



# Section 2

**Congratulations on being a SCERS member.** Your SCERS-eligible employment with the County or another Participating Employer will help you to take an important step in achieving a secure retirement.

This section provides SCERS plan information that may be of interest to both new and long-established members—topics such as plan eligibility, membership types, employer and Member Contributions, benefit levels and formulas, and Reciprocity with other public retirement systems are covered.

**Please note that this information is specific to members hired after December 31, 2012 (PEPRA Members). If you became a member of SCERS before January 1, 2013, please refer to the Member Handbook—Legacy Edition.**

## Eligibility for SCERS Membership

If you are an employee of the County or one of the nine other Participating Employers, and you hold a permanent full-time or part-time position, you are automatically enrolled in SCERS unless you are eligible to waive membership. Your membership is continuous for as long as you are employed in a SCERS-covered position.

Your membership in SCERS is effective the day you begin employment in a SCERS-covered position. You earn Service Credit for each hour worked and pay your required Member Contributions to SCERS through payroll deductions.

## Enrolling as a SCERS Member

When you become a SCERS member, you are provided with a Member's Affidavit form, which allows you to provide SCERS with pertinent personal information and to designate a Beneficiary for plan benefits.

If you are a Deferred Member of SCERS returning to active membership, or joining SCERS with incoming Reciprocity as a member of a Reciprocal System, you will need to complete and submit a Member's Affidavit form to SCERS.

## Membership

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Eligibility for SCERS Membership

Enrolling as a SCERS Member

Designating or Changing Your Beneficiary(ies)

Membership Categories

Benefit Tiers

Retirement Contributions

Earning Your SCERS Plan Benefits

SCERS Plan Benefits and Formulas

Reciprocity

New Member Checklist

## Take Note



### **Spouses/registered domestic partners have legal rights to benefits, which supersede any other designated Beneficiary.**

At SCERS, you are required to notify your current spouse or registered domestic partner if you change your Beneficiary, request to withdraw your Member Contributions, or elect an Optional Settlement (joint and survivor) for your retirement benefits. Your spouse/registered domestic partner may waive his or her rights to your benefits by completing a notarized waiver.

### **There are special considerations for designating a minor child as your Beneficiary.**

If you are designating a minor child as a plan Beneficiary, you may wish to also designate an adult as “custodian” to receive and manage payments for the minor until an age you choose. If you do not designate a custodian, court appointment and supervision by a guardian will be required and all funds will be distributed to the guardian if your Beneficiary is under age 18.

## Designating or Changing Your Beneficiary(ies)

The Member’s Affidavit form you complete and submit to SCERS when you establish membership requires you to designate a Beneficiary who will receive benefits payable in the event of your death. If you die before you retire or are eligible to retire, your Beneficiary will receive, at a minimum, a return of your Member Contributions on account with SCERS. *Refer to Section 6 of this handbook.*

You may designate your spouse/registered domestic partner, child, other family member, any other person, including a trust, as your Beneficiary (except that a trust may not be designated as your Beneficiary for a joint and survivor benefit when you retire). You may also designate multiple Beneficiaries if you like and you can change your designated Beneficiary(ies) at any time, subject to certain restrictions. You must include each Beneficiary’s name, birthdate, Social Security number, and relationship to you. If designating more than one Beneficiary, you must specify the percent share to be paid to each Beneficiary, and the total shares for all designated Beneficiaries must be 100%.

It is important to keep Beneficiary designations current to ensure payments to the appropriate individuals. To change your designated Beneficiary(ies), you must complete, sign and submit a new Member’s Affidavit form to SCERS.

## Membership Categories

The designation assigned to each job classification eligible for SCERS membership determines the level of benefits that applies to service accrued by a member while in that job classification. There are two Membership Categories:

- **Safety Membership** applies to active law enforcement, firefighting or other positions that have been designated as Safety.
- **Miscellaneous Membership** applies to all other positions that are not designated for Safety Membership.

## Benefit Tiers

SCERS has differing benefit levels, or “Tiers,” within each Membership Category, based on a member’s Participating Employer and date of hire or re-hire in employment subject to SCERS membership. SCERS Members subject to PEPPRA have the following Benefit Tiers:

- **Miscellaneous Tier 5** – Members hired after December 31, 2012.
- **Safety Tier 4** – Members hired after December 31, 2012.

Your Benefit Tier determines the formula used to calculate your retirement benefit, as well as the maximum annual Cost-of-Living Adjustment (COLA) that you may receive as a Retired Member.

## Retirement Contributions

Employer and Member Contributions provide an important source of funding for the benefits paid by SCERS to current and future Retired Members and their Beneficiaries or Eligible Survivors. Contribution rates are determined annually by the plan actuary pursuant to applicable law and various actuarial assumptions and factors and are determined for each Membership Category and Benefit Tier. The retirement contribution rates recommended by the plan actuary are approved by the SCERS Board in November, and take effect for the fiscal year that begins the following July.

## Take Note



### Not sure of your Benefit Tier?

You can access your account information at the SCERS website, [www.scers.org](http://www.scers.org). You can also refer to your annual member statement, which states your current Membership Category and Benefit Tier, or consult with your employer’s Human Resources Department.

## Q&A



### Are all employees automatically members of the retirement system?

No. Persons employed in temporary, seasonal, intermittent, and contract positions are not eligible for SCERS membership. An employee first hired by a Participating Employer at age 60 or older may waive membership by submitting a written request to SCERS. The option to waive membership also applies to elected officials when they first take office. Once an employee waives membership, the waiver is irrevocable and that employee cannot request SCERS membership later.

