Employer contributions are not refundable to the employee at any time.

### **Interest Earnings**

Per the Board of Retirement Interest Crediting and Excess Earnings Allocation Policy, your account is credited interest on June 30th and December 31st of each year. The interest rate is based on the lesser of the assumed investment earnings rate or the six-month Treasury Bill rate. The interest is applied to your account balance as of the last day of the prior six-month interest crediting period. For example, an account with a balance of \$1,000 at June 30th would have interest credited to that \$1,000 balance at December 31st, at the lesser of the two rates described above. The new balance at December 31st would then have interest credited to it at June 30th of the next year. While interest and account balances do impact refunds and some death benefits, ultimately it is your service credit, age at retirement and highest consecutive 12 months of compensation that are the determining key factors of your retirement benefit.



### **Access to Your Contributions**

The Retirement Plan does not allow you to borrow from your account, nor may you withdraw money while you are still working for a participating employer or under a reciprocal arrangement. If you terminate your employment with a participating employer, you may take a refund of your accumulated refundable contributions and the interest credited on them. See the “Termination Before Retirement” section for more information.

### **Annual Member Statements**

Your member statement will show personal information (for example, your date of birth, date of membership, years of service credit, plan and membership status), as well as your current account balance, activity for the last year and projected benefits. It will also reflect any service purchase contracts and established reciprocal relationships.

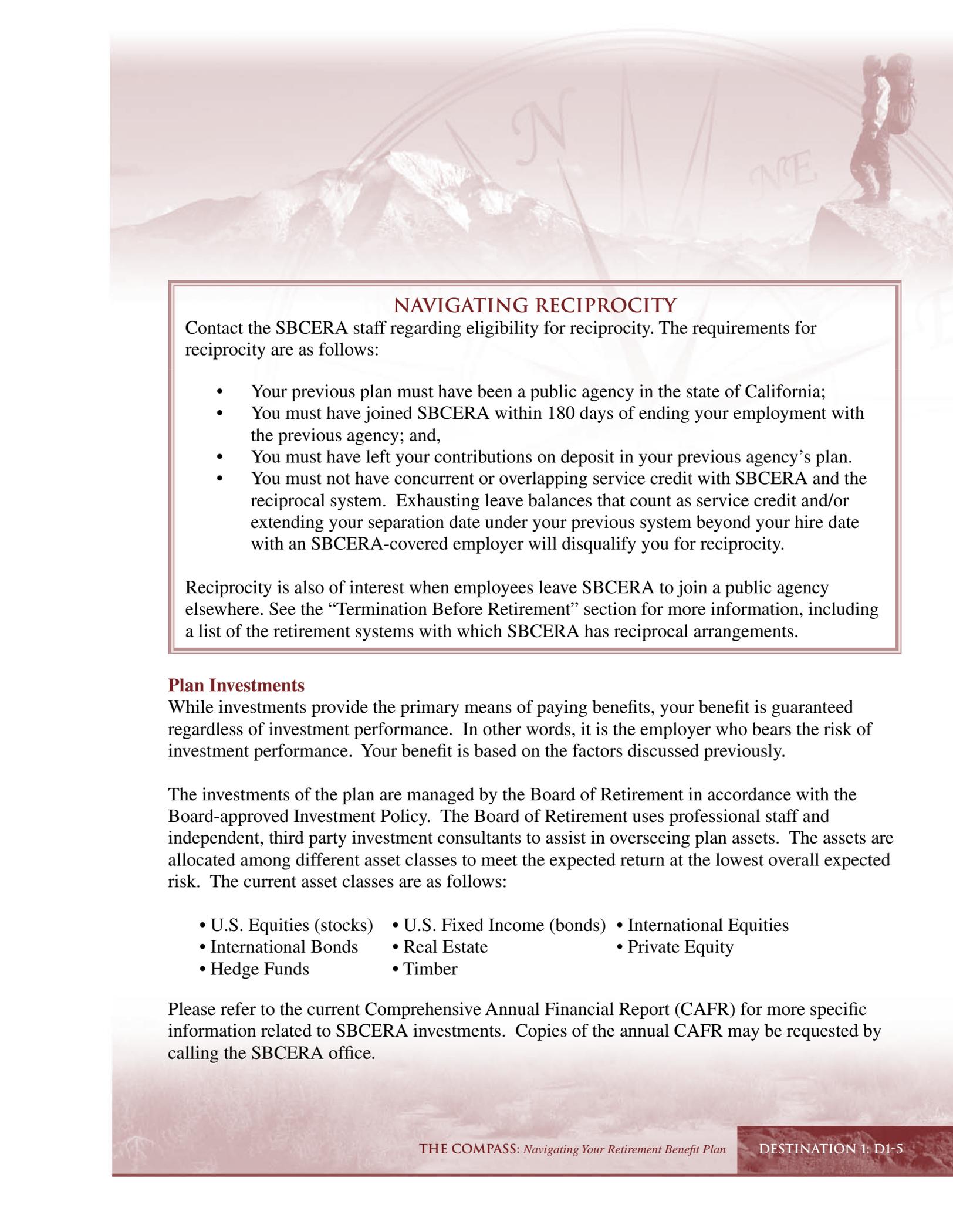
Your current account balance will reflect only your refundable contributions (including any portion picked up by your employer) and the interest credited on them. Projected benefits will be based on your current compensation—they do not factor in possible pay increases between now and the time you retire.

Active members are sent a statement once a year, at the end of the month following their birthdays. Deferred members are sent their statements in the month of July every year. You should check your statement carefully and report any errors to the SBCERA staff.

### **Reciprocity: Linking Public Retirement Systems**

While you may not transfer the contributions (“roll them over”) earned in another public retirement system to SBCERA, you may be able to link your previous service to your current service. Such linking, called reciprocity, offers three advantages:

1. Your current contribution rate is based on your age when you entered the previous agency’s system rather than your SBCERA entry age and would probably be a lower rate;
2. Your years of service at the previous agency count toward meeting the service credit requirement for vesting and eligibility to retire (see the “Service Credit” section); and,
3. Benefits from both retirement systems are based on your highest compensation earnable under either plan because you must retire concurrently from both plans.



## NAVIGATING RECIPROCITY

Contact the SBCERA staff regarding eligibility for reciprocity. The requirements for reciprocity are as follows:

- Your previous plan must have been a public agency in the state of California;
- You must have joined SBCERA within 180 days of ending your employment with the previous agency; and,
- You must have left your contributions on deposit in your previous agency's plan.
- You must not have concurrent or overlapping service credit with SBCERA and the reciprocal system. Exhausting leave balances that count as service credit and/or extending your separation date under your previous system beyond your hire date with an SBCERA-covered employer will disqualify you for reciprocity.

Reciprocity is also of interest when employees leave SBCERA to join a public agency elsewhere. See the "Termination Before Retirement" section for more information, including a list of the retirement systems with which SBCERA has reciprocal arrangements.

### Plan Investments

While investments provide the primary means of paying benefits, your benefit is guaranteed regardless of investment performance. In other words, it is the employer who bears the risk of investment performance. Your benefit is based on the factors discussed previously.

The investments of the plan are managed by the Board of Retirement in accordance with the Board-approved Investment Policy. The Board of Retirement uses professional staff and independent, third party investment consultants to assist in overseeing plan assets. The assets are allocated among different asset classes to meet the expected return at the lowest overall expected risk. The current asset classes are as follows:

- U.S. Equities (stocks)
- U.S. Fixed Income (bonds)
- International Equities
- International Bonds
- Real Estate
- Private Equity
- Hedge Funds
- Timber

Please refer to the current Comprehensive Annual Financial Report (CAFR) for more specific information related to SBCERA investments. Copies of the annual CAFR may be requested by calling the SBCERA office.

## SERVICE CREDIT

### Earning Service Credit

Service credit is the measure of time you earn as a member of SBCERA. It is one of the factors used to determine the amount of your retirement benefit. (The other factors are age at retirement and your highest average compensation earnable for a 12-month period.)

You earn one year of service credit for each 2,087 hours worked (not including overtime). Members working part-time earn proportionate amounts of service credit. For example, a member working 20 hours per week (50% time) for one year will receive one-half year of service credit. The maximum you can earn is one year of retirement service credit per year. Your years of service credit are reported on your annual benefit statement.

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NOTE: If you have unused leave balances when you retire, it is not added to your years of service in order to enhance your retirement benefit.

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### Purchasing Service Credit

You may be eligible to purchase additional service credit, but the purchase must be completed no later than 120 days after your retirement date. Service credit that can be purchased includes the following:

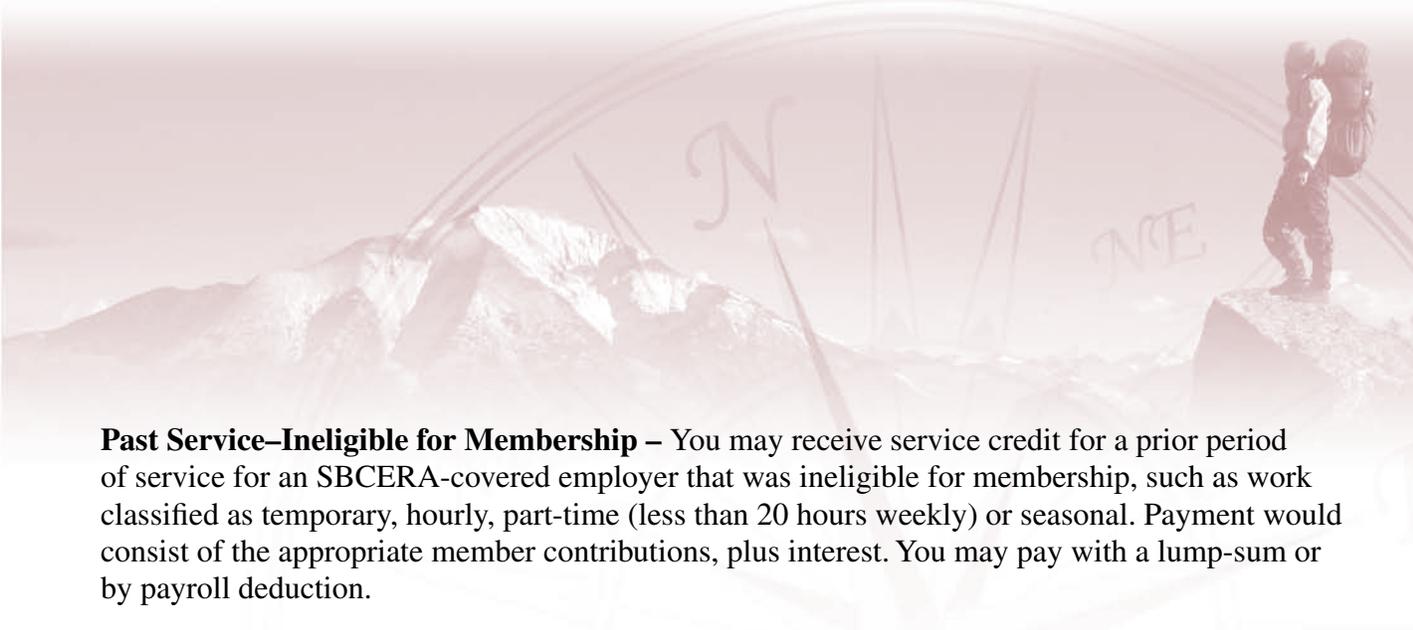
**Prior Public Agency Service (PPAS)** – You may purchase service credit for ALL or PART of prior service in the following public agencies (provided you are not entitled to receive a pension or retirement benefit for this prior service):

- Federal civil service
- Military service
- Some public employers in California

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NOTE: This type of service cannot be used to satisfy the service requirement for vesting or eligibility to retire. To purchase PPAS, you pay twice the contributions (employer and employee portions) that would be required if you had the same length of service as a member of SBCERA, including interest. You need to determine if the increased benefit (the increase in your monthly retirement allowance from the enhanced service credit) outweighs the cost of the service credit purchase. Contact the SBCERA staff to ask what your purchase would cost you.

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**Past Service–Ineligible for Membership** – You may receive service credit for a prior period of service for an SBCERA-covered employer that was ineligible for membership, such as work classified as temporary, hourly, part-time (less than 20 hours weekly) or seasonal. Payment would consist of the appropriate member contributions, plus interest. You may pay with a lump-sum or by payroll deduction.

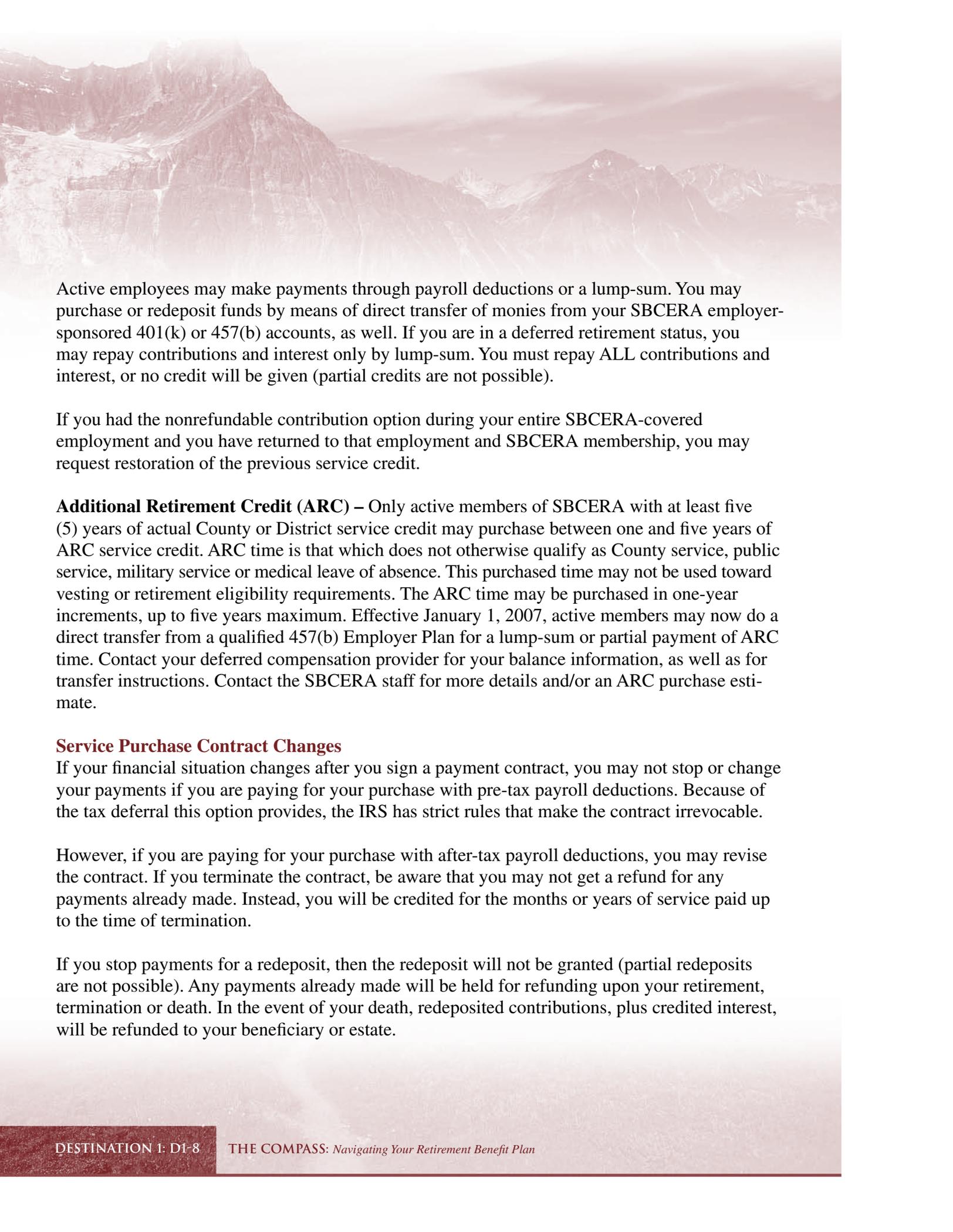
**Past Service–Withdrawn Contributions** – If you left SBCERA-covered employment in the past and withdrew your retirement contributions plus related interest, you have no retirement service credit for that period of service. You can restore this service credit in full if you redeposit (pay back) the withdrawn contributions, with interest, under the following conditions:

- You returned to your employer and are currently an SBCERA member, or
- You returned to your employer, have left employment again, and are currently a member in deferred retirement status.

**Leaves of Absence** – Generally, periods of leave without pay, such as work furlough, do not earn retirement service credit, nor can this service be purchased. However, you may purchase service credit when you return from certain leaves, as described below.

- **Sick Leave Without Pay**–You may purchase up to one year (12 consecutive months) of retirement service credit upon return to work from authorized sick leave without pay (with departmental verification). You purchase service credit by paying the amount of employee contributions plus interest.
- **Military Leave of Absence**–If you resign from your employer or obtain a leave of absence to enter the armed forces of the United States then return to the same employer, you may purchase retirement service credit for the period of military service. To be eligible for military service credit, members who either resign to enter military service or take a leave of absence for military service must re-enter employment within one year of termination of military service.

To purchase this military service credit after you are re-employed, you must file a request for the credit with SBCERA and provide a copy of your military discharge certificate (DD Form 214 or its equivalent) to verify your military service. Your account is credited with this service credit after you make the purchase.



Active employees may make payments through payroll deductions or a lump-sum. You may purchase or redeposit funds by means of direct transfer of monies from your SBCERA employer-sponsored 401(k) or 457(b) accounts, as well. If you are in a deferred retirement status, you may repay contributions and interest only by lump-sum. You must repay ALL contributions and interest, or no credit will be given (partial credits are not possible).

If you had the nonrefundable contribution option during your entire SBCERA-covered employment and you have returned to that employment and SBCERA membership, you may request restoration of the previous service credit.

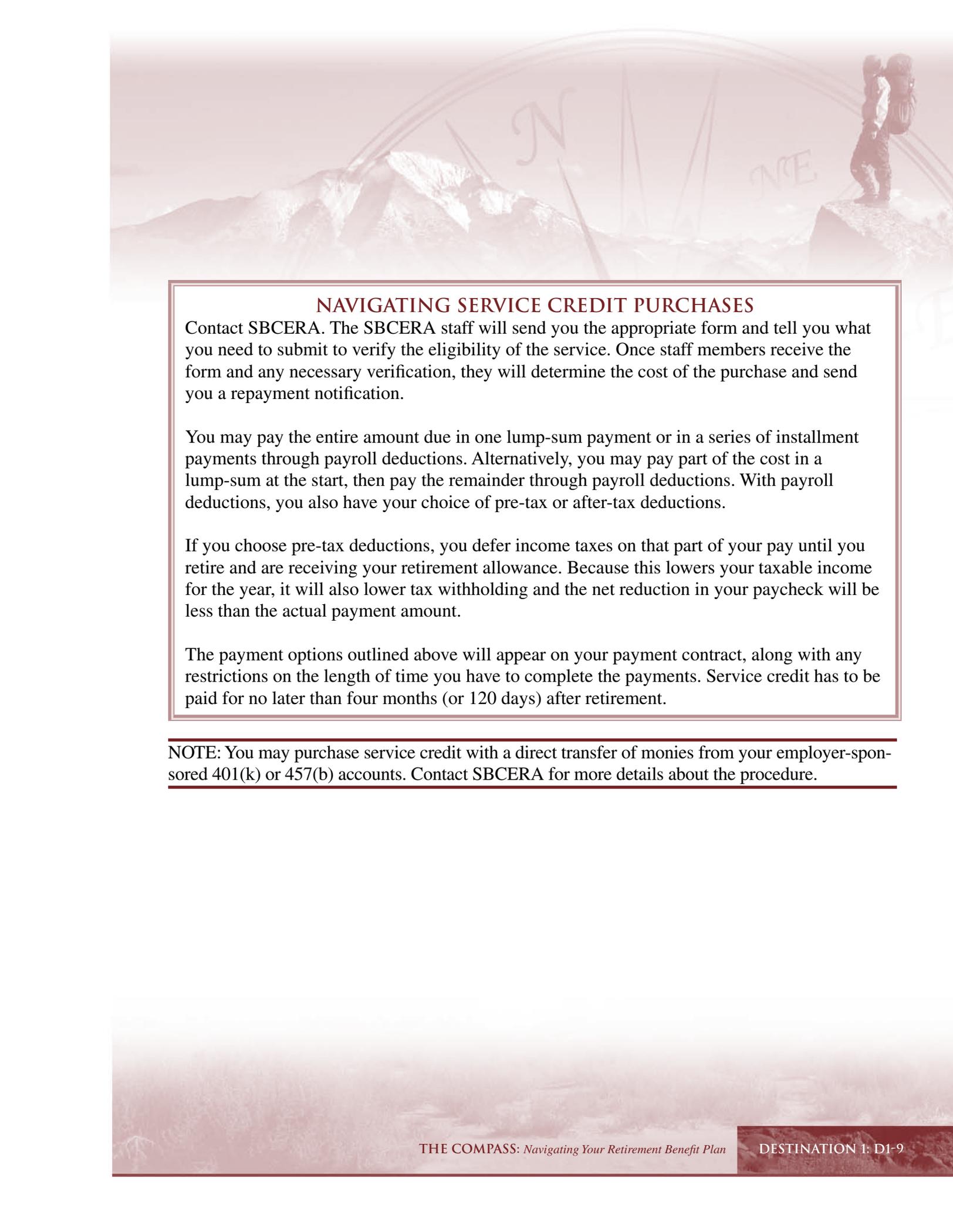
**Additional Retirement Credit (ARC)** – Only active members of SBCERA with at least five (5) years of actual County or District service credit may purchase between one and five years of ARC service credit. ARC time is that which does not otherwise qualify as County service, public service, military service or medical leave of absence. This purchased time may not be used toward vesting or retirement eligibility requirements. The ARC time may be purchased in one-year increments, up to five years maximum. Effective January 1, 2007, active members may now do a direct transfer from a qualified 457(b) Employer Plan for a lump-sum or partial payment of ARC time. Contact your deferred compensation provider for your balance information, as well as for transfer instructions. Contact the SBCERA staff for more details and/or an ARC purchase estimate.

