



SCERS POLICY ON SERVICE CREDIT: FREQUENTLY ASKED QUESTIONS

Topic: SCERS Service Credit Policy -
Discussion Draft released on November 5, 2018

1.Q. What action did the SCERS Board take?

- A. The SCERS Board approved a discussion draft for a new Service Credit Policy at their regular meeting on November 5, 2018. Following distribution of the discussion draft to stakeholders for comment, the Board will receive a final version of the Service Credit Policy at their next regular meeting, which is currently scheduled for December 19, 2018 at the SCERS office.

2.Q. What does the Service Credit Policy do and why is it needed?

- A. The Service Credit Policy amends an administrative practice that the SCERS Board endorsed when they met on August 19, 1999 and adopted Resolution No. 99-08. Resolution No. 99-08 referenced the County's *Ventura* litigation and was limited to two pay elements not addressed in a 1997 resolution regarding compensation earnable (which is the basis for the contributions paid by legacy members of SCERS and their final average salary calculations). However, in accordance with the staff memo prepared for Resolution No. 99-08 and an administrative recommendation therein, the SCERS Board also endorsed an accrual rate for service associated with certain alternate work schedules, such as the 7/12 work schedule in place for County employees. [For reference, persons subject to the cited schedule normally work seven (7) days of twelve (12) hour shifts over the course of a two-week pay period.]

- 3.Q. Does the Service Credit Policy create a single or uniform service standard for all members of SCERS?**
- A. Yes. In consideration of the pertinent plan authorities, including the County Employees Retirement Law of 1937 (which applies to SCERS and 19 other county retirement systems) and key provisions of the Internal Revenue Code (which apply to SCERS and all governmental defined benefit plans), the Service Credit Policy sets a maximum rate of service accrual for all members of SCERS. Specifically, the policy states that members may not accrue more than one (1) year of service credit with SCERS in a single calendar year or other 365-day period.
- 4.Q. Does the Service Credit Policy affect individual service credit earned ahead of the proposed effective date?**
- A. No. The maximum accrual rate established by the Service Credit Policy does not go into effect until the pay period beginning December 23, 2018, and it only applies to pay periods beginning on and after that date.
- 5.Q. Does the Service Credit Policy affect individual contributions to SCERS or the final average salary calculations used to determine pension benefits?**
- A. No. The Service Credit Policy does not affect individual contributions or final average salary calculations because it does not modify the compensation earnable identified in Resolution No. 99-08 or any other components of the County's *Ventura* litigation.
- 6.Q. When does SCERS plan to finalize the draft policy and implement the changes addressed therein?**
- A. After providing a period for public consideration and feedback (which expires on Friday, November 30th at 5:00 p.m.), SCERS will prepare a final version of the Service Credit Policy for consideration by the SCERS Board on December 19, 2018, and SCERS will work to implement it on the stated effective date of December 23, 2018.
- 7.Q. Where can I review the discussion draft of the proposed policy?**
- A. The draft policy can be reviewed by visiting the SCERS web site (www.scers.org) or clicking [here](#) to review the SCERS Board agenda materials for this policy.
- 8.Q. How can I provide SCERS with feedback on the draft policy?**
- A. You can provide written feedback to SCERS by directing e-mail to the address established for this purpose: Retirement-Policy@SacCounty.net. As a reminder, please provide written feedback before 5:00 p.m. on Friday, November 30.