



ESTIMATED BENEFIT PAYMENT POLICY FOR SERVICE RETIREMENT REQUESTS BY DEFERRED, RECIPROCAL MEMBERS

PURPOSE

This policy establishes a mechanism for deferred, reciprocal members to begin receiving monthly benefit payments from SCERS after a fixed period, regardless of whether or not their final retirement systems report wages and other data within expected timeframes.

OBJECTIVE

This policy establishes specific criteria for providing estimated benefit payments to deferred, reciprocal members of SCERS. This policy addresses two key goals:

- Help SCERS in the delivery of consistent processing times for deferred, reciprocal members.
- Help deferred, reciprocal members maintain cash flow while SCERS and final, reciprocal retirement systems are still exchanging information.

POLICY

Deferred reciprocal members who are eligible to retire from SCERS (regardless of service with any subsequent retirement systems) may receive estimated benefit payments while SCERS is awaiting reciprocal wage and service information.

APPLICATION

This policy contemplates that deferred, reciprocal members will receive benefit information and be able to request limited, estimated pension payments if they are able to retire from SCERS on a stand-alone basis. In those particular cases (which typically require members to have 5 years of service credit with SCERS, 10 years of plan participation, and a minimum age of 50), staff will develop communications, processes, and timelines to ensure consistent outcomes for all similarly situated members. Estimated payments to members with reciprocity will be finalized within 10 business days of SCERS receiving the wage data and other information required from the final reciprocal retirement system. Thereafter, staff will update the retiree's "pension payroll" record to reflect the final benefit amount and issue all required adjustments within the next monthly payroll cycle.

BACKGROUND

The current service retirement process at SCERS allows staff to estimate benefits for active members by projecting wages, contributions, and service through their requested retirement dates. However, this approach is not practical for deferred, reciprocal members because the wages used to determine final average salaries are not available until sometime after these members terminate employment with their final, reciprocal employers. The result is that deferred, reciprocal members often wait longer to receive their first payments from SCERS than active members.

Expanding the current estimate process to consider deferred, reciprocal members who are already eligible to retire from SCERS will give these members the opportunity to receive limited, monthly payments from SCERS while their final reciprocal systems are still gathering wage records and other information. Establishing formal criteria and timeframes for these estimates will also ensure that processing times are uniform for the affected membership and that deferred, reciprocal members receive benefits from SCERS much closer to their selected retirement dates.

RESPONSIBILITIES

Executive Owner: Chief Benefits Officer

POLICY HISTORY

Date	Description
08-15-2018	Board approved new policy