### **Service Purchase Contract Changes**

If your financial situation changes after you sign a payment contract, you may not stop or change your payments if you are paying for your purchase with pre-tax payroll deductions. Because of the tax deferral this option provides, the IRS has strict rules that make the contract irrevocable.

However, if you are paying for your purchase with after-tax payroll deductions, you may revise the contract. If you terminate the contract, be aware that you may not get a refund for any payments already made. Instead, you will be credited for the months or years of service paid up to the time of termination.

If you stop payments for a redeposit, then the redeposit will not be granted (partial redeposits are not possible). Any payments already made will be held for refunding upon your retirement, termination or death. In the event of your death, redeposited contributions, plus credited interest, will be refunded to your beneficiary or estate.



## NAVIGATING SERVICE CREDIT PURCHASES

Contact SBCERA. The SBCERA staff will send you the appropriate form and tell you what you need to submit to verify the eligibility of the service. Once staff members receive the form and any necessary verification, they will determine the cost of the purchase and send you a repayment notification.

You may pay the entire amount due in one lump-sum payment or in a series of installment payments through payroll deductions. Alternatively, you may pay part of the cost in a lump-sum at the start, then pay the remainder through payroll deductions. With payroll deductions, you also have your choice of pre-tax or after-tax deductions.

If you choose pre-tax deductions, you defer income taxes on that part of your pay until you retire and are receiving your retirement allowance. Because this lowers your taxable income for the year, it will also lower tax withholding and the net reduction in your paycheck will be less than the actual payment amount.

The payment options outlined above will appear on your payment contract, along with any restrictions on the length of time you have to complete the payments. Service credit has to be paid for no later than four months (or 120 days) after retirement.

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**NOTE:** You may purchase service credit with a direct transfer of monies from your employer-sponsored 401(k) or 457(b) accounts. Contact SBCERA for more details about the procedure.

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## RETIREMENT ELIGIBILITY

Retirement directly from active service with a participating employer is called a **service retirement**. Your eligibility for retirement depends on a combination of your age, your years of service credit and your plan:

### General Plan Members

- If you are age 50 and have 10 years of eligible service credit, you may retire.
- If you have 30 years or more of eligible service credit, you may retire anytime, regardless of your age.
- If you have reached age 70, you may retire anytime, regardless of how many years of service you have.

### Safety Plan Members

- If you are age 50 and have 10 years of eligible service credit, you may retire
- If you have 20 years or more of eligible service credit, you may retire anytime, regardless of your age.
- If you have reached age 70, you may retire anytime, regardless of how many years of service you have.

If you are a part-time employee, you may retire when you have:

- reached the age of 55,
- been a member for at least 10 years, and
- earned at least five years of service credit.

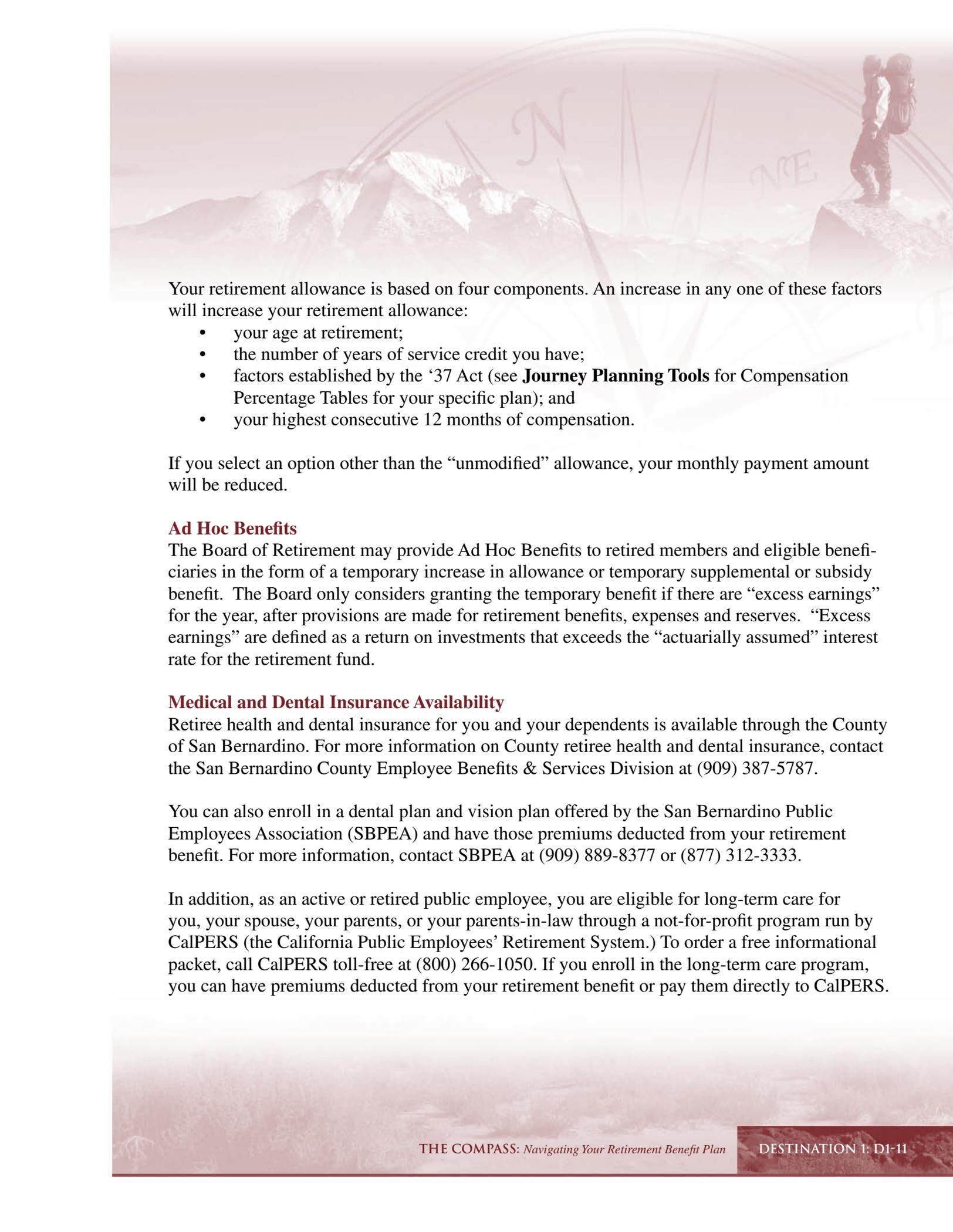
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NOTE: You will not be credited with service applicable to eligibility for retirement for periods when you are taking a leave without pay or your paycheck is too small to cover your retirement contribution. You may, however, purchase up to 12 months of service credit for authorized sick and military leave per incident. See the section on “Purchasing Service Credit.”

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### The Age Factor

Ages used in determining retirement allowances are stated in terms of quarter-years. For example, if you were born in January 1950 and retired in May 2005, your age at retirement would be  $55\frac{1}{4}$ .



Your retirement allowance is based on four components. An increase in any one of these factors will increase your retirement allowance:

- your age at retirement;
- the number of years of service credit you have;
- factors established by the '37 Act (see **Journey Planning Tools** for Compensation Percentage Tables for your specific plan); and
- your highest consecutive 12 months of compensation.

If you select an option other than the “unmodified” allowance, your monthly payment amount will be reduced.

### **Ad Hoc Benefits**

The Board of Retirement may provide Ad Hoc Benefits to retired members and eligible beneficiaries in the form of a temporary increase in allowance or temporary supplemental or subsidy benefit. The Board only considers granting the temporary benefit if there are “excess earnings” for the year, after provisions are made for retirement benefits, expenses and reserves. “Excess earnings” are defined as a return on investments that exceeds the “actuarially assumed” interest rate for the retirement fund.

### **Medical and Dental Insurance Availability**

Retiree health and dental insurance for you and your dependents is available through the County of San Bernardino. For more information on County retiree health and dental insurance, contact the San Bernardino County Employee Benefits & Services Division at (909) 387-5787.

You can also enroll in a dental plan and vision plan offered by the San Bernardino Public Employees Association (SBPEA) and have those premiums deducted from your retirement benefit. For more information, contact SBPEA at (909) 889-8377 or (877) 312-3333.

In addition, as an active or retired public employee, you are eligible for long-term care for you, your spouse, your parents, or your parents-in-law through a not-for-profit program run by CalPERS (the California Public Employees’ Retirement System.) To order a free informational packet, call CalPERS toll-free at (800) 266-1050. If you enroll in the long-term care program, you can have premiums deducted from your retirement benefit or pay them directly to CalPERS.

### **IRS Limits**

Section 415 of the Internal Revenue Code sets limits on the dollar amounts that can be paid as retirement allowances. You may or may not be affected by these Section 415 limits. Your Retirement Specialist will notify you if your retirement allowance will exceed the 415 limits.

### **Cost-of-Living Adjustment (COLA)**

The Retirement Plan provides for a cost-of-living adjustment (COLA) when the Regional Consumer Price Index (CPI) has increased by 2% or more for the previous calendar year. Cost-of-living adjustments (if any) go into effect on April 1st each year. To be eligible for the COLA enacted in any particular year, you must retire on or before April 1st of that year.

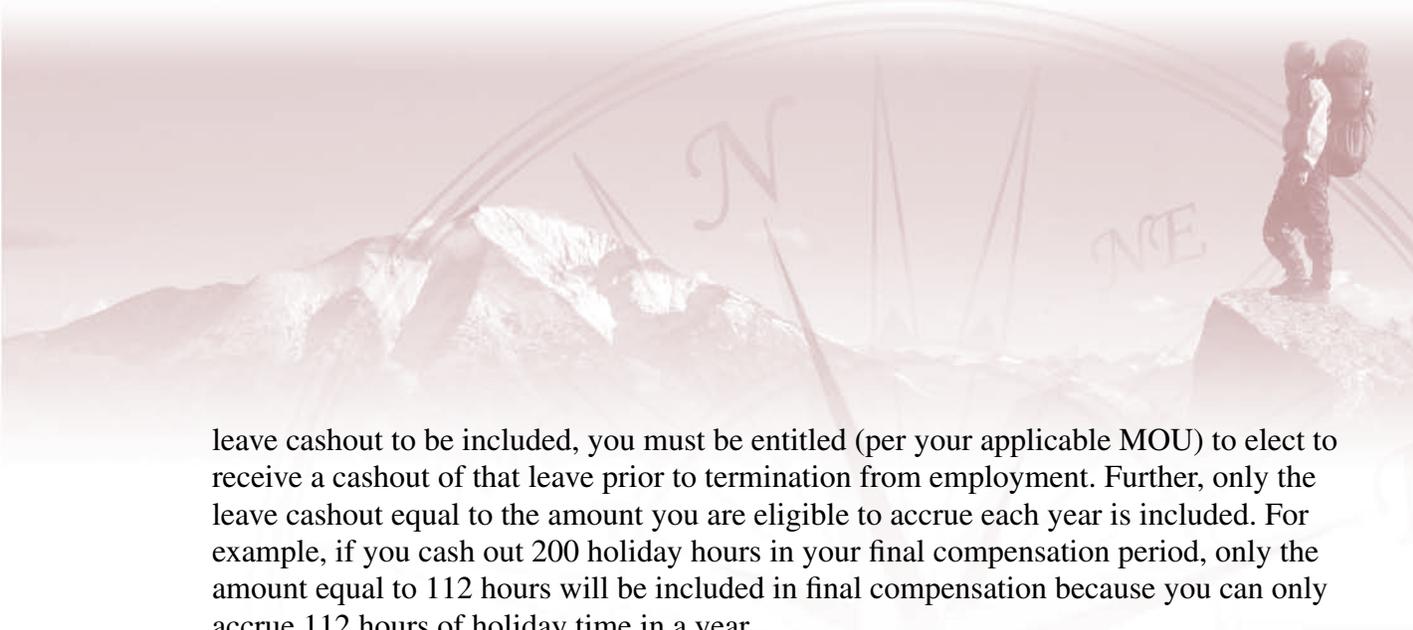
SBCERA also provides for a non-compounded COLA of 7% for members who joined SBCERA prior to August 19, 1975.

If the consumer price index decreases, a cost-of-living increase may not occur or existing cost-of-living increases may be adjusted. Your allowance, however, will never fall below its original level at your date of retirement.

### **Optimizing Your Retirement**

There are several factors that might optimize your monthly retirement benefit:

- Your birthday, or immediately following your birthday, or at any three-month interval after your birthday is a good time to retire because your age is counted in quarter-years for determination of benefits.
- If you plan to retire in the spring, you might want to choose a date no later than April 1st so that your retirement allowance includes any cost-of-living adjustment.
- If you plan to retire in the winter, you might want to avoid the end of the year, since retiring then would mean that large amounts of your vacation, holiday time, and sick leave may be cashed out and included in your taxable income for that year. Also, if you retire toward the end of the year, your tax rate for any retirement allowance benefits paid that year will be based on income that includes compensation from your job for most of the year. If you will be in a lower tax bracket after you retire, you might want to wait until January to start receiving benefits.
- You may want to plan for the cash out of leave accruals that will be included in your final compensation. The cashouts of leave must be within the final compensation period. Leave cashouts received after separation from employment are not included. For a



leave cashout to be included, you must be entitled (per your applicable MOU) to elect to receive a cashout of that leave prior to termination from employment. Further, only the leave cashout equal to the amount you are eligible to accrue each year is included. For example, if you cash out 200 holiday hours in your final compensation period, only the amount equal to 112 hours will be included in final compensation because you can only accrue 112 hours of holiday time in a year.

### **Monthly Retirement Payments**

Your monthly payment from the retirement system is called your “retirement benefit.” Retirees can be paid only in the form of monthly payments, not a lump-sum. If you terminate your employment before retirement, you may request a lump-sum of your refundable contributions. However, you will then be ineligible for any retirement benefits and will not be considered a “retired” member.

### **Selecting the Right Retirement Option**

You can select the retirement option that best meets your needs for providing for a spouse, domestic partner or other beneficiary. Some of the options require that your monthly allowance be reduced in order to provide a lifetime monthly continuance for your beneficiary.

You will designate a beneficiary when you apply for retirement. This will supersede any previous beneficiary designation. When you retire, you will choose an option that determines how this beneficiary is paid after your death. This is an important decision, as it can affect the amount of the allowance you receive.

## UNMODIFIED OPTION

***Benefit paid to retiree:***

This offers you the maximum benefit for your lifetime.

***Benefit paid to beneficiary:***

If you designate your eligible spouse or domestic partner, he/she will receive a lifetime monthly continuance of 60% of the amount you were receiving. For your spouse to be considered eligible, he/she must have been married to you for at least one year prior to the time you retired. A domestic partner is eligible if he/she was lawfully registered with you in a domestic partnership one year prior to your retirement. To be considered an eligible spouse in a post-retirement marriage, a spouse must have been married to you at least two years prior to your death and he or she is 55 or older.

If you designate your unmarried minor children, they will receive a monthly continuance of 60% of the amount you were receiving until they marry or reach age 18, whichever comes first. Children are also considered eligible up to the age of 22 if they remain unmarried and are enrolled as full-time students in an accredited school. If more than one child is designated as your beneficiary, then the benefit will be divided among them.

***Who might want to consider it:***

Married members and domestic partners generally consider the unmodified allowance the best payment option because the other options reduce the benefit payable to you in exchange for allowing the designation of someone other than your spouse or domestic partner as beneficiary.



## OPTION 1

<b><i>Benefit paid to retiree:</i></b>	This offers you a reduced allowance for your lifetime.
<b><i>Benefit paid to beneficiary:</i></b>	Your beneficiary will receive a lump-sum of your unused contributions (if any remain in your account). NOTE: A member's contributions are usually exhausted during the first seven years of retirement.
<b><i>Who might want to consider it:</i></b>	A member who wants a beneficiary to receive a lump-sum benefit generally prefers this option, or a member who requires flexibility in the selection of a beneficiary. Also, members who are in poor health might want to ensure that their beneficiary receives as much benefit as possible because they will not be drawing on the benefit for long and anticipate remaining undistributed contributions.  <b><i>Note: This is the only option that allows you to change your beneficiary after retirement.</i></b>

## OPTION 2

<b><i>Benefit paid to retiree:</i></b>	This offers you a reduced allowance for your lifetime. This particular reduction depends on your age and the age of the beneficiary you designate. You may not change your beneficiary after you retire.
<b><i>Benefit paid to beneficiary:</i></b>	Your beneficiary will receive a lifetime continuance of 100% of the (reduced) amount you were receiving. When your beneficiary dies, payments stop and no further benefits will be paid.
<b><i>Who might want to consider it:</i></b>	A member who wants to leave a beneficiary the greatest possible amount of money might prefer this option.

### OPTION 3

<b>Benefit paid to retiree:</b>	This offers you a reduced benefit for your lifetime. The reduction depends on your age and the age of the beneficiary you designate. You may not change your beneficiary after you retire.
<b>Benefit paid to beneficiary:</b>	Your beneficiary will receive a lifetime continuance of 50% of the (reduced) amount you were receiving. When your beneficiary dies, payments stop and no further benefits will be paid.
<b>Who might want to consider it:</b>	A member who wants to minimize the reduction of his or her benefit but still wants to provide a lifetime benefit to a beneficiary might find this option preferable.

**PLEASE NOTE:** If you select one of the modified allowance options and your designated beneficiary pre-deceases you, your monthly allowance cannot be changed.

You may change your selected option up until the time your first retirement benefit is issued. After that time, your option selection is irrevocable. Please be advised that if you make a change and do not allow sufficient time for recalculation of your payments, your first payment may be delayed.

If you have selected Options No. 2 or 3, you may not change your beneficiary at anytime. For those options, the amount of your retirement allowance is set according to both your age and the age of the beneficiary you select at retirement.

#### **Other Payment Decisions**

When you apply for retirement, you will be required to make a decision as to tax withholding. You will also need to determine which financial institution you want to receive the direct deposit of your monthly retirement benefit electronically (Electronic Fund Transfers–EFT). This is mandatory for all retirees.

Your retirement packet (see “Applying for Retirement”) will include referral information about contacts for group health and dental insurance. To apply for dental and/or vision insurance through the San Bernardino Public Employees Association (SBPEA), contact that association directly. Participation in the CalPERS long-term care program is available after retirement. If you



are a member of the San Bernardino County Sheriff's Employees' Benefit Association (SEBA), you may purchase retiree life insurance through that association.

Deductions for health, dental, vision, life insurance (SEBA members only) and CalPERS long-term care are made from your monthly retirement benefit. (You may choose to pay CalPERS directly for long-term care.) Additionally, you can arrange for deductions for the Arrowhead Credit Union and the Fiscal Federal Credit Union (South Coast Air Quality Management District retirees). For your convenience, dues for the SBPEA and the Retired Employees of San Bernardino County (RESBC) and your elective donations for the Children's Fund can also be deducted from your retirement benefit.

For more information on any of the above, see the "RETIREES" section of this binder. If you have employee health and dental insurance when you retire, you also have the option of continuing it for a limited time under the provisions of legislation known as COBRA. Contact your participating employer for more information about that option.

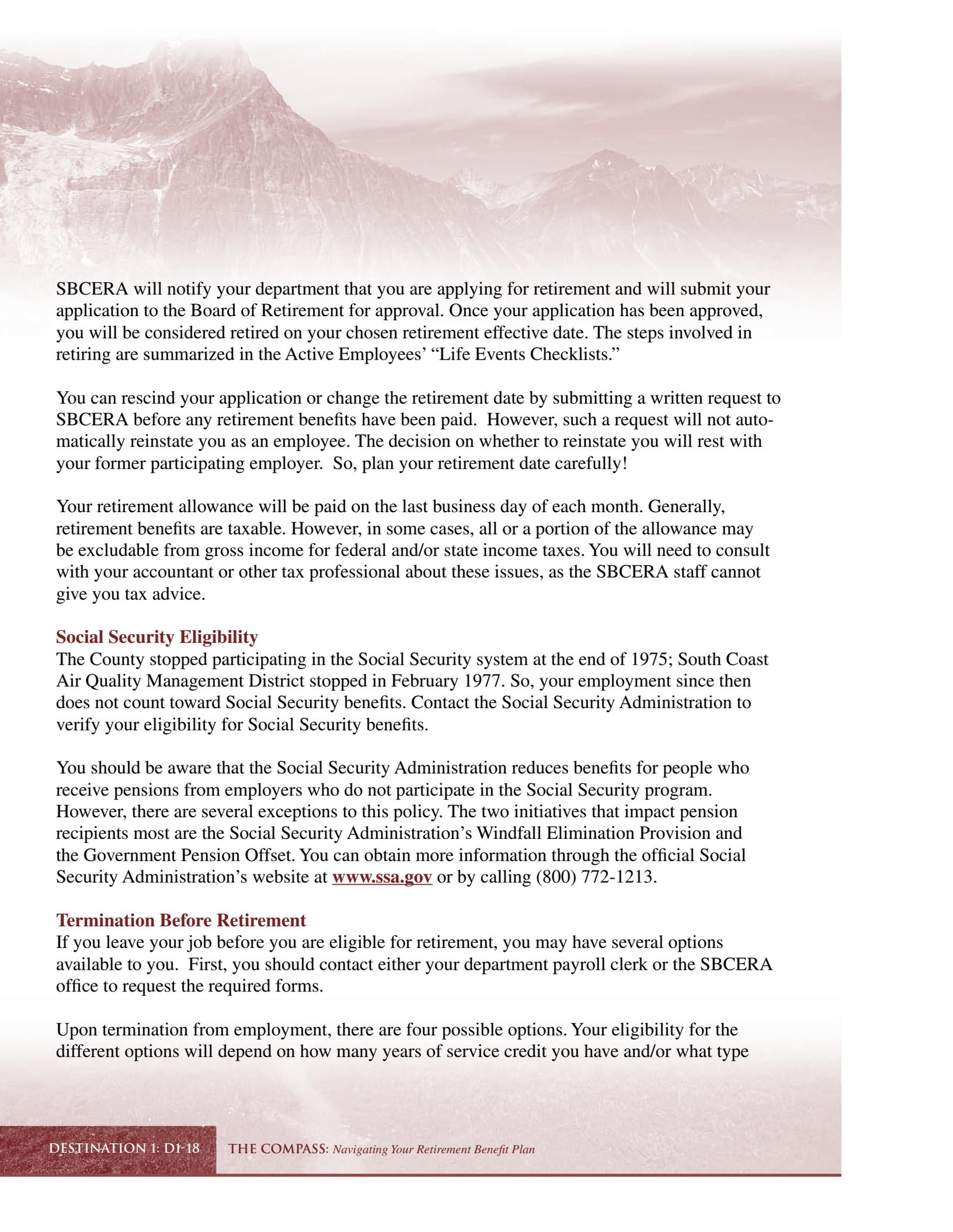
## **APPLYING FOR RETIREMENT**

When the time for your retirement draws near, you are encouraged to meet with an SBCERA Retirement Specialist to discuss your options. Call (909) 885-7980 to schedule an appointment. The application must be signed within 60 days of your retirement date. Therefore, it is a good idea to call approximately three months before the date you have chosen as your retirement date in order to schedule the appointment. You will sign your retirement application at the appointment.

### **NAVIGATING YOUR RETIREMENT APPOINTMENT**

Please bring your completed retirement application form, direct deposit authorization and tax withholding election form to your retirement appointment.

You should also decide in advance who will be the beneficiary for your retirement benefits so that you can bring the required information about that beneficiary to your appointment. Required information includes his/her Social Security number, address, date of birth and your date of marriage or domestic partner registration. You will also need to bring a certified copy of your birth certificate, your beneficiary's birth certificate, and your marriage certificate or registration of domestic partnership.



SBCERA will notify your department that you are applying for retirement and will submit your application to the Board of Retirement for approval. Once your application has been approved, you will be considered retired on your chosen retirement effective date. The steps involved in retiring are summarized in the Active Employees' "Life Events Checklists."

You can rescind your application or change the retirement date by submitting a written request to SBCERA before any retirement benefits have been paid. However, such a request will not automatically reinstate you as an employee. The decision on whether to reinstate you will rest with your former participating employer. So, plan your retirement date carefully!

Your retirement allowance will be paid on the last business day of each month. Generally, retirement benefits are taxable. However, in some cases, all or a portion of the allowance may be excludable from gross income for federal and/or state income taxes. You will need to consult with your accountant or other tax professional about these issues, as the SBCERA staff cannot give you tax advice.

### **Social Security Eligibility**

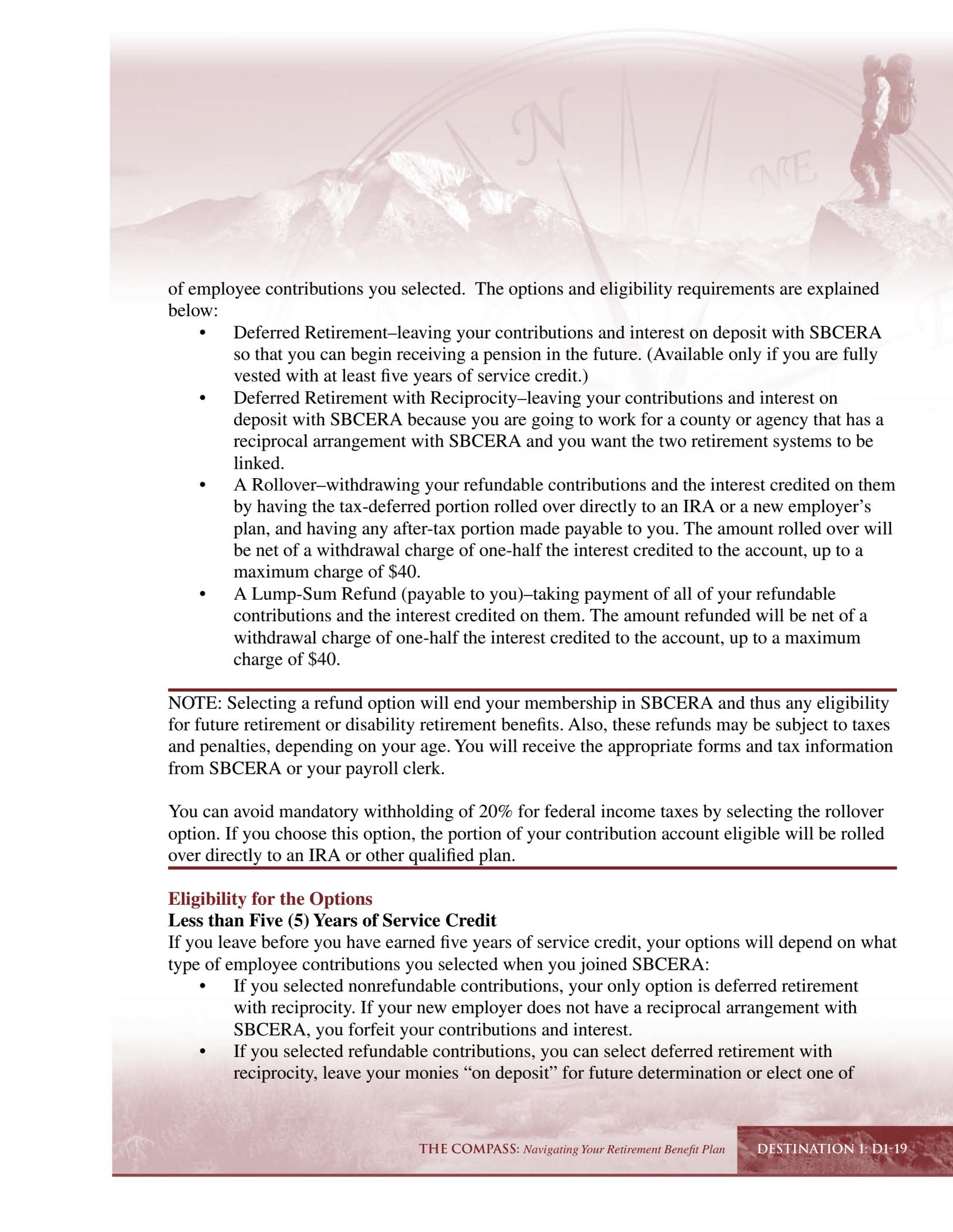
The County stopped participating in the Social Security system at the end of 1975; South Coast Air Quality Management District stopped in February 1977. So, your employment since then does not count toward Social Security benefits. Contact the Social Security Administration to verify your eligibility for Social Security benefits.

You should be aware that the Social Security Administration reduces benefits for people who receive pensions from employers who do not participate in the Social Security program. However, there are several exceptions to this policy. The two initiatives that impact pension recipients most are the Social Security Administration's Windfall Elimination Provision and the Government Pension Offset. You can obtain more information through the official Social Security Administration's website at [www.ssa.gov](http://www.ssa.gov) or by calling (800) 772-1213.

### **Termination Before Retirement**

If you leave your job before you are eligible for retirement, you may have several options available to you. First, you should contact either your department payroll clerk or the SBCERA office to request the required forms.

Upon termination from employment, there are four possible options. Your eligibility for the different options will depend on how many years of service credit you have and/or what type



of employee contributions you selected. The options and eligibility requirements are explained below:

- Deferred Retirement—leaving your contributions and interest on deposit with SBCERA so that you can begin receiving a pension in the future. (Available only if you are fully vested with at least five years of service credit.)
- Deferred Retirement with Reciprocity—leaving your contributions and interest on deposit with SBCERA because you are going to work for a county or agency that has a reciprocal arrangement with SBCERA and you want the two retirement systems to be linked.
- A Rollover—withdrawing your refundable contributions and the interest credited on them by having the tax-deferred portion rolled over directly to an IRA or a new employer’s plan, and having any after-tax portion made payable to you. The amount rolled over will be net of a withdrawal charge of one-half the interest credited to the account, up to a maximum charge of \$40.
- A Lump-Sum Refund (payable to you)—taking payment of all of your refundable contributions and the interest credited on them. The amount refunded will be net of a withdrawal charge of one-half the interest credited to the account, up to a maximum charge of \$40.

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**NOTE:** Selecting a refund option will end your membership in SBCERA and thus any eligibility for future retirement or disability retirement benefits. Also, these refunds may be subject to taxes and penalties, depending on your age. You will receive the appropriate forms and tax information from SBCERA or your payroll clerk.

You can avoid mandatory withholding of 20% for federal income taxes by selecting the rollover option. If you choose this option, the portion of your contribution account eligible will be rolled over directly to an IRA or other qualified plan.

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### **Eligibility for the Options**

#### **Less than Five (5) Years of Service Credit**

If you leave before you have earned five years of service credit, your options will depend on what type of employee contributions you selected when you joined SBCERA:

- If you selected nonrefundable contributions, your only option is deferred retirement with reciprocity. If your new employer does not have a reciprocal arrangement with SBCERA, you forfeit your contributions and interest.
- If you selected refundable contributions, you can select deferred retirement with reciprocity, leave your monies “on deposit” for future determination or elect one of



the refund options. If your new employer does not have a reciprocal arrangement with SBCERA, you must choose one of the refund options.

- If you apply for a refund or rollover, it will be issued no later than six months after your termination date. Most refund checks are issued about 60 days after an employee terminates.
- If you choose deferred retirement with reciprocity, your SBCERA contributions and interest will have to remain on deposit with SBCERA for as long as you remain employed in a reciprocal arrangement.
- If you choose to leave your refundable contributions on deposit with SBCERA, they will continue to accumulate interest. You may request a refund of your accumulated contributions and interest at any time.

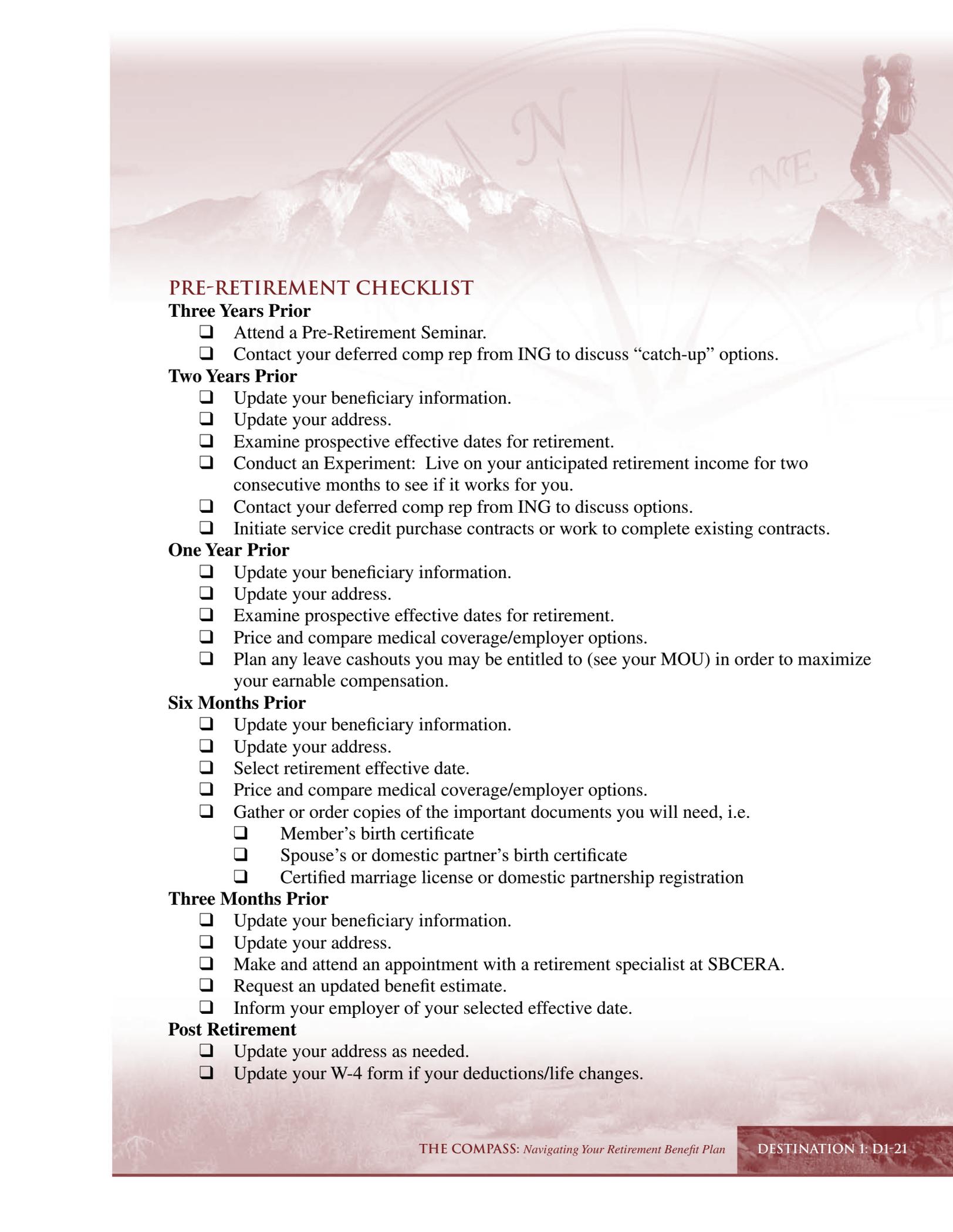
#### **Five (5) or More Years of Service Credit**

- If you have five or more years of service credit, you are fully vested in the Retirement Plan. “Vested” means that you are entitled to begin receiving a retirement benefit in the future when you would have been eligible to retire if you had stayed actively employed. You are thus eligible for a deferred retirement.
- You may also choose one of the refund options or, if your new employer has a reciprocal arrangement with SBCERA, a deferred retirement with reciprocity.
- If you choose a deferred retirement and later decide you want to withdraw your refundable contributions, you may do so at any time before retirement. However, if you choose deferred retirement with reciprocity, your SBCERA contributions and interest will have to remain on deposit with SBCERA for as long as you remain employed in a reciprocal arrangement.

#### **NAVIGATING YOUR TERMINATION OPTION ELECTION**

To elect any of these options, you must complete and submit the required SBCERA forms. Please know that for reciprocity, you must join the retirement system of your new employer within 180 days after your termination date. If your entry into that system happens later than 180 days post termination, then you are not eligible to establish reciprocity.

If you choose a deferred retirement with reciprocity, your new employer may base your contributions to its retirement system on your SBCERA entry age. If you make this choice, you cannot later change your mind and have your contributions and interest refunded from SBCERA; that restriction will be in place as long as you are covered by a reciprocal arrangement.



## PRE-RETIREMENT CHECKLIST

### Three Years Prior

- Attend a Pre-Retirement Seminar.
- Contact your deferred comp rep from ING to discuss “catch-up” options.

### Two Years Prior

- Update your beneficiary information.
- Update your address.
- Examine prospective effective dates for retirement.
- Conduct an Experiment: Live on your anticipated retirement income for two consecutive months to see if it works for you.
- Contact your deferred comp rep from ING to discuss options.
- Initiate service credit purchase contracts or work to complete existing contracts.

### One Year Prior

- Update your beneficiary information.
- Update your address.
- Examine prospective effective dates for retirement.
- Price and compare medical coverage/employer options.
- Plan any leave cashouts you may be entitled to (see your MOU) in order to maximize your earnable compensation.

### Six Months Prior

- Update your beneficiary information.
- Update your address.
- Select retirement effective date.
- Price and compare medical coverage/employer options.
- Gather or order copies of the important documents you will need, i.e.
  - Member’s birth certificate
  - Spouse’s or domestic partner’s birth certificate
  - Certified marriage license or domestic partnership registration

### Three Months Prior

- Update your beneficiary information.
- Update your address.
- Make and attend an appointment with a retirement specialist at SBCERA.
- Request an updated benefit estimate.
- Inform your employer of your selected effective date.

### Post Retirement

- Update your address as needed.
- Update your W-4 form if your deductions/life changes.

## RECIPROCITY

Reciprocity is an arrangement that allows you to link your current retirement benefits with the new system you are joining. It enables you to preserve and enhance your total system benefits. Essentially, it gives you portability by allowing you to leave your retirement contributions on deposit, regardless of your length of service, and to take a deferred retirement.

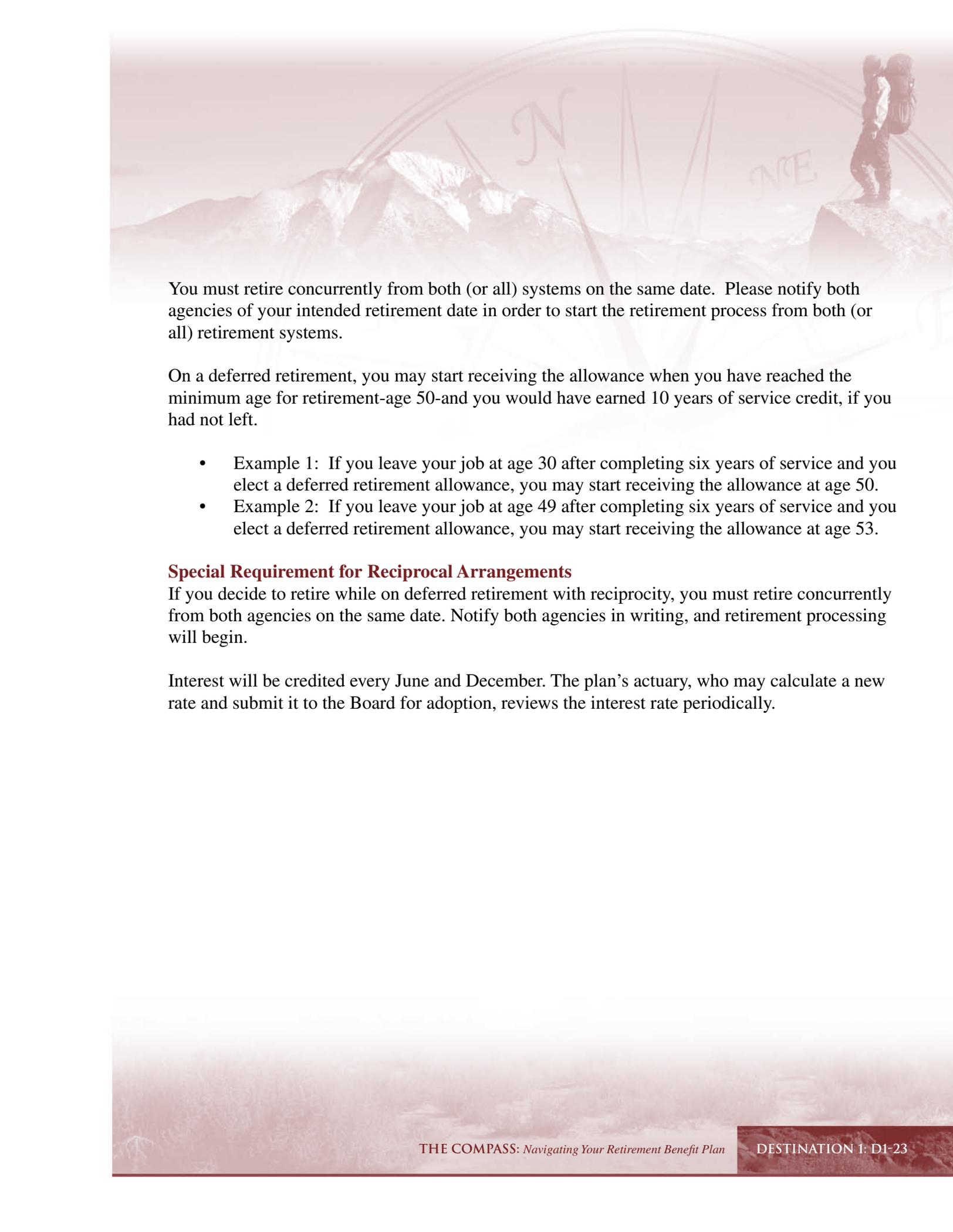
There are several advantages to establishing reciprocity. Your contribution rate will be based on your age of entry into the first system, thereby giving you a rate advantage. Also, the service credit earned in one system may be used to meet the minimum requirements for vesting and/or retirement eligibility in another system. Lastly, your highest salary will be used by both systems to compute your benefit allowance.

SBCERA has reciprocal arrangements with the following systems:

- The California Public Employees' Retirement System of the State of California (PERS);
- The California State Teachers' Retirement System (CalSTRS);
- The Judge's Retirement System (JRS) and the Judge's Retirement System II (JRS II), effective January 1, 2002;
- Any pension plan that has reciprocity with CalPERS; and
- Retirement systems in the other 19 counties that operate under the County Employees' Retirement Law of 1937 (AKA the '37 Act):

Alameda	Mendocino	San Mateo
Contra Costa	Merced	Santa Barbara
Fresno	Orange	Sonoma
Imperial	Sacramento	Stanislaus
Kern	San Diego	Tulare
Los Angeles	San Joaquin	Ventura
Marin		

You are eligible for reciprocal benefits if you change your active membership to or from SBCERA and another system that is covered under the 1937 Act, CalSTRS, CalPERS or any agency that entered into a reciprocity agreement with CalPERS. You must elect to establish reciprocity by informing both systems of your intention. The time between leaving one retirement system and entering another must not exceed 180 days. You must have a clear break in service from the old system before entering the new one.



You must retire concurrently from both (or all) systems on the same date. Please notify both agencies of your intended retirement date in order to start the retirement process from both (or all) retirement systems.

On a deferred retirement, you may start receiving the allowance when you have reached the minimum age for retirement-age 50-and you would have earned 10 years of service credit, if you had not left.

- Example 1: If you leave your job at age 30 after completing six years of service and you elect a deferred retirement allowance, you may start receiving the allowance at age 50.
- Example 2: If you leave your job at age 49 after completing six years of service and you elect a deferred retirement allowance, you may start receiving the allowance at age 53.

### **Special Requirement for Reciprocal Arrangements**

If you decide to retire while on deferred retirement with reciprocity, you must retire concurrently from both agencies on the same date. Notify both agencies in writing, and retirement processing will begin.

Interest will be credited every June and December. The plan's actuary, who may calculate a new rate and submit it to the Board for adoption, reviews the interest rate periodically.

## DEATH BENEFITS

If you die before retirement, then the appropriate death benefit will be paid to the beneficiary or beneficiaries you designated when you joined SBCERA or, subsequently, on a “Request for Change of Beneficiary” form.

Note that a surviving spouse or minor children, even if not the named beneficiary, may have certain rights that supersede the rights of the named beneficiary. In paying benefits, the plan distinguishes between deaths that are service-related and those that are not service-related in the following way:

### **Nonservice-Related Death Benefit**

**Less than 5 Years of Service Credit:** If you die before you have five years of service credit, your spouse or dependent children (or other named beneficiary, if you do not have a spouse or children or they are no longer living) will receive a lump-sum payment of any refundable contributions you made, plus interest, and one month’s compensation for each year of service credit up to six months compensation.

In addition, if you were a General member who completed at least 18 months of service credit, your spouse or dependent children will also be entitled to Survivor Benefits (see Survivor Benefits Table).

**Five Years or More of Service Credit:** If you have at least five years of service credit at the time of your death, the following options are possible:

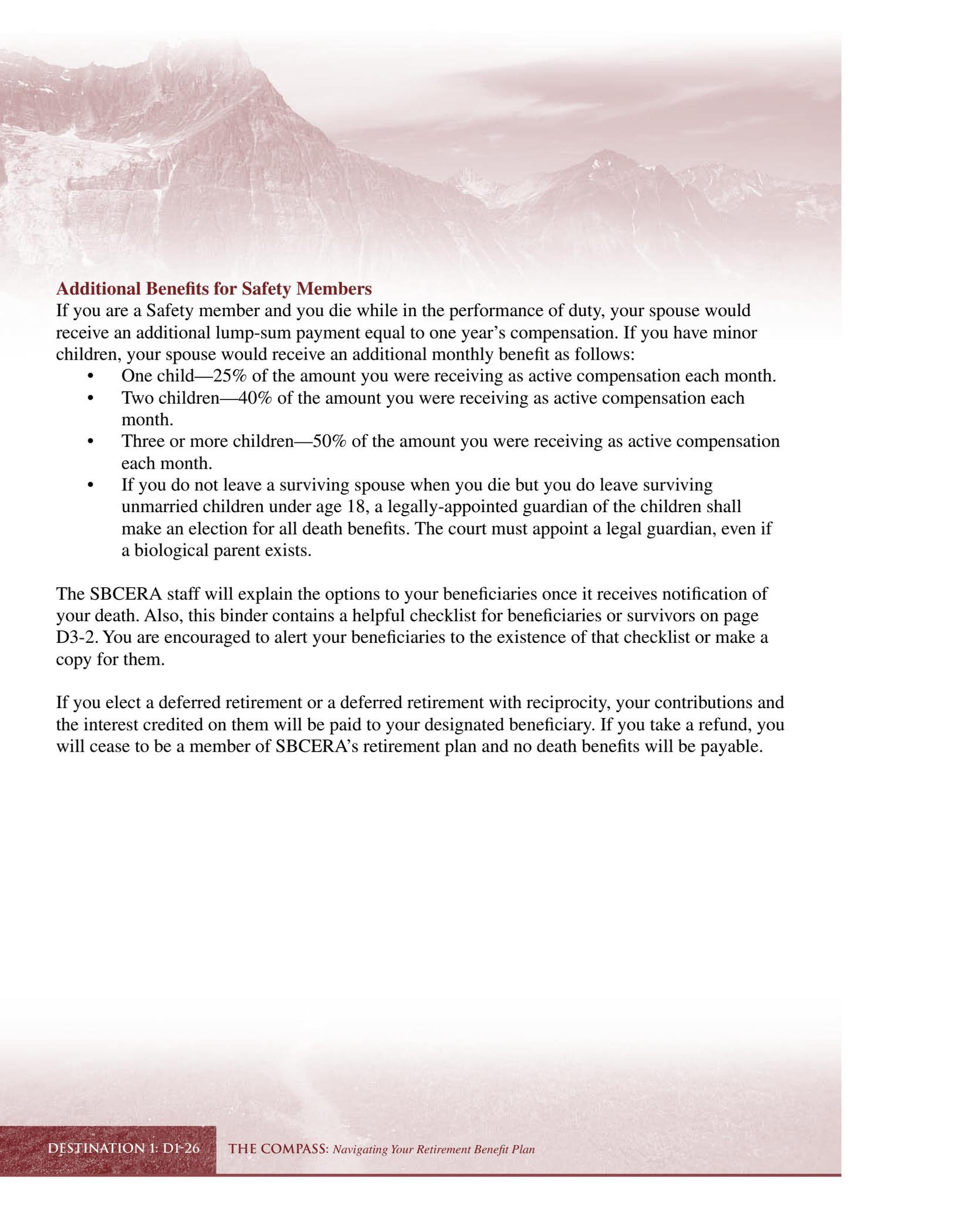
- **Optional Death Allowance** (available only to your eligible spouse, registered domestic partner or dependent children): This is a monthly payment equal to 60% of the amount that would have been awarded in a nonservice-connected disability retirement.
- **Modified Optional Death Allowance** (available only to your eligible spouse, registered domestic partner or dependent children): This is a lump-sum payment of one month’s compensation for each year of your credited service, up to a maximum of six months’ compensation, plus a reduced monthly benefit that will depend on the age of the beneficiary.
- **Death Benefit:** This is a lump-sum payment of one month’s compensation for each year of your credited service, up to a maximum of six months’ compensation, plus any refundable contributions you made plus interest.

In addition, if you were a General member, your spouse or dependent children will also be entitled to Survivor Benefits (see the **Survivor Benefits Table**).

<b>Survivor Category</b>	<b>Member Death Date ≤ 4/1/94</b>	<b>Member Death Date &gt; 4/1/94</b>
<b>Surviving spouse caring for one child</b>	\$591.80	\$1,390.00
<b>Surviving spouse caring for two or more children</b>	\$690.40	\$1,622.00
<b>One child only</b>	\$295.90	\$695.00
<b>Two children only</b>	\$581.80	\$1,390.00
<b>Three or more children</b>	\$690.40	\$1,622.00
<b>Widow or widower age 62 (no child)</b>	\$327.10	\$768.00
<b>Widow or widower age 60 (no child)</b>	\$0.00	\$663.00
<b>Each of two dependent parents at age 62</b>	\$295.90	\$695.00
<b>Sole dependent parent at age 62</b>	\$325.50	\$795.00

### **Service-Related Death Benefit**

A service-related death is one that results from a service-connected injury or disease that arises from or in the course of your employment with a participating employer. If your death is service-related, your surviving spouse or registered domestic partner could receive 100% of what would have been paid in a service-connected disability. In other words, this would be a lifetime monthly allowance equal to 50% of your active final monthly compensation.



### **Additional Benefits for Safety Members**

If you are a Safety member and you die while in the performance of duty, your spouse would receive an additional lump-sum payment equal to one year's compensation. If you have minor children, your spouse would receive an additional monthly benefit as follows:

- One child—25% of the amount you were receiving as active compensation each month.
- Two children—40% of the amount you were receiving as active compensation each month.
- Three or more children—50% of the amount you were receiving as active compensation each month.
- If you do not leave a surviving spouse when you die but you do leave surviving unmarried children under age 18, a legally-appointed guardian of the children shall make an election for all death benefits. The court must appoint a legal guardian, even if a biological parent exists.

The SBCERA staff will explain the options to your beneficiaries once it receives notification of your death. Also, this binder contains a helpful checklist for beneficiaries or survivors on page D3-2. You are encouraged to alert your beneficiaries to the existence of that checklist or make a copy for them.

If you elect a deferred retirement or a deferred retirement with reciprocity, your contributions and the interest credited on them will be paid to your designated beneficiary. If you take a refund, you will cease to be a member of SBCERA's retirement plan and no death benefits will be payable.



DESTINATION 2:  
**RETIREES**

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THE COMPASS: *Navigating Your Retirement Benefit Plan*





## DESTINATION 2: RETIREES

### YOUR RETIREMENT ALLOWANCE

Retirement benefits are paid the last working day of the month. For example, if you retire on January 7th, your first warrant will be January 31st (or the last working day before that, if the 31st falls on a weekend).

If you have not received your benefit payment by the 8th day of the following month, contact the SBCERA staff for a Declaration of Lost, Stolen or Destroyed Check form. Upon receipt of the completed declaration, a new check will be generated and mailed to you.

### Cost-of-Living Adjustments (COLAs)

Cost-of-living adjustments for most benefits are effective April 1st of each year and are included in monthly benefit payments thereafter. COLAs are applied to service retirements, disability benefits and most monthly death benefits. Survivor benefits are not subject to COLAs.

### Taxability

Generally, retirement benefits are taxable. However, in some cases, all or a portion of the benefit may be excludable from gross income for federal and/or state income taxes. You will need to talk to your accountant or other tax consultant on this subject; the SBCERA staff cannot give you tax advice.

You should also check with your tax advisor to see if you need to adjust your withholding annually. You may change your withholding at any time. Contact the SBCERA staff for the combined federal/state tax withholding form. You can also print this form from SBCERA's website.

The 1099-Rs are sent annually, no later than January 31st of each year. If you do not receive yours within a reasonable amount of time after that date, contact the SBCERA staff. The staff will provide you with a duplicate form.

Also contact the SBCERA staff if your 1099-R seems to be in error. The staff can work with you to resolve the matter and have a new 1099-R issued if necessary.

### Direct Deposit

You are very strongly encouraged to sign up for direct deposit of your retirement benefit payment. You may cancel or start direct deposit, or change the bank where your benefit payment



is deposited, at any time. Contact the SBCERA staff for an “Authorization Agreement for Automatic Deposits.” You can also print this form from SBCERA’s website.

### **Beneficiaries**

The retirement option selection you made when you retired is irrevocable. However, you may change your beneficiary if you selected Option 1 or the Unmodified Allowance at the time you retired. If the Unmodified Option was selected and your listed eligible spouse or registered domestic partner pre-deceases you and you remarry or enter a new domestic partnership, the new spouse/domestic partner may be named as a beneficiary to receive a continuance of your monthly benefit if he/she meets the following criteria:

- The new spouse/domestic partner must be age 55 years or older;
- The new spouse/domestic partner must be married/registered to you for two years prior to your death; and,
- No other person may be designated in a court order (domestic relations order) as a payee.

### **Social Security Eligibility**

If you have 40 credits with Social Security, you may be able to collect Social Security benefits at age 65 or older. You must contact the Social Security Administration for your personal benefit review. In most cases, when an employee’s last employer did not participate in Social Security, these benefits may be reduced by the Windfall Elimination Provision or the Government Pension Offset.

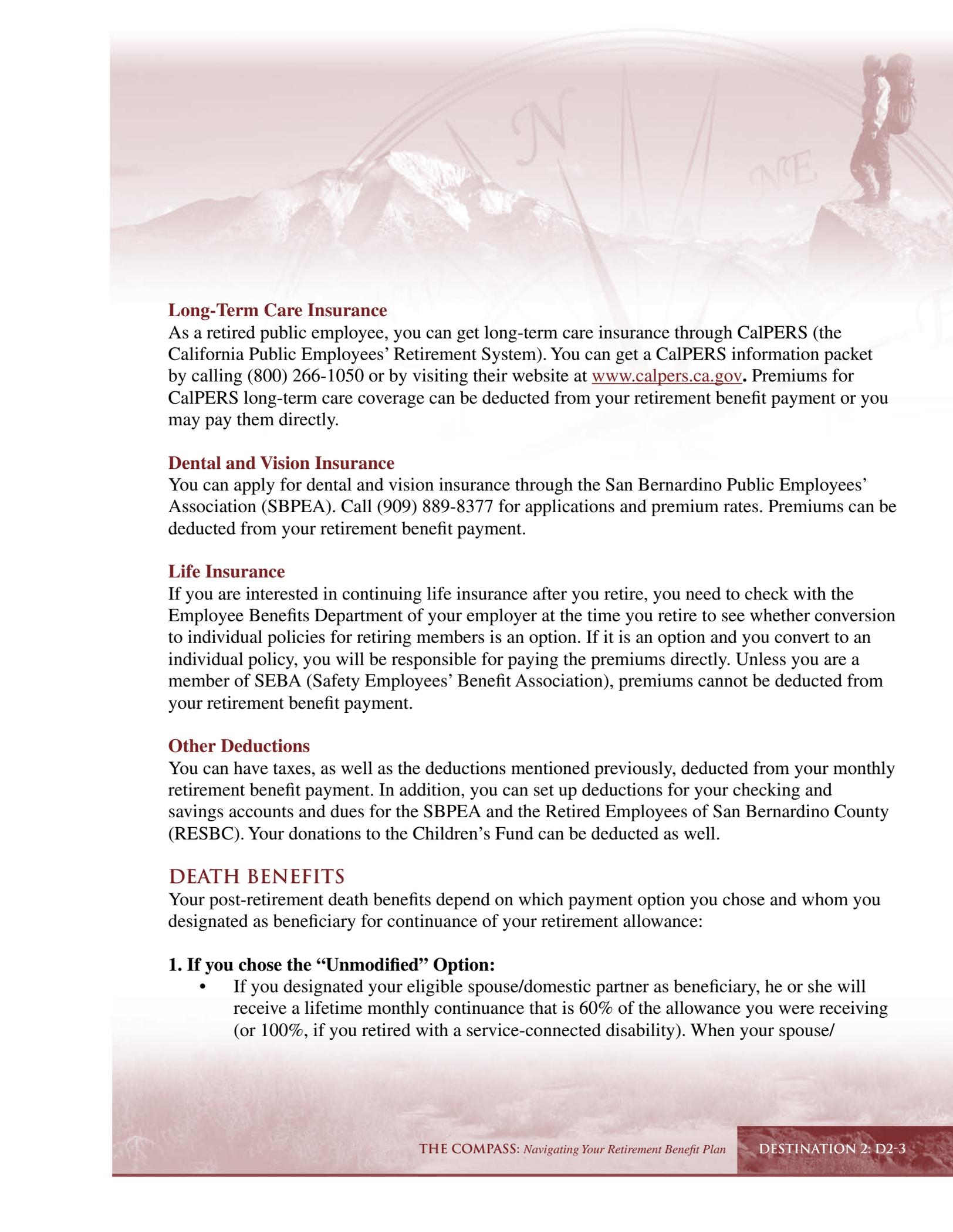
## **INSURANCE**

### **Health Insurance Coverage & Administration**

The County of San Bernardino administers and offers SBCERA retirees a variety of health insurance coverage and group premium rates. SBCERA will deduct your monthly health insurance premiums from your retirement benefit. **All questions about retiree insurance programs, related costs and requirements should be directed to Employee Benefits & Services Division (EBS) at (909) 387-5787. EBS is located at 157 W. Fifth Street, San Bernardino, CA 92415-0440.**

### **Medicare**

SBCERA will generally notify you that you need to apply for Medicare before you reach age 65. Contact **Employee Benefits & Services Division at (909) 387-5787** to request coverage information for your current health plan carrier.



### **Long-Term Care Insurance**

As a retired public employee, you can get long-term care insurance through CalPERS (the California Public Employees' Retirement System). You can get a CalPERS information packet by calling (800) 266-1050 or by visiting their website at [www.calpers.ca.gov](http://www.calpers.ca.gov). Premiums for CalPERS long-term care coverage can be deducted from your retirement benefit payment or you may pay them directly.

### **Dental and Vision Insurance**

You can apply for dental and vision insurance through the San Bernardino Public Employees' Association (SBPEA). Call (909) 889-8377 for applications and premium rates. Premiums can be deducted from your retirement benefit payment.

### **Life Insurance**

If you are interested in continuing life insurance after you retire, you need to check with the Employee Benefits Department of your employer at the time you retire to see whether conversion to individual policies for retiring members is an option. If it is an option and you convert to an individual policy, you will be responsible for paying the premiums directly. Unless you are a member of SEBA (Safety Employees' Benefit Association), premiums cannot be deducted from your retirement benefit payment.

### **Other Deductions**

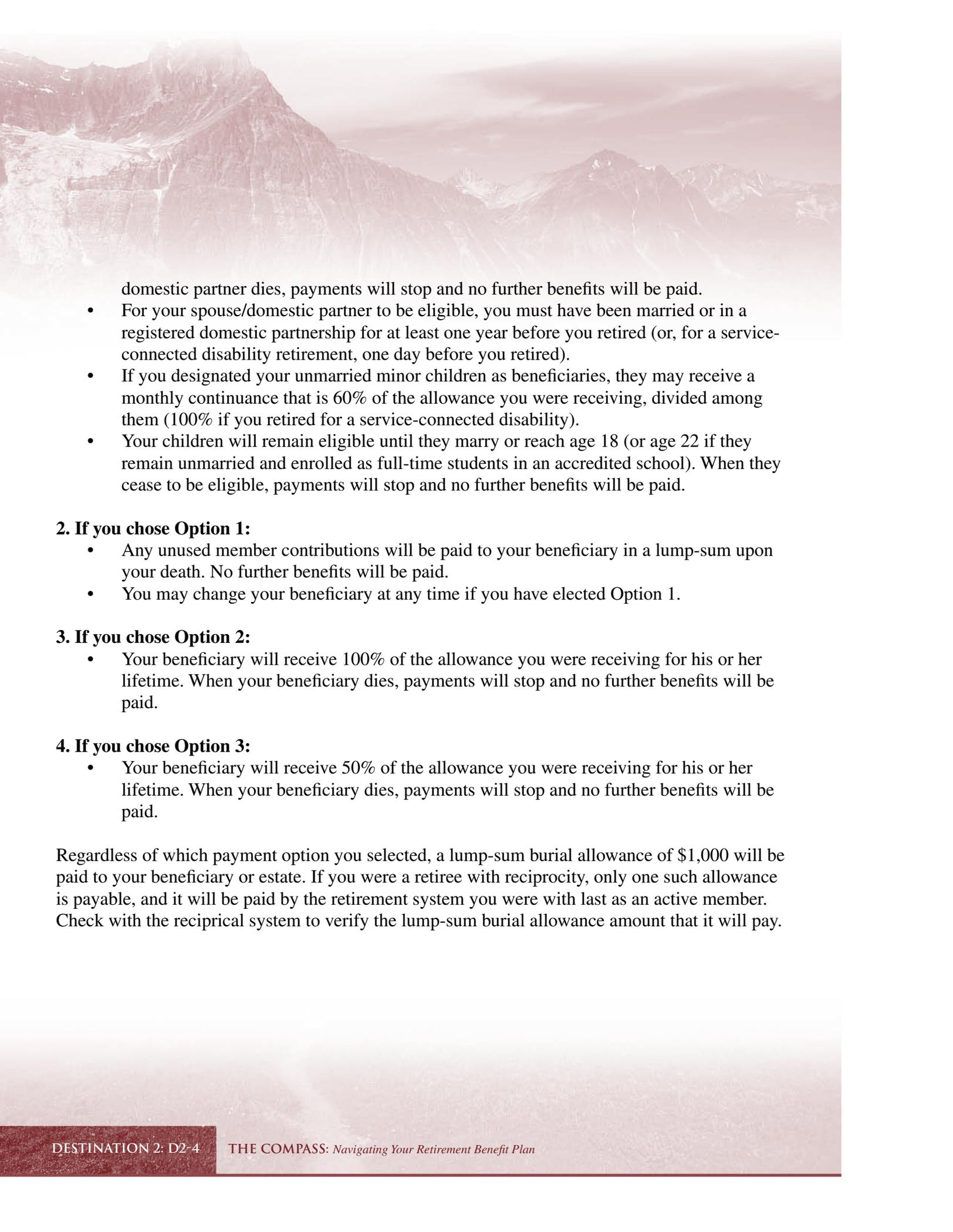
You can have taxes, as well as the deductions mentioned previously, deducted from your monthly retirement benefit payment. In addition, you can set up deductions for your checking and savings accounts and dues for the SBPEA and the Retired Employees of San Bernardino County (RESBC). Your donations to the Children's Fund can be deducted as well.

## **DEATH BENEFITS**

Your post-retirement death benefits depend on which payment option you chose and whom you designated as beneficiary for continuance of your retirement allowance:

### **1. If you chose the "Unmodified" Option:**

- If you designated your eligible spouse/domestic partner as beneficiary, he or she will receive a lifetime monthly continuance that is 60% of the allowance you were receiving (or 100%, if you retired with a service-connected disability). When your spouse/

- 
- domestic partner dies, payments will stop and no further benefits will be paid.
- For your spouse/domestic partner to be eligible, you must have been married or in a registered domestic partnership for at least one year before you retired (or, for a service-connected disability retirement, one day before you retired).
  - If you designated your unmarried minor children as beneficiaries, they may receive a monthly continuance that is 60% of the allowance you were receiving, divided among them (100% if you retired for a service-connected disability).
  - Your children will remain eligible until they marry or reach age 18 (or age 22 if they remain unmarried and enrolled as full-time students in an accredited school). When they cease to be eligible, payments will stop and no further benefits will be paid.

**2. If you chose Option 1:**

- Any unused member contributions will be paid to your beneficiary in a lump-sum upon your death. No further benefits will be paid.
- You may change your beneficiary at any time if you have elected Option 1.

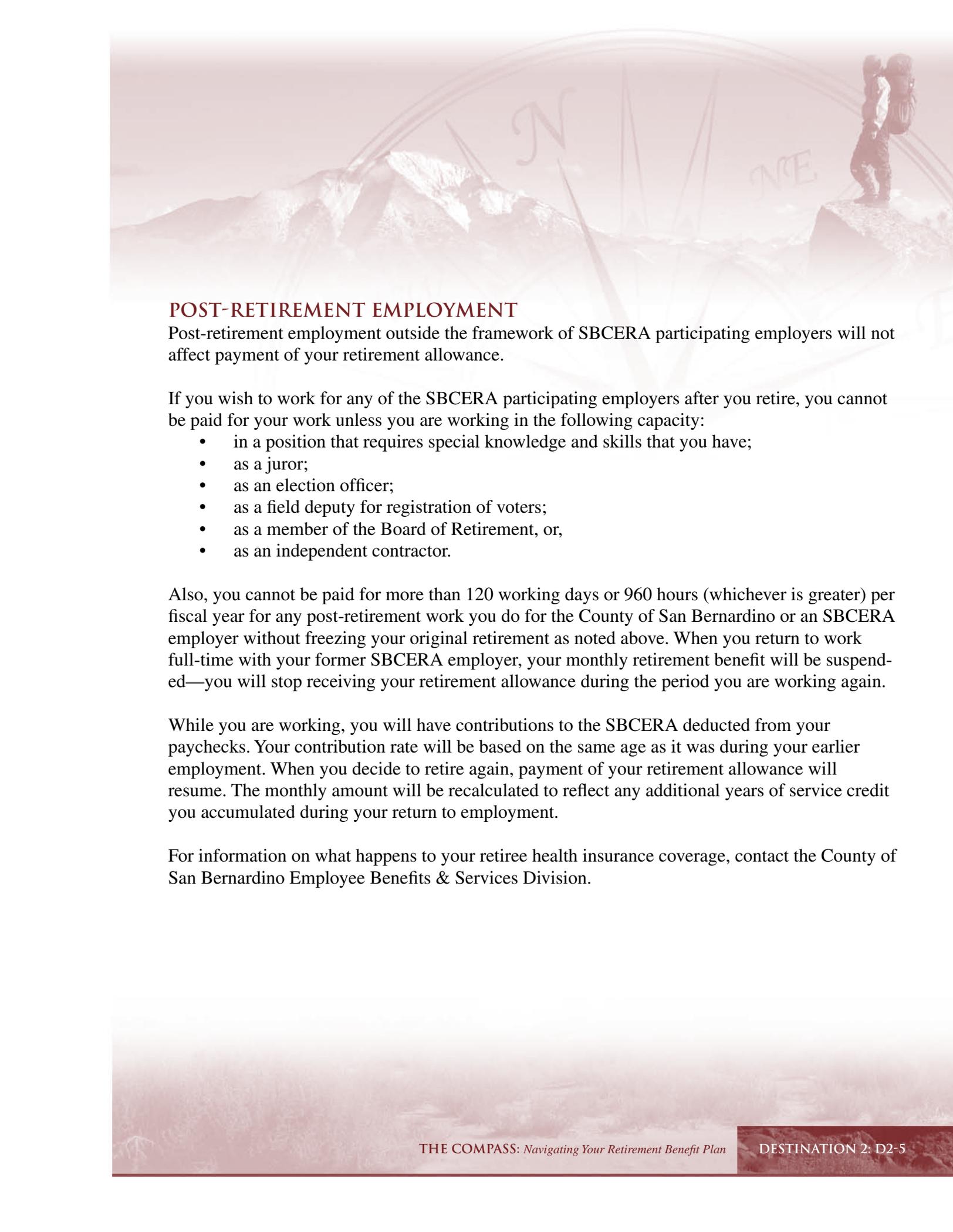
**3. If you chose Option 2:**

- Your beneficiary will receive 100% of the allowance you were receiving for his or her lifetime. When your beneficiary dies, payments will stop and no further benefits will be paid.

**4. If you chose Option 3:**

- Your beneficiary will receive 50% of the allowance you were receiving for his or her lifetime. When your beneficiary dies, payments will stop and no further benefits will be paid.

Regardless of which payment option you selected, a lump-sum burial allowance of \$1,000 will be paid to your beneficiary or estate. If you were a retiree with reciprocity, only one such allowance is payable, and it will be paid by the retirement system you were with last as an active member. Check with the reciprocal system to verify the lump-sum burial allowance amount that it will pay.



## POST-RETIREMENT EMPLOYMENT

Post-retirement employment outside the framework of SBCERA participating employers will not affect payment of your retirement allowance.

If you wish to work for any of the SBCERA participating employers after you retire, you cannot be paid for your work unless you are working in the following capacity:

- in a position that requires special knowledge and skills that you have;
- as a juror;
- as an election officer;
- as a field deputy for registration of voters;
- as a member of the Board of Retirement, or,
- as an independent contractor.

Also, you cannot be paid for more than 120 working days or 960 hours (whichever is greater) per fiscal year for any post-retirement work you do for the County of San Bernardino or an SBCERA employer without freezing your original retirement as noted above. When you return to work full-time with your former SBCERA employer, your monthly retirement benefit will be suspended—you will stop receiving your retirement allowance during the period you are working again.

While you are working, you will have contributions to the SBCERA deducted from your paychecks. Your contribution rate will be based on the same age as it was during your earlier employment. When you decide to retire again, payment of your retirement allowance will resume. The monthly amount will be recalculated to reflect any additional years of service credit you accumulated during your return to employment.

For information on what happens to your retiree health insurance coverage, contact the County of San Bernardino Employee Benefits & Services Division.

## JOURNEY PREPARATION CHECKLIST

### Life Events Checklists

If you have questions about any situations that are not covered below, please contact the SBCERA staff. Many of the forms mentioned below can also be printed from the SBCERA website:

- Request for Change of Address
- Justification for Non Signature of Spouse
- Request for Change of Beneficiary
- Authorization Agreement for Automatic Deposits
- Combined federal and state tax withholding form

### Personal Information Changes or Family Changes

#### Address Change

- Make changes through your department payroll clerk.

#### Beneficiary Change

- Contact your payroll clerk for a “Request for Change of Beneficiary” form. Complete it and submit it to the SBCERA staff.
- If you are married and you will not be able to obtain the signature of your spouse, ask for a “Justification for Non Signature of Spouse” form, as well, since you will need to complete and return that form, too.

#### Divorce

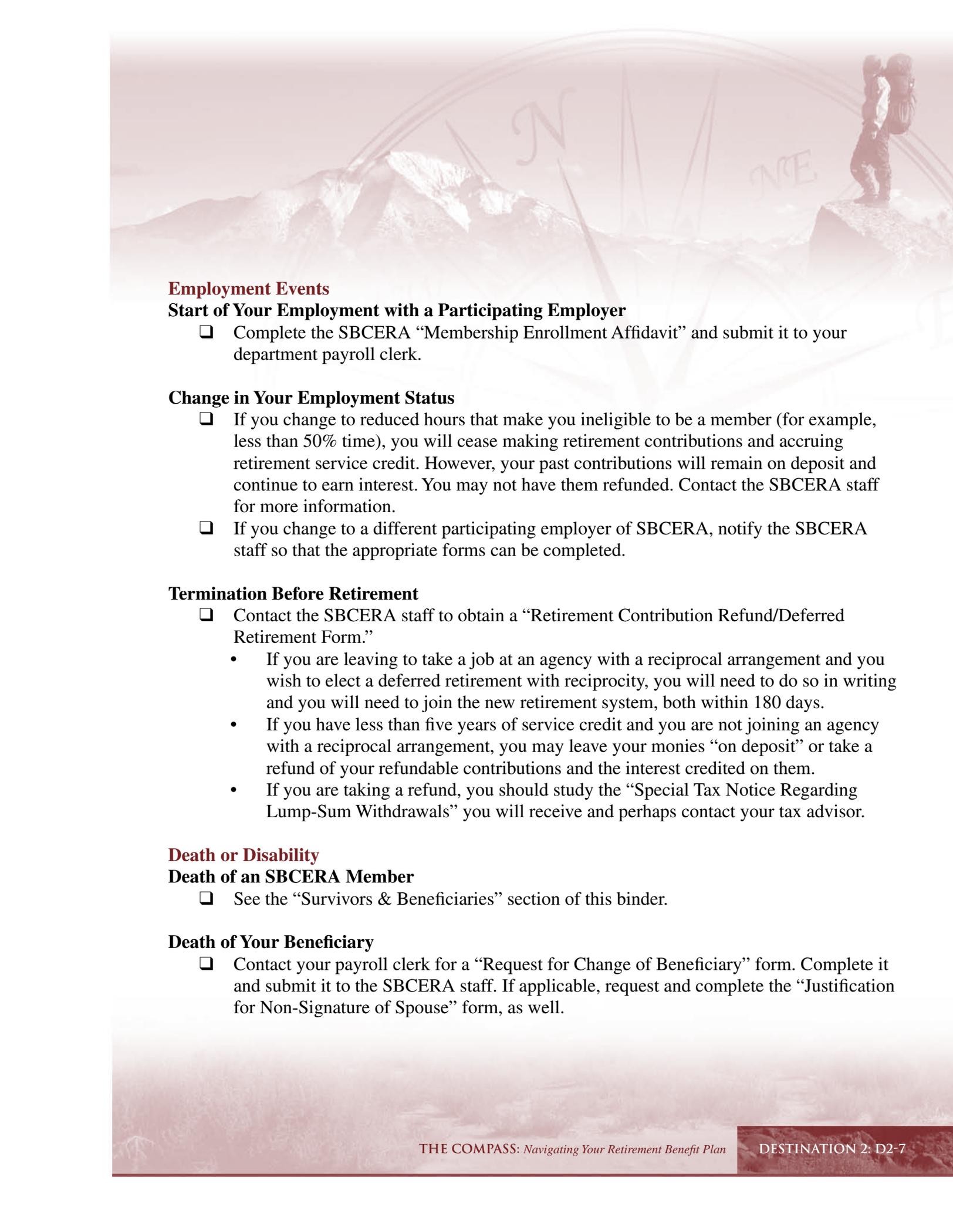
- Contact the SBCERA staff to discuss how a divorce and the accompanying property settlement might affect your Retirement Plan benefits.
- If you wish to change your beneficiary designation, contact your payroll clerk for a “Request for Change of Beneficiary” form. Complete it and submit it to the SBCERA staff.

#### Marriage

- To make your new spouse your beneficiary, contact your payroll clerk for a “Request for Change of Beneficiary” form. Complete it and submit it to the SBCERA staff.

#### Name Change

- Request the proper forms from your department payroll clerk.



## **Employment Events**

### **Start of Your Employment with a Participating Employer**

- Complete the SBCERA “Membership Enrollment Affidavit” and submit it to your department payroll clerk.

### **Change in Your Employment Status**

- If you change to reduced hours that make you ineligible to be a member (for example, less than 50% time), you will cease making retirement contributions and accruing retirement service credit. However, your past contributions will remain on deposit and continue to earn interest. You may not have them refunded. Contact the SBCERA staff for more information.
- If you change to a different participating employer of SBCERA, notify the SBCERA staff so that the appropriate forms can be completed.

### **Termination Before Retirement**

- Contact the SBCERA staff to obtain a “Retirement Contribution Refund/Deferred Retirement Form.”
  - If you are leaving to take a job at an agency with a reciprocal arrangement and you wish to elect a deferred retirement with reciprocity, you will need to do so in writing and you will need to join the new retirement system, both within 180 days.
  - If you have less than five years of service credit and you are not joining an agency with a reciprocal arrangement, you may leave your monies “on deposit” or take a refund of your refundable contributions and the interest credited on them.
  - If you are taking a refund, you should study the “Special Tax Notice Regarding Lump-Sum Withdrawals” you will receive and perhaps contact your tax advisor.

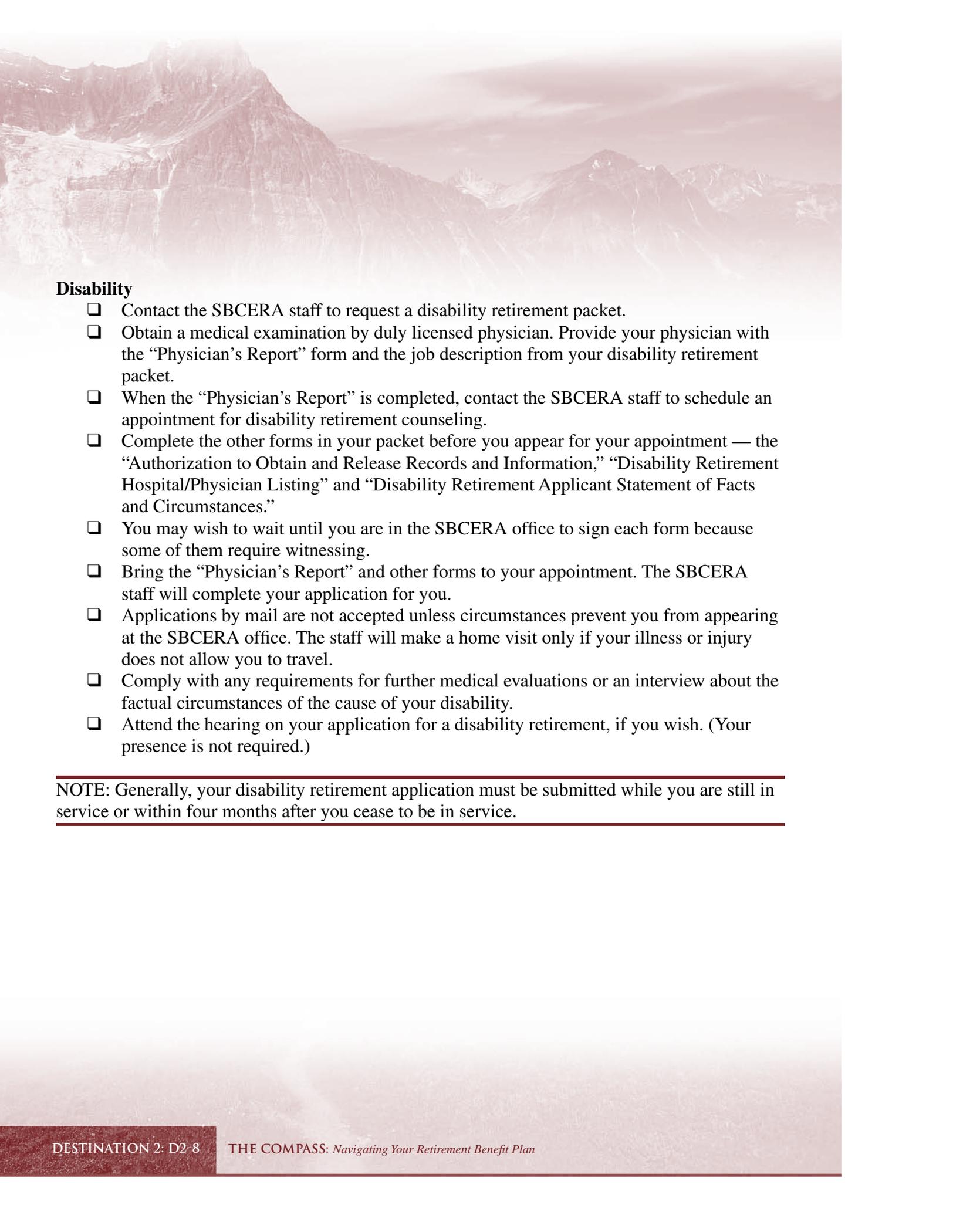
## **Death or Disability**

### **Death of an SBCERA Member**

- See the “Survivors & Beneficiaries” section of this binder.

### **Death of Your Beneficiary**

- Contact your payroll clerk for a “Request for Change of Beneficiary” form. Complete it and submit it to the SBCERA staff. If applicable, request and complete the “Justification for Non-Signature of Spouse” form, as well.



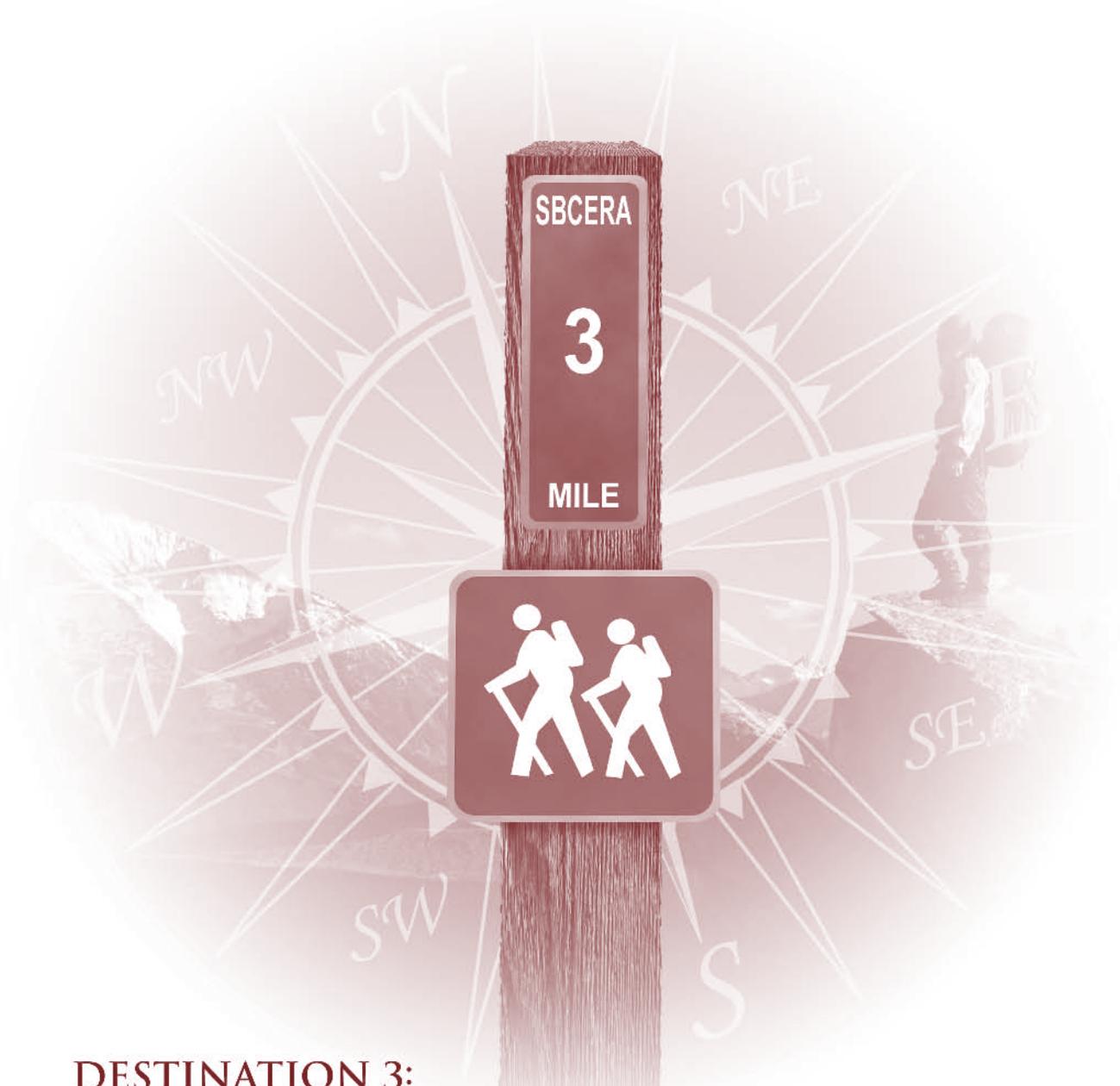
## Disability

- Contact the SBCERA staff to request a disability retirement packet.
- Obtain a medical examination by duly licensed physician. Provide your physician with the “Physician’s Report” form and the job description from your disability retirement packet.
- When the “Physician’s Report” is completed, contact the SBCERA staff to schedule an appointment for disability retirement counseling.
- Complete the other forms in your packet before you appear for your appointment — the “Authorization to Obtain and Release Records and Information,” “Disability Retirement Hospital/Physician Listing” and “Disability Retirement Applicant Statement of Facts and Circumstances.”
- You may wish to wait until you are in the SBCERA office to sign each form because some of them require witnessing.
- Bring the “Physician’s Report” and other forms to your appointment. The SBCERA staff will complete your application for you.
- Applications by mail are not accepted unless circumstances prevent you from appearing at the SBCERA office. The staff will make a home visit only if your illness or injury does not allow you to travel.
- Comply with any requirements for further medical evaluations or an interview about the factual circumstances of the cause of your disability.
- Attend the hearing on your application for a disability retirement, if you wish. (Your presence is not required.)

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**NOTE:** Generally, your disability retirement application must be submitted while you are still in service or within four months after you cease to be in service.

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DESTINATION 3:

# **BENEFICIARIES AND OTHER SURVIVORS**

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*THE COMPASS: Navigating Your Retirement Benefit Plan*





## DESTINATION 3: **BENEFICIARIES AND OTHER SURVIVORS**

### **RETIREMENT ALLOWANCE BENEFITS FOR ELIGIBLE BENEFICIARIES**

SBCERA staff will verify that the beneficiary applying for benefits is as you designated and determine the payable benefits. The staff will send the appropriate forms and written advice to your beneficiary.

### **CONTINUING HEALTH CARE FOR SURVIVORS**

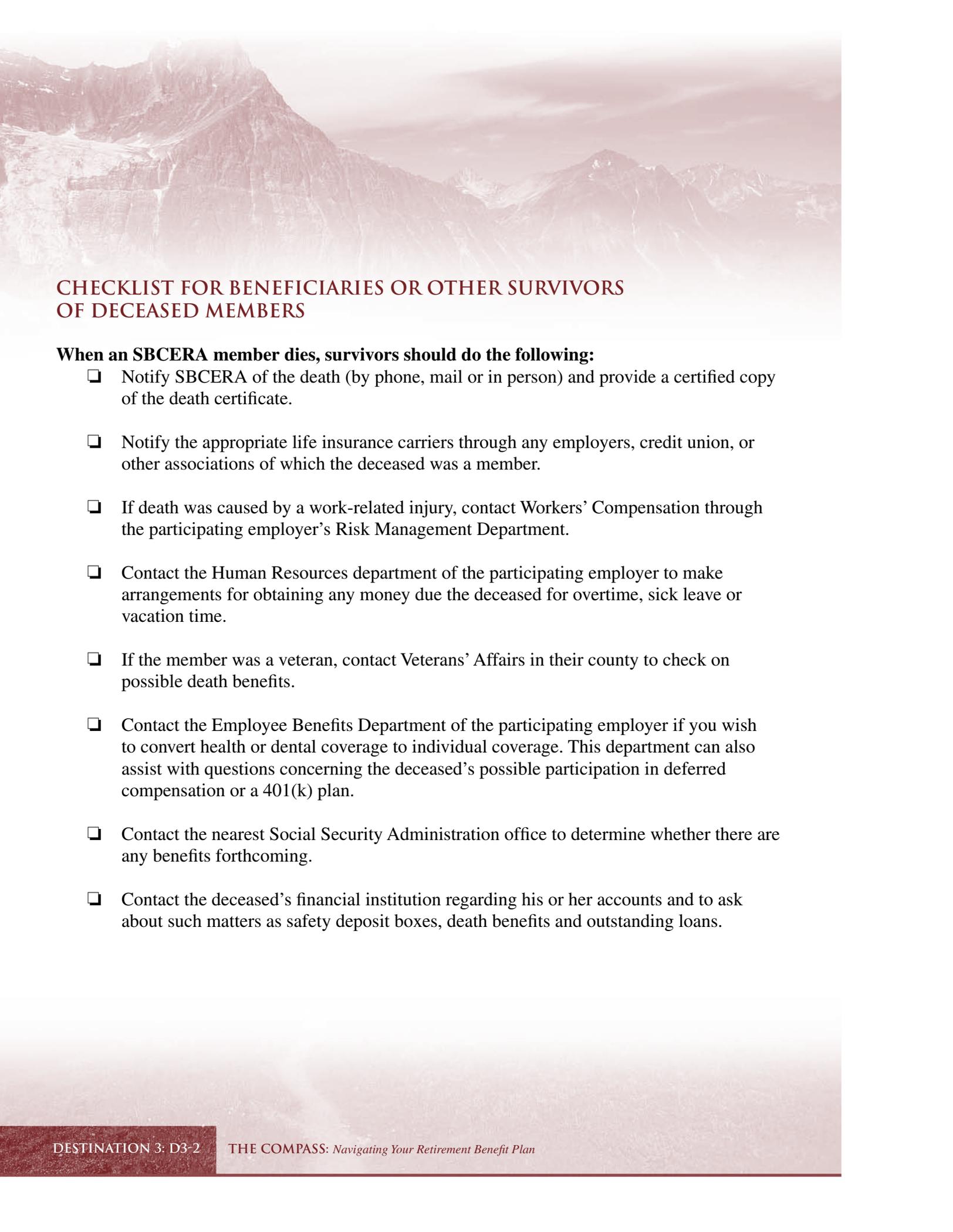
Your surviving spouse and minor dependents may continue their health care coverage after you are deceased if they pay the monthly premiums. They may also be eligible for continuation of health care coverage under the provisions of federal legislation known as COBRA. They should contact your employer's Employee Benefits Department to find out what their options are.

#### **If Your Beneficiary Dies or You Want to Change Your Beneficiary**

- Contact SBCERA staff for a "Request for Change of Beneficiary" form. (Note: You may change the beneficiary of your retirement allowance only if you selected Option No. 1.)

#### **If Your Spouse or Other Dependent Dies**

- If you were covering your spouse or other dependent under your retiree medical and/or dental/vision insurance, contact the SBCERA staff or the San Bernardino Public Employees' Association to stop the coverage. If you had long-term care insurance for your spouse through CalPERS, contact CalPERS to discontinue the coverage.
- If your spouse or other dependent was your beneficiary, contact the SBCERA staff for a "Request for Change of Beneficiary" form. (Note: You may change the beneficiary of your retirement allowance only if you selected Option No. 1.)



## CHECKLIST FOR BENEFICIARIES OR OTHER SURVIVORS OF DECEASED MEMBERS

### **When an SBCERA member dies, survivors should do the following:**

- Notify SBCERA of the death (by phone, mail or in person) and provide a certified copy of the death certificate.
- Notify the appropriate life insurance carriers through any employers, credit union, or other associations of which the deceased was a member.
- If death was caused by a work-related injury, contact Workers' Compensation through the participating employer's Risk Management Department.
- Contact the Human Resources department of the participating employer to make arrangements for obtaining any money due the deceased for overtime, sick leave or vacation time.
- If the member was a veteran, contact Veterans' Affairs in their county to check on possible death benefits.
- Contact the Employee Benefits Department of the participating employer if you wish to convert health or dental coverage to individual coverage. This department can also assist with questions concerning the deceased's possible participation in deferred compensation or a 401(k) plan.
- Contact the nearest Social Security Administration office to determine whether there are any benefits forthcoming.
- Contact the deceased's financial institution regarding his or her accounts and to ask about such matters as safety deposit boxes, death benefits and outstanding loans.



DESTINATION 4:

# DISABILITY RETIREMENT AND LEGAL MATTERS

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THE COMPASS: *Navigating Your Retirement Benefit Plan*





## DESTINATION 4: DISABILITY RETIREMENT AND LEGAL MATTERS

### DISABILITY RETIREMENT

If you become disabled during employment, you may be eligible for a disability retirement. For purposes of SBCERA, “disabled” means that there is an inability to substantially perform the usual duties of a position. It is not necessary that the person be physically or mentally incapable of performing each and every duty or task that might arise within the job classification. A person’s incapacity is permanent if change for the better or worse is not to be reasonably anticipated under usual standards.

There are two types of disability retirements:

- **Service-Connected**—The incapacity is a result of injury or disease arising out of and in the course of employment, the employment causation is “real and measurable” and the employment contributed substantially to the incapacity. For a service-connected disability, the monthly allowance is 50% of your final compensation earnable. For questions regarding taxation, you should consult with your tax advisor.

Even if you have been found eligible for Workers’ Compensation, you still need to complete all applicable forms in the disability retirement packet. The SBCERA Disability Coordinator will request any claims and reports you have filed for Workers’ Compensation. The Board is interested in reviewing any relevant evidence or reports, but it is not bound by any findings in a Workers’ Compensation determination.

- **Nonservice-Connected**—The incapacity is not related to your job. You must have at least five (5) years of service credit to be considered for a non-service connected disability retirement. (NOTE: Approved reciprocal service in a system with reciprocity counts toward these required five years.) For a nonservice-connected disability, the monthly allowance depends on when you became a member.

If you became a member of SBCERA before January 1, 1981, your monthly allowance will be the highest of the following:

- One-third of your final compensation earnable; or
- Your final compensation earnable x .018 x service credit; or
- Your final compensation earnable x .018 x age up to a maximum of 65.



If you became a member on or After January 1, 1981, your monthly allowance will depend on your years of service credit. Benefits start at 20% of your final compensation earnable for members who had only five (5) years of service credit as of the disability effective date and increase by 2% for each additional whole year of service credit, up to a maximum of 40% of final compensation earnable. For example, if you retired on a nonservice-connected disability after earning seven (7) years of service credit, your monthly allowance would be 24% of your final compensation earnable (20%+2%+2%).

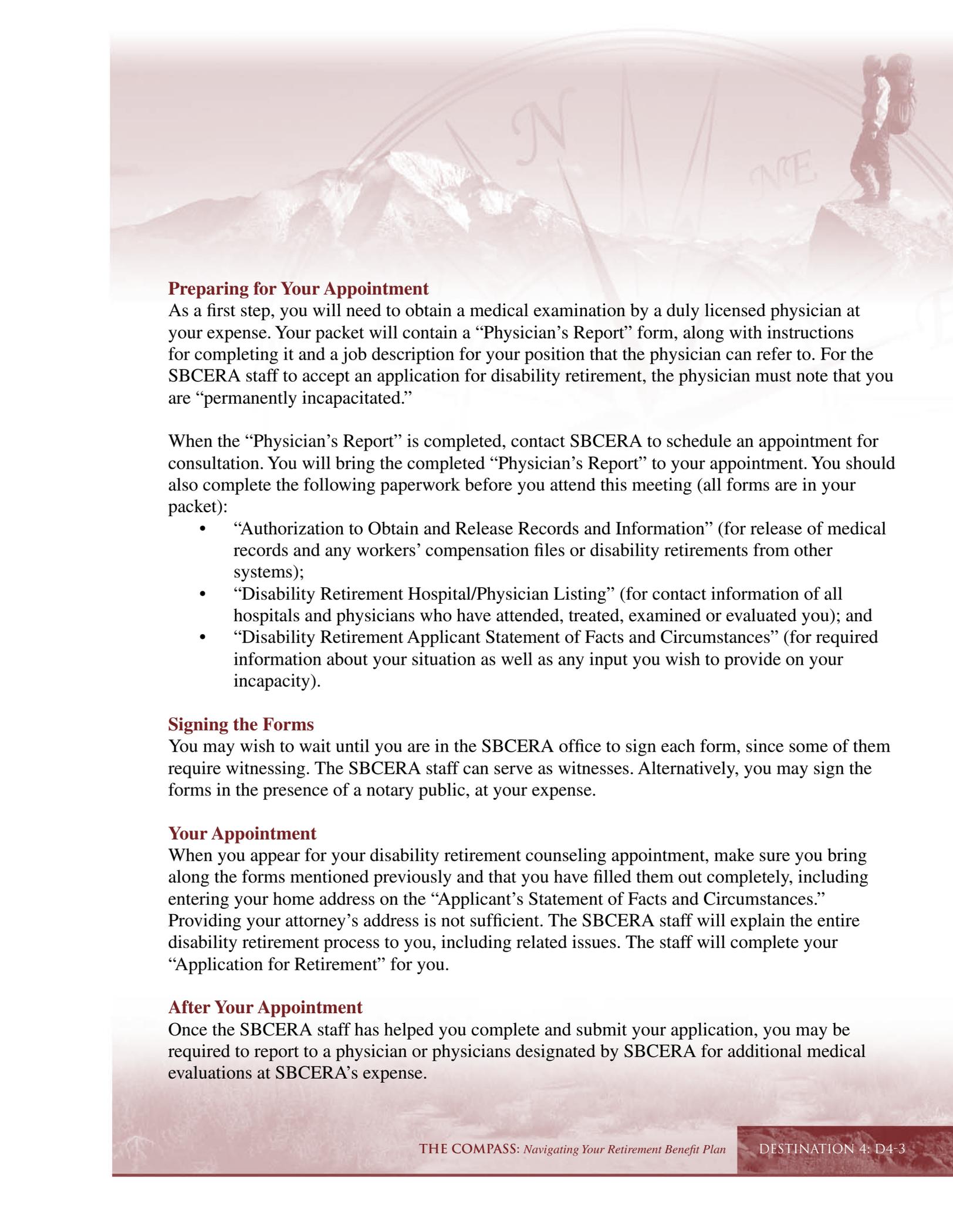
If you are eligible for a service retirement, SBCERA will compare the service retirement benefit to the disability benefit and pay you the greater of the two. Disability benefits are not necessarily lifetime benefits. The Board may require any disability benefit recipient under age 55 to undergo a medical examination. Upon the basis of the examination, the Board determines whether the disabled member is still incapacitated for service in the position of the SBCERA-covered employer where the member was employed. After age 55, disability retirement becomes a lifetime benefit.

### **Rehabilitation Programs**

If the Board approves a service-connected disability retirement but determines that you are capable of performing other duties, it will notify Risk Management to develop a rehabilitation program that could qualify you for assignment to another position with your employer. In such a case, if your newly-assigned position pays less than the position you had before you became disabled, you will be paid a supplemental disability allowance by SBCERA to make the difference.

#### **NAVIGATING A DISABILITY RETIREMENT APPLICATION**

- Contact the SBCERA staff to request a disability retirement packet.
- This packet will contain copies of procedures, rules, and forms, some of which you will need to complete before your appointment.
- Applications by mail are not accepted unless circumstances prevent you from appearing at the SBCERA office. The staff will make a home visit under special circumstances.
- Generally, your application must be submitted while you are still in service or within four months after you cease to be in service.



### **Preparing for Your Appointment**

As a first step, you will need to obtain a medical examination by a duly licensed physician at your expense. Your packet will contain a “Physician’s Report” form, along with instructions for completing it and a job description for your position that the physician can refer to. For the SBCERA staff to accept an application for disability retirement, the physician must note that you are “permanently incapacitated.”

When the “Physician’s Report” is completed, contact SBCERA to schedule an appointment for consultation. You will bring the completed “Physician’s Report” to your appointment. You should also complete the following paperwork before you attend this meeting (all forms are in your packet):

- “Authorization to Obtain and Release Records and Information” (for release of medical records and any workers’ compensation files or disability retirements from other systems);
- “Disability Retirement Hospital/Physician Listing” (for contact information of all hospitals and physicians who have attended, treated, examined or evaluated you); and
- “Disability Retirement Applicant Statement of Facts and Circumstances” (for required information about your situation as well as any input you wish to provide on your incapacity).

### **Signing the Forms**

You may wish to wait until you are in the SBCERA office to sign each form, since some of them require witnessing. The SBCERA staff can serve as witnesses. Alternatively, you may sign the forms in the presence of a notary public, at your expense.

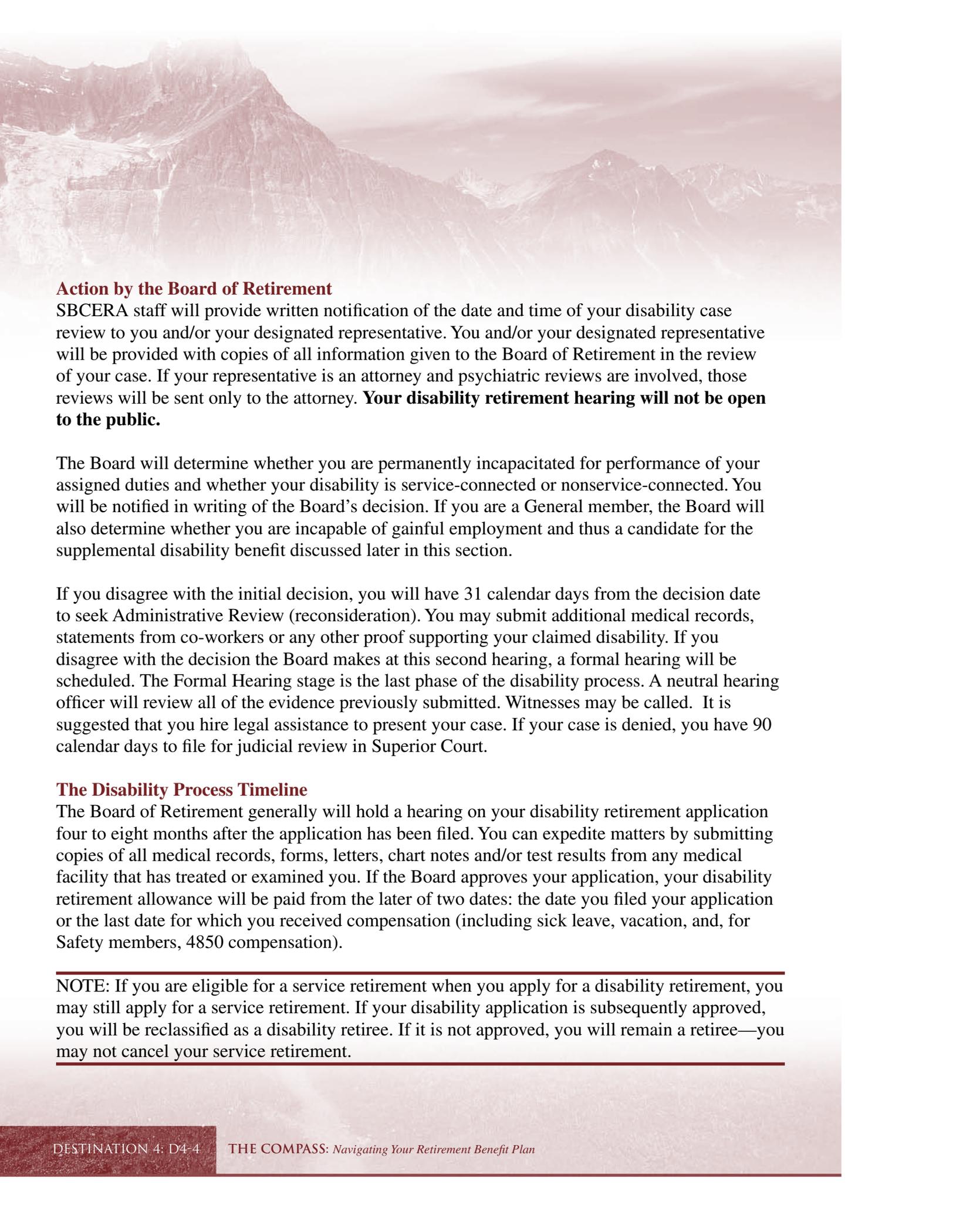
### **Your Appointment**

When you appear for your disability retirement counseling appointment, make sure you bring along the forms mentioned previously and that you have filled them out completely, including entering your home address on the “Applicant’s Statement of Facts and Circumstances.”

Providing your attorney’s address is not sufficient. The SBCERA staff will explain the entire disability retirement process to you, including related issues. The staff will complete your “Application for Retirement” for you.

### **After Your Appointment**

Once the SBCERA staff has helped you complete and submit your application, you may be required to report to a physician or physicians designated by SBCERA for additional medical evaluations at SBCERA’s expense.



### **Action by the Board of Retirement**

SBCERA staff will provide written notification of the date and time of your disability case review to you and/or your designated representative. You and/or your designated representative will be provided with copies of all information given to the Board of Retirement in the review of your case. If your representative is an attorney and psychiatric reviews are involved, those reviews will be sent only to the attorney. **Your disability retirement hearing will not be open to the public.**

The Board will determine whether you are permanently incapacitated for performance of your assigned duties and whether your disability is service-connected or nonservice-connected. You will be notified in writing of the Board's decision. If you are a General member, the Board will also determine whether you are incapable of gainful employment and thus a candidate for the supplemental disability benefit discussed later in this section.

If you disagree with the initial decision, you will have 31 calendar days from the decision date to seek Administrative Review (reconsideration). You may submit additional medical records, statements from co-workers or any other proof supporting your claimed disability. If you disagree with the decision the Board makes at this second hearing, a formal hearing will be scheduled. The Formal Hearing stage is the last phase of the disability process. A neutral hearing officer will review all of the evidence previously submitted. Witnesses may be called. It is suggested that you hire legal assistance to present your case. If your case is denied, you have 90 calendar days to file for judicial review in Superior Court.

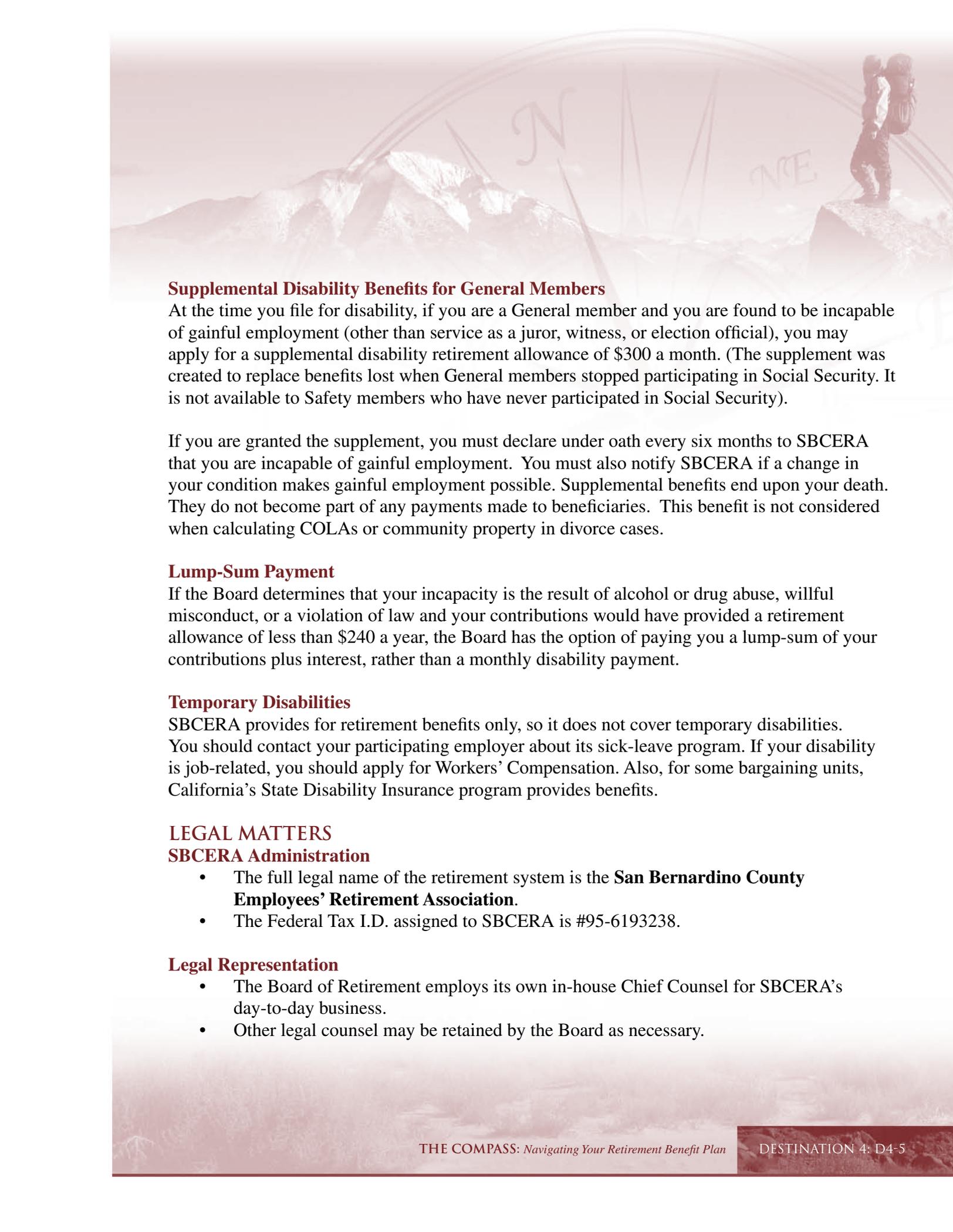
### **The Disability Process Timeline**

The Board of Retirement generally will hold a hearing on your disability retirement application four to eight months after the application has been filed. You can expedite matters by submitting copies of all medical records, forms, letters, chart notes and/or test results from any medical facility that has treated or examined you. If the Board approves your application, your disability retirement allowance will be paid from the later of two dates: the date you filed your application or the last date for which you received compensation (including sick leave, vacation, and, for Safety members, 4850 compensation).

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**NOTE:** If you are eligible for a service retirement when you apply for a disability retirement, you may still apply for a service retirement. If your disability application is subsequently approved, you will be reclassified as a disability retiree. If it is not approved, you will remain a retiree—you may not cancel your service retirement.

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### **Supplemental Disability Benefits for General Members**

At the time you file for disability, if you are a General member and you are found to be incapable of gainful employment (other than service as a juror, witness, or election official), you may apply for a supplemental disability retirement allowance of \$300 a month. (The supplement was created to replace benefits lost when General members stopped participating in Social Security. It is not available to Safety members who have never participated in Social Security).

If you are granted the supplement, you must declare under oath every six months to SBCERA that you are incapable of gainful employment. You must also notify SBCERA if a change in your condition makes gainful employment possible. Supplemental benefits end upon your death. They do not become part of any payments made to beneficiaries. This benefit is not considered when calculating COLAs or community property in divorce cases.

### **Lump-Sum Payment**

If the Board determines that your incapacity is the result of alcohol or drug abuse, willful misconduct, or a violation of law and your contributions would have provided a retirement allowance of less than \$240 a year, the Board has the option of paying you a lump-sum of your contributions plus interest, rather than a monthly disability payment.

### **Temporary Disabilities**

SBCERA provides for retirement benefits only, so it does not cover temporary disabilities. You should contact your participating employer about its sick-leave program. If your disability is job-related, you should apply for Workers' Compensation. Also, for some bargaining units, California's State Disability Insurance program provides benefits.

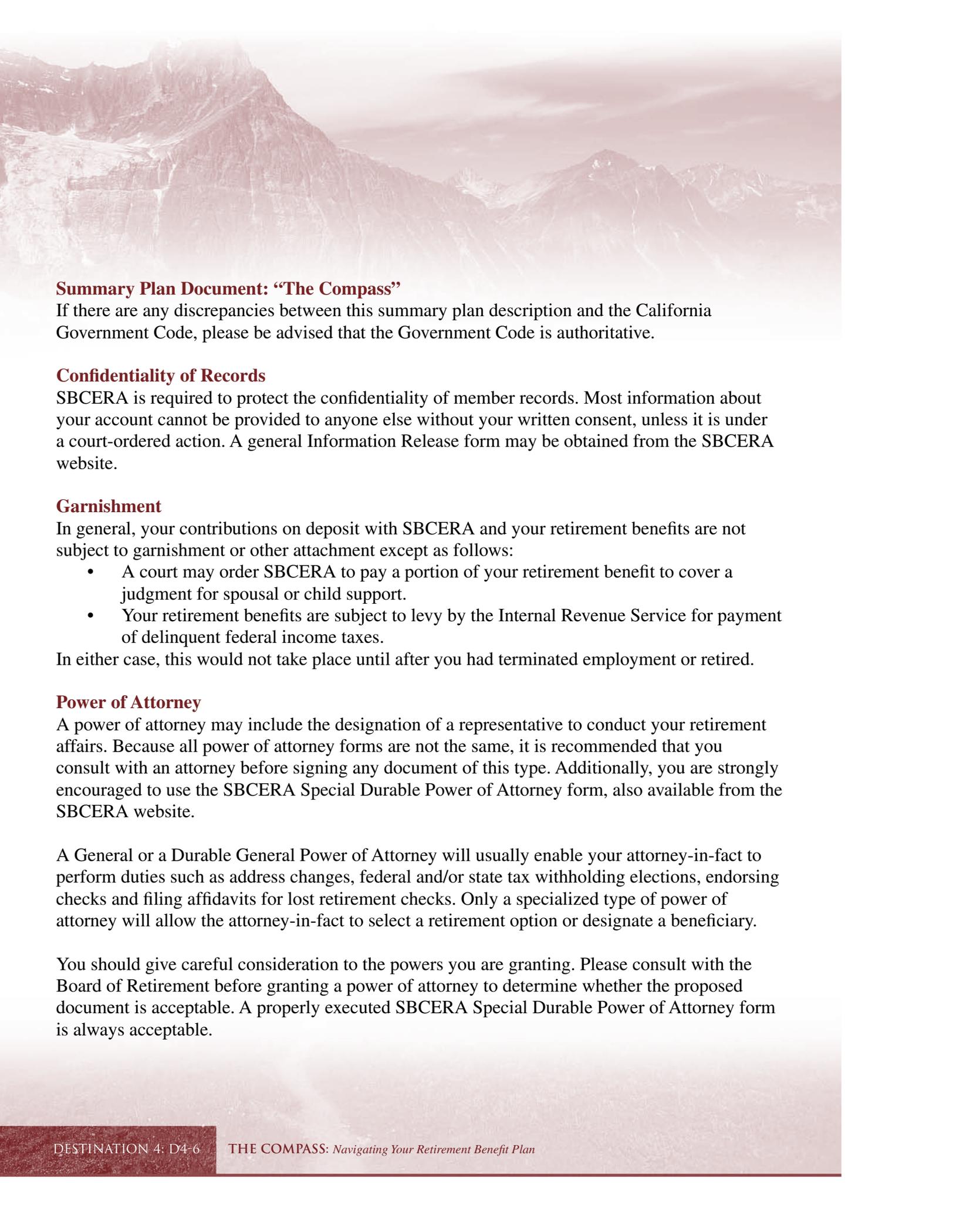
## **LEGAL MATTERS**

### **SBCERA Administration**

- The full legal name of the retirement system is the **San Bernardino County Employees' Retirement Association**.
- The Federal Tax I.D. assigned to SBCERA is #95-6193238.

### **Legal Representation**

- The Board of Retirement employs its own in-house Chief Counsel for SBCERA's day-to-day business.
- Other legal counsel may be retained by the Board as necessary.



### **Summary Plan Document: “The Compass”**

If there are any discrepancies between this summary plan description and the California Government Code, please be advised that the Government Code is authoritative.

### **Confidentiality of Records**

SBCERA is required to protect the confidentiality of member records. Most information about your account cannot be provided to anyone else without your written consent, unless it is under a court-ordered action. A general Information Release form may be obtained from the SBCERA website.

### **Garnishment**

In general, your contributions on deposit with SBCERA and your retirement benefits are not subject to garnishment or other attachment except as follows:

- A court may order SBCERA to pay a portion of your retirement benefit to cover a judgment for spousal or child support.
- Your retirement benefits are subject to levy by the Internal Revenue Service for payment of delinquent federal income taxes.

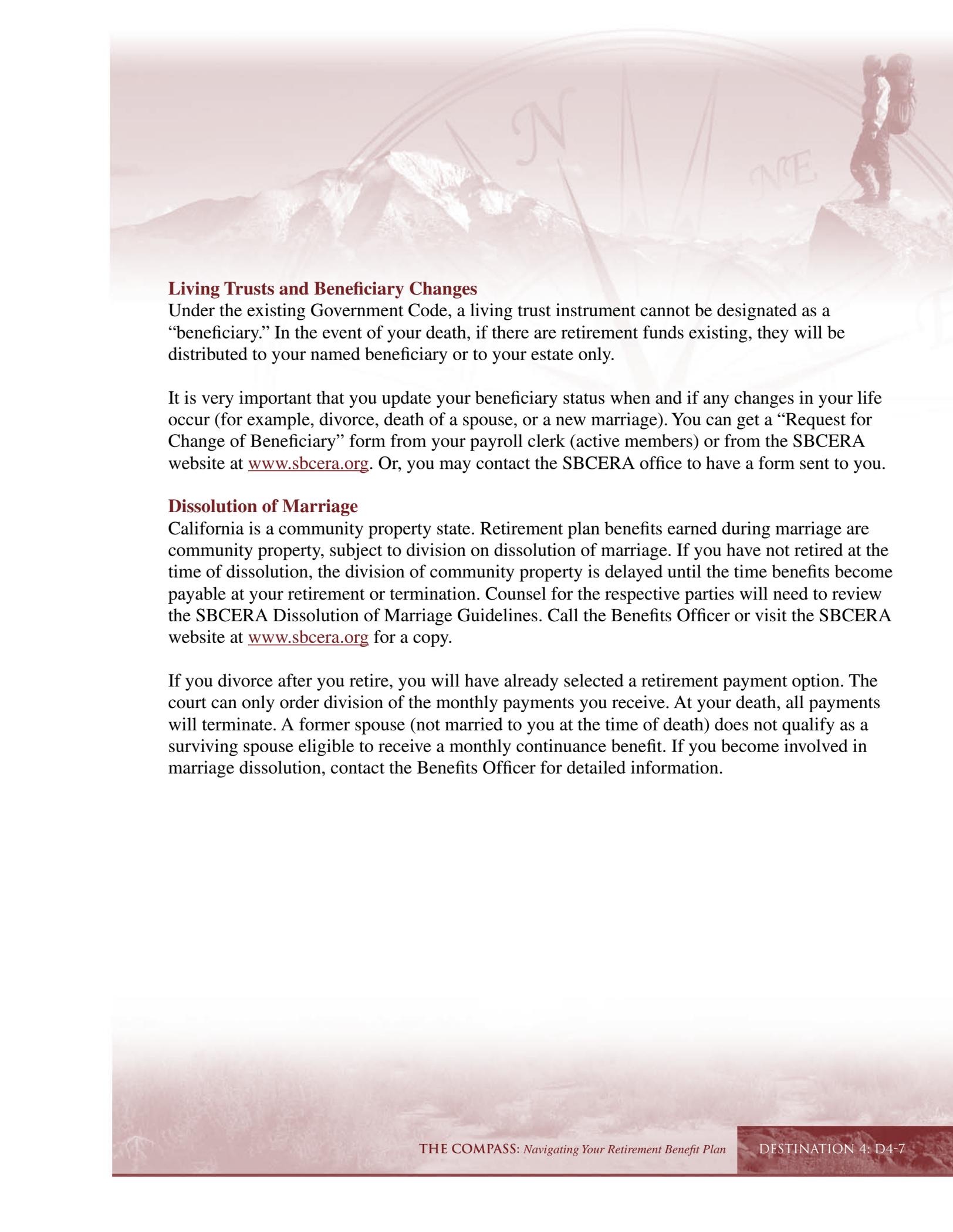
In either case, this would not take place until after you had terminated employment or retired.

### **Power of Attorney**

A power of attorney may include the designation of a representative to conduct your retirement affairs. Because all power of attorney forms are not the same, it is recommended that you consult with an attorney before signing any document of this type. Additionally, you are strongly encouraged to use the SBCERA Special Durable Power of Attorney form, also available from the SBCERA website.

A General or a Durable General Power of Attorney will usually enable your attorney-in-fact to perform duties such as address changes, federal and/or state tax withholding elections, endorsing checks and filing affidavits for lost retirement checks. Only a specialized type of power of attorney will allow the attorney-in-fact to select a retirement option or designate a beneficiary.

You should give careful consideration to the powers you are granting. Please consult with the Board of Retirement before granting a power of attorney to determine whether the proposed document is acceptable. A properly executed SBCERA Special Durable Power of Attorney form is always acceptable.



### **Living Trusts and Beneficiary Changes**

Under the existing Government Code, a living trust instrument cannot be designated as a “beneficiary.” In the event of your death, if there are retirement funds existing, they will be distributed to your named beneficiary or to your estate only.

It is very important that you update your beneficiary status when and if any changes in your life occur (for example, divorce, death of a spouse, or a new marriage). You can get a “Request for Change of Beneficiary” form from your payroll clerk (active members) or from the SBCERA website at [www.sbcera.org](http://www.sbcera.org). Or, you may contact the SBCERA office to have a form sent to you.

### **Dissolution of Marriage**

California is a community property state. Retirement plan benefits earned during marriage are community property, subject to division on dissolution of marriage. If you have not retired at the time of dissolution, the division of community property is delayed until the time benefits become payable at your retirement or termination. Counsel for the respective parties will need to review the SBCERA Dissolution of Marriage Guidelines. Call the Benefits Officer or visit the SBCERA website at [www.sbcera.org](http://www.sbcera.org) for a copy.

If you divorce after you retire, you will have already selected a retirement payment option. The court can only order division of the monthly payments you receive. At your death, all payments will terminate. A former spouse (not married to you at the time of death) does not qualify as a surviving spouse eligible to receive a monthly continuance benefit. If you become involved in marriage dissolution, contact the Benefits Officer for detailed information.



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[WWW.SBCERA.ORG](http://WWW.SBCERA.ORG)



# JOURNEY PLANNING TOOLS

*THE COMPASS: Navigating Your Retirement Benefit Plan*





# JOURNEY PLANNING TOOLS

## BENEFIT ESTIMATE WORKSHEET

As you use this worksheet, bear in mind that this will help you create an estimate, not a calculation of your actual benefit. Your true benefit will depend on the particulars of your employment history at the time you retire. In addition, the California Government Code provisions governing the Retirement Plan, as well as the By-Laws and the Regulations governing SBCERA, may change between now and the time you retire.

The worksheet provided here will give you an estimate of the retirement allowance you might receive under the “Unmodified” Option only. You are welcome at any time to contact the SBCERA office for a benefit estimate, or you can create your own estimate via the website at [www.sbcera.org](http://www.sbcera.org).

		Sample	You
<b>STEP 1</b>	<b>ESTIMATE YOUR HIGHEST COMPENSATION</b> Estimate what your final monthly earnable compensation will be during the 12 consecutive months when your compensation is at its highest	\$3,695	\$ _____
<b>STEP 2</b>	<b>DETERMINE YOUR RETIREMENT AGE</b> Enter your projected age at retirement.	55	_____
<b>STEP 3</b>	<b>PROJECT YOUR YEARS OF SERVICE CREDIT</b> Enter the number of years of service credit you expect to have when you retire.	20	_____
<b>STEP 4</b>	<b>FIND YOUR COMPENSATION PERCENTAGE</b> Go to the appropriate table (use Table 1 for General members; Table 2 for Safety members) and find the percentage that corresponds to your projected age and years of service credit.	40% (from Tables 1 or 2)	_____ %
<b>STEP 5</b>	<b>CALCULATE YOUR ESTIMATED MONTHLY BENEFIT</b> Multiply the final monthly earnable compensation you entered in Step 1 by the percentage you entered in Step 4	\$3,695  x 40%  \$1,478	\$ _____ . (from step 1)  x _____ % (from step 2)  \$ _____ .

## GENERAL COMPENSATION PERCENTAGES TABLE 1

Years of Service Credit	50 (Age)	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65 and older
10	14.91%	15.76%	16.69%	17.70%	18.80%	20.00%	20.89%	22.01%	23.37%	24.73%	26.19%	27.22%	28.25%	29.28%	30.31%	31.34%
11	16.40%	17.34%	18.36%	19.47%	20.68%	22.00%	22.98%	24.31%	25.71%	27.20%	28.80%	29.94%	31.07%	32.20%	33.34%	34.47%
12	17.89%	18.92%	20.03%	21.24%	22.56%	24.00%	25.07%	26.52%	28.05%	29.68%	31.42%	32.66%	33.90%	35.13%	36.37%	37.60%
13	19.38%	20.49%	21.70%	23.01%	24.44%	26.00%	27.16%	28.72%	30.38%	32.15%	34.04%	35.38%	36.72%	38.06%	39.40%	40.74%
14	20.87%	22.07%	23.37%	24.78%	26.32%	28.00%	29.25%	30.93%	32.72%	34.62%	36.66%	38.10%	39.54%	40.99%	42.43%	43.87%
15	22.36%	23.65%	25.04%	26.55%	28.20%	30.00%	31.34%	33.14%	35.06%	37.01%	39.28%	40.82%	42.37%	43.91%	45.46%	47.00%
16	23.85%	25.22%	26.71%	28.32%	30.08%	32.00%	33.43%	35.35%	37.40%	39.57%	41.90%	43.55%	45.19%	46.84%	48.49%	50.14%
17	25.34%	26.80%	28.38%	30.09%	31.96%	34.00%	35.52%	37.56%	39.73%	42.04%	44.52%	46.27%	48.02%	49.77%	51.52%	53.27%
18	26.83%	28.38%	30.05%	31.86%	33.84%	36.00%	37.61%	39.77%	42.07%	44.51%	47.13%	48.99%	50.84%	52.70%	54.55%	56.40%
19	28.33%	29.95%	31.71%	33.63%	35.72%	38.00%	39.70%	41.98%	44.41%	46.99%	49.75%	51.71%	53.67%	55.62%	57.58%	59.54%
20	29.82%	31.53%	33.38%	35.40%	37.60%	40.00%	41.79%	44.19%	46.74%	49.46%	52.37%	54.43%	56.49%	58.55%	60.61%	62.67%
21	31.31%	33.10%	35.05%	37.17%	39.48%	42.00%	43.88%	46.40%	49.08%	51.93%	54.99%	57.15%	59.32%	61.48%	63.64%	65.81%
22	32.80%	34.68%	36.72%	38.94%	41.36%	44.00%	45.97%	48.61%	51.42%	54.41%	57.61%	59.88%	62.14%	64.41%	66.67%	68.94%
23	34.29%	36.26%	38.39%	40.71%	43.24%	46.00%	48.06%	50.82%	53.76%	56.88%	60.23%	62.60%	64.97%	67.33%	69.70%	72.07%
24	35.78%	37.83%	40.06%	42.48%	45.12%	48.00%	50.15%	53.03%	56.09%	59.35%	62.85%	65.32%	67.79%	70.26%	72.73%	75.21%
25	37.27%	39.41%	41.73%	44.25%	47.00%	50.00%	52.24%	55.24%	58.43%	61.83%	65.47%	68.04%	70.62%	73.19%	75.77%	78.34%
26	38.76%	40.99%	43.40%	46.02%	48.87%	52.00%	54.32%	57.45%	60.77%	64.30%	68.08%	70.76%	73.44%	76.12%	78.80%	81.47%
27	40.25%	42.56%	45.07%	47.79%	50.75%	54.00%	56.41%	59.66%	63.10%	66.77%	70.70%	73.48%	76.26%	79.05%	81.83%	84.61%
28	41.74%	44.14%	46.74%	49.56%	52.63%	56.00%	58.50%	61.87%	65.44%	69.24%	73.32%	76.20%	79.09%	81.97%	84.86%	87.74%
29	43.23%	45.72%	48.41%	51.33%	54.51%	58.00%	60.59%	64.08%	67.78%	71.72%	75.94%	78.93%	81.91%	84.90%	87.89%	90.87%
30	44.72%	47.29%	50.08%	53.10%	56.39%	60.00%	62.68%	66.29%	70.12%	74.19%	78.56%	81.65%	84.74%	87.83%	90.92%	94.01%
31	46.21%	48.87%	51.75%	54.87%	58.27%	62.00%	64.77%	68.50%	72.45%	76.66%	81.18%	84.37%	87.56%	90.76%	93.95%	97.14%
32	47.71%	50.44%	53.41%	56.64%	60.15%	64.00%	66.86%	70.71%	74.79%	79.14%	83.80%	87.09%	90.39%	93.68%	96.98%	100%
33	49.20%	52.02%	55.08%	58.41%	62.03%	66.00%	68.95%	72.92%	77.13%	81.61%	86.41%	89.81%	93.21%	96.61%	100%	
34	50.69%	53.60%	56.75%	60.18%	63.91%	68.00%	71.04%	75.13%	79.46%	84.08%	89.03%	92.53%	96.04%	99.54%		
35	52.18%	55.17%	58.42%	61.95%	65.79%	70.00%	73.13%	77.34%	81.80%	86.56%	91.65%	95.26%	98.86%	100%		
36	53.67%	56.75%	60.09%	63.72%	67.67%	72.00%	75.22%	79.55%	84.14%	89.03%	94.27%	97.98%	100%			
37	55.16%	58.33%	61.76%	65.49%	69.55%	74.00%	77.31%	81.76%	86.48%	91.50%	96.89%	100%				
38	56.65%	59.90%	63.43%	67.26%	71.43%	76.00%	79.40%	83.96%	88.81%	93.97%	99.51%					
39		61.48%	65.01%	69.03%	73.31%	78.00%	81.49%	86.17%	91.15%	96.45%	100%					
40			66.77%	70.80%	75.19%	80.00%	83.58%	88.38%	93.49%	98.92%						
41				72.57%	77.07%	82.00%	85.67%	90.59%	95.83%	100%						
42					78.95%	84.00%	87.75%	92.80%	98.16%							
43						86.00%	89.84%	95.01%	100%							
44							91.93%	97.22%	100%							
45								99.43%	100%							

## SAFETY COMPENSATION PERCENTAGES TABLE 2

Years of Service Credit	41 (Age)	42	43	44	45	46	47	48	49	50 and older
10										30.00%
11										33.00%
12										36.00%
13										39.00%
14										42.00%
15										45.00%
16										48.00%
17										51.00%
18										54.00%
19										57.00%
20	37.55%	39.75%	42.02%	44.38%	46.83%	49.36%	52.07%	54.51%	57.13%	60.00%
21	39.43%	41.74%	44.13%	46.60%	49.17%	51.82%	54.67%	57.24%	59.99%	63.00%
22	41.30%	43.73%	46.23%	48.82%	51.51%	54.29%	57.27%	59.96%	62.85%	66.00%
23	43.18%	45.71%	48.33%	51.04%	53.85%	56.76%	59.88%	62.69%	65.70%	69.00%
24	45.06%	47.70%	50.43%	53.26%	56.20%	59.23%	62.48%	65.41%	68.56%	72.00%
25	46.94%	49.69%	52.53%	55.48%	58.54%	61.70%	65.09%	68.14%	71.42%	75.00%
26	48.81%	51.68%	54.63%	57.70%	60.88%	64.16%	67.69%	70.86%	74.27%	78.00%
27	50.69%	53.66%	56.73%	59.92%	63.22%	66.63%	70.29%	73.59%	77.13%	81.00%
28	52.57%	55.65%	58.83%	62.13%	65.56%	69.10%	72.90%	76.31%	79.98%	84.00%
29		57.64%	60.93%	64.35%	67.90%	71.57%	75.50%	79.04%	82.84%	87.00%
30			63.04%	66.57%	70.25%	74.03%	78.10%	81.77%	85.70%	90.00%
31				68.79%	72.59%	76.50%	80.71%	84.49%	88.55%	93.00%
32					74.93%	78.97%	83.31%	87.22%	91.41%	96.00%
33						81.44%	85.91%	89.94%	94.27%	99.00%
34							88.52%	92.67%	97.12%	100.00%
35								95.39%	99.98%	100.00%
36									100.00%	100.00%
37										100.00%
38										100.00%
39										100.00%



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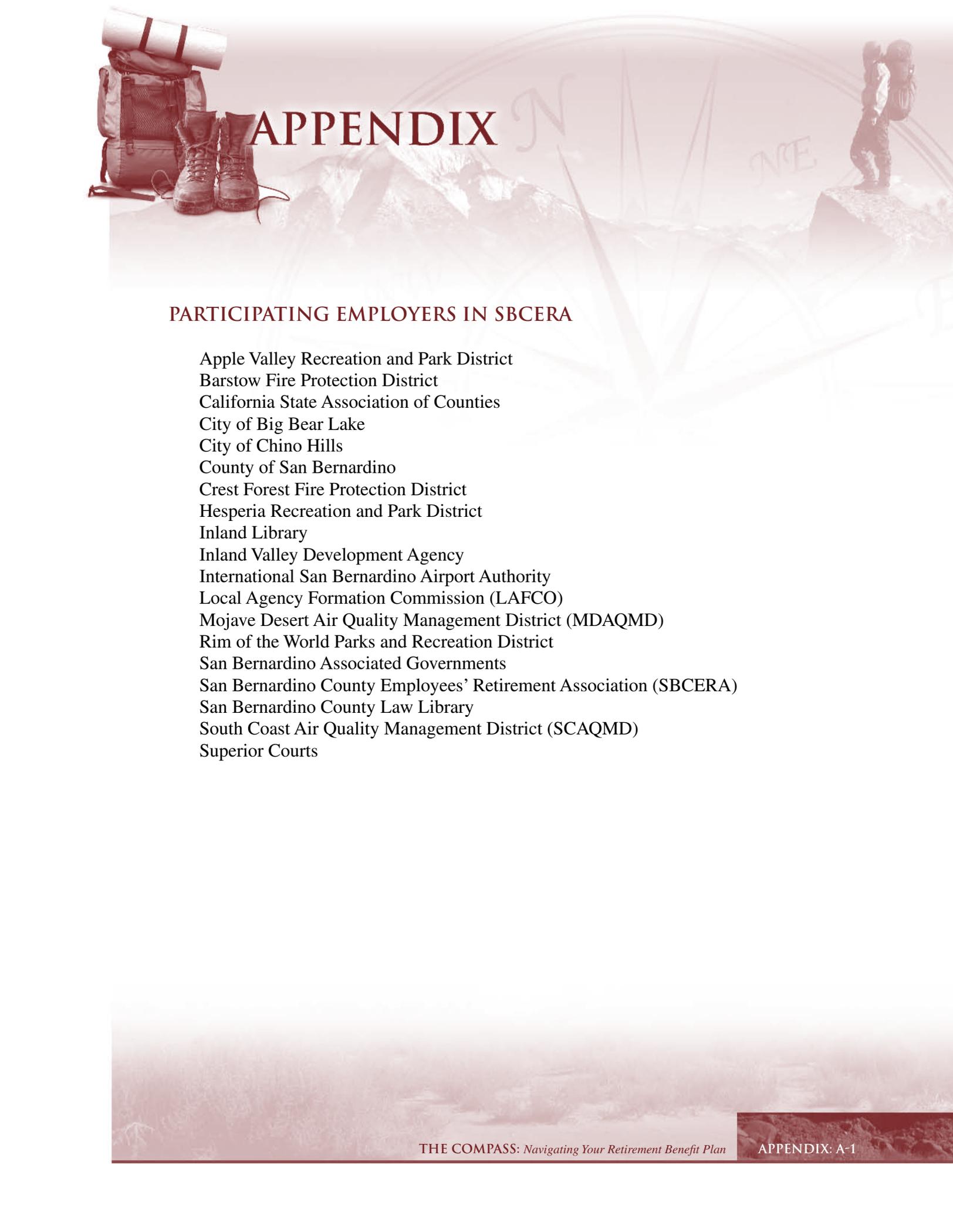


# APPENDIX

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# APPENDIX

## PARTICIPATING EMPLOYERS IN SBCERA

Apple Valley Recreation and Park District  
Barstow Fire Protection District  
California State Association of Counties  
City of Big Bear Lake  
City of Chino Hills  
County of San Bernardino  
Crest Forest Fire Protection District  
Hesperia Recreation and Park District  
Inland Library  
Inland Valley Development Agency  
International San Bernardino Airport Authority  
Local Agency Formation Commission (LAFCO)  
Mojave Desert Air Quality Management District (MDAQMD)  
Rim of the World Parks and Recreation District  
San Bernardino Associated Governments  
San Bernardino County Employees' Retirement Association (SBCERA)  
San Bernardino County Law Library  
South Coast Air Quality Management District (SCAQMD)  
Superior Courts

**GENERAL CONTRIBUTION RATES**  
Effective June 21, 2008

General Refundable				General Non-Refundable			
Age	Percent	Age	Percent	Age	Percent	Age	Percent
16	8.97	36	10.13	16	8.15	36	9.21
17	8.96	37	10.26	17	8.15	37	9.33
18	8.95	38	10.39	18	8.14	38	9.45
19	8.95	39	10.52	19	8.14	39	9.56
20	8.95	40	10.65	20	8.14	40	9.68
21	8.96	41	10.79	21	8.15	41	9.81
22	9.00	42	10.93	22	8.18	42	9.94
23	9.02	43	11.07	23	8.20	43	10.06
24	9.07	44	11.21	24	8.25	44	10.19
25	9.12	45	11.37	25	8.29	45	10.34
26	9.18	46	11.52	26	8.35	46	10.47
27	9.24	47	11.67	27	8.40	47	10.61
28	9.32	48	11.83	28	8.47	48	10.75
29	9.40	49	11.99	29	8.55	49	10.90
30	9.49	50	12.16	30	8.63	50	11.05
31	9.58	51	12.32	31	8.71	51	11.20
32	9.68	52	12.49	32	8.80	52	11.35
33	9.79	53	12.66	33	8.90	53	11.51
34	9.90	54 & Older	12.84	34	9.00	54 & Older	11.67
35	10.01			35	9.10		

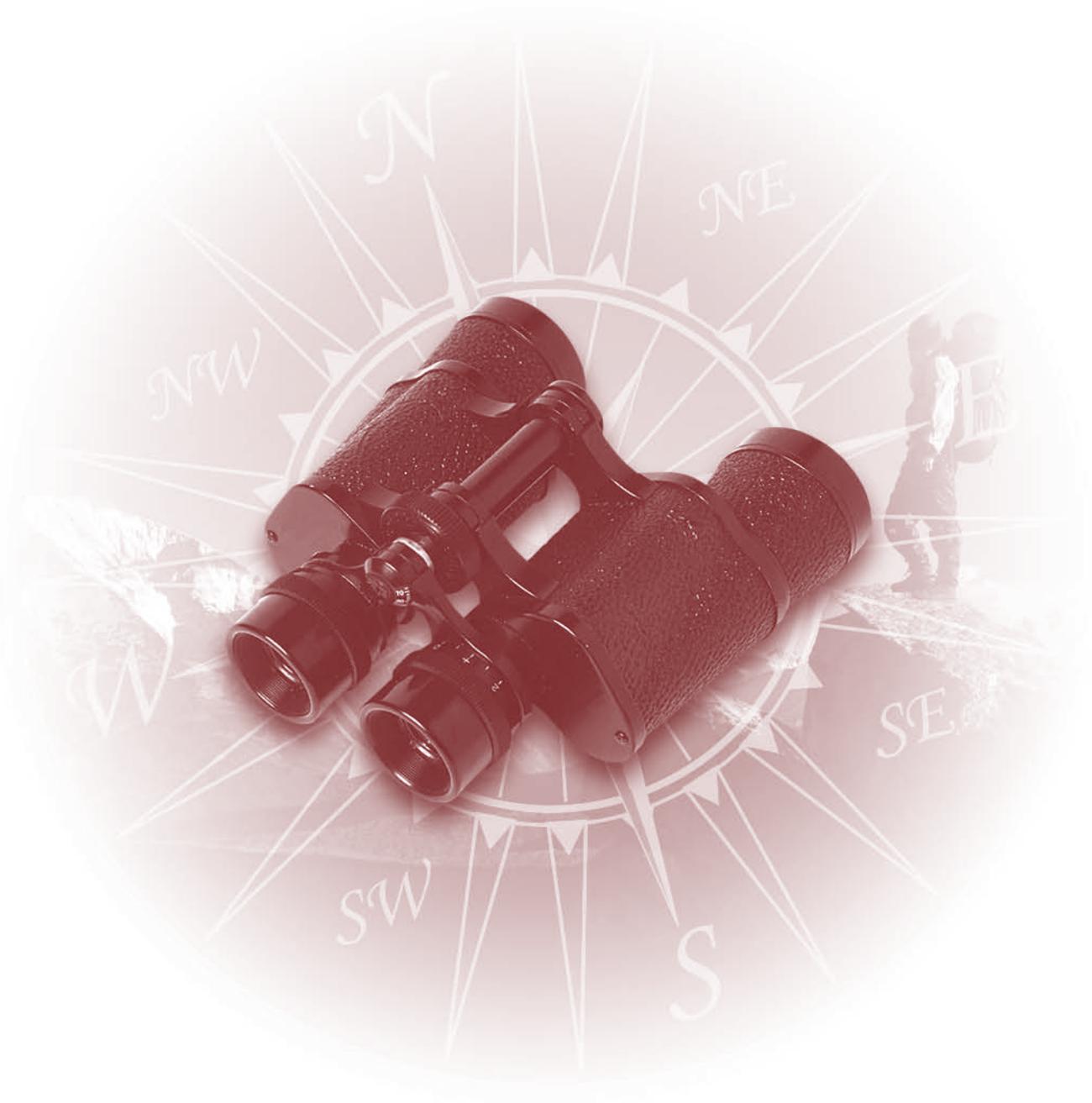
## SAFETY CONTRIBUTION RATES

Effective June 21, 2008

Safety Refundable				Safety Non-Refundable			
Age	Percent	Age	Percent	Age	Percent	Age	Percent
21	11.07	36	12.57	21	10.54	36	11.97
22	11.10	37	12.74	22	10.57	37	12.13
23	11.13	38	12.92	23	10.60	38	12.30
24	11.17	39	13.11	24	10.64	39	12.49
25	11.24	40	13.30	25	10.70	40	12.67
26	11.31	41	13.49	26	10.77	41	12.85
27	11.39	42	13.68	27	10.85	42	13.03
28	11.48	43	13.89	28	10.93	43	13.23
29	11.59	44	14.09	29	11.04	44	13.42
30	11.70	45	14.28	30	11.14	45	13.60
31	11.81	46	14.49	31	11.25	46	13.80
32	11.95	47	14.70	32	11.38	47	14.00
33	12.09	48	14.90	33	11.51	48	14.19
34	12.24	49 & Older	15.11	34	11.66	49 & Older	14.39
35	12.39			35	11.80		



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# MEMBER STATEMENTS

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