## Q&A



### Can I change my contributions to my retirement account?

No. Member contribution rates as set by the Board may not be changed by individual members.

### Can my retirement account be used as collateral for a loan and/or can I make a withdrawal from my retirement account for an emergency?

No. You are not allowed to borrow against your Member Contributions or make withdrawals for emergencies. Your Member Contributions to SCERS help fund the monthly allowance you will receive for your lifetime when you retire.

## Take Note



Termination and immediate rehire for the purpose of withdrawing Member Contributions is prohibited by law.

## Member Contributions

Your Member Contribution rate will depend on your Membership Category and Benefit Tier, and applicable provisions of the collective bargaining agreement for your job classification. The contribution rate is applied to all pension-eligible compensation. *Refer to Appendix A for a summary of pension-eligible pay elements.* Your contributions are made through regular payroll deductions, before taxes are withheld, and are credited to your SCERS retirement account.

Interest on funds that have been in your account for at least six months is credited to your SCERS retirement account on June 30 and December 31 of each year. The semi-annual interest crediting rate is determined by Board policy. It is the lower of a rate equal to one-half of the 5-year Treasury Note rate in effect as of the interest crediting date, or one half of the interest crediting rate for other valuation reserves maintained by SCERS.

Your Member Contributions are held in trust by SCERS for you and your Beneficiaries. Your SCERS account balance belongs to you from the day your SCERS membership begins. When you retire, your Member Contributions, along with the contributions your employer paid on your behalf and SCERS' investment earnings, fund the retirement benefits you receive from SCERS.

If you terminate all employment with all Participating Employers before you retire, and you do not establish membership in a Reciprocal System within six months, your Member Contributions may be withdrawn or, in the event of your death before retirement, are payable to your designated Beneficiary.

## Employer Contributions

Your employer pays retirement contributions to SCERS based on your Membership Category, Benefit Tier, and pension-eligible compensation. Actual versus expected experience of the plan, including investment return on plan assets, also affects employer contribution rates.

Employer contributions are pooled to fund the current and future benefits payable to eligible SCERS members; they are not held in individual members' accounts. **Employer contributions are never distributed to a member as part of the member's withdrawal of contributions.** If you terminate all employment with all Participating Employers prior to retirement and elect to withdraw your Member Contributions, you will not receive any of the retirement contributions your employer paid to SCERS based on your pension-eligible compensation.

## Earning Your SCERS Plan Benefits

When a member is “Vested,” it means that he or she has earned a right to receive a monthly SCERS retirement benefit upon retirement eligibility. *Refer to Section 5 of this handbook.*

You are considered to be a “Vested” member in SCERS if any of the following apply:

- You receive credit for five (5) years of full-time service with a Participating Employer.
- You reach age 70, regardless of the number of years of service.
- You are eligible for Vested status based on prior public employment covered by a Reciprocal System. *Refer to “Reciprocity” at the end of this section of this handbook.*

### Important

If you are Vested and terminate employment and elect to withdraw your Member Contributions, you cease to be a member of SCERS and forfeit your eligibility and rights to any and all benefits from SCERS you may have been eligible to receive had you left your Member Contributions on deposit with SCERS. Refer to Section 4 of this handbook for more information on the options available to you upon termination of employment.

## SCERS Plan Benefits and Formulas

SCERS provides Service Retirement and Disability Retirement benefits to members, and death benefits to a member’s Beneficiary(ies) and/or Eligible Survivor(s). Under current law, once earned, Vested benefits cannot be reduced or taken away.

Benefits include your lifetime monthly retirement benefit allowance, a Continuance payment (generally lifetime) paid to your Beneficiary or Eligible Survivor(s), a post-retirement death benefit, and an annual COLA. *Refer to Section 5 of this handbook.*

Your SCERS Service Retirement allowance is calculated using the formula for your Membership Category and Benefit Tier, which considers the following three factors:

- Your age at retirement;
- Your years of Service Credit at retirement; and
- Your Final Compensation.

In general, the higher the above factors, the greater your benefit.

*Refer to Appendix C and Appendix D for the different age factors used to calculate your benefit based on your Membership Category and Benefit Tier.*

## Q&A



### How many years of service do I need to become Vested?

You are Vested for SCERS benefits when you have five (5) years of full-time Service Credit.

## Q&A



### I am currently working for a SCERS Participating Employer, but I am not a member. Who do I contact if I think I am eligible for membership in SCERS?

To learn more about eligibility for SCERS membership or to discuss your specific situation, you should contact SCERS by phone at (916) 874-9119, by email to [sacretire@saccounty.net](mailto:sacretire@saccounty.net), or write to SCERS, 980 9th Street, Suite 1900, Sacramento, CA 95814.

## Q&A



### **Before my SCERS membership, I was a member of another public retirement system. How does this affect my SCERS membership?**

You may be eligible to establish Reciprocity between SCERS and the other retirement system if:

- The other public retirement system has a reciprocal service agreement with SCERS;
- Your Member Contributions were left on deposit with the other system; and
- No more than six months has elapsed between your termination of employment covered by the other retirement system and establishing SCERS membership.

If you withdrew your member contributions from the other system, you may be able to purchase Service Credit in SCERS for your prior public service you forfeited when you withdrew your contributions from your former retirement system. In certain circumstances, you may be able to redeposit your previously withdrawn contributions with the former retirement system.

## Reciprocity

Reciprocity allows a person whose employment with two or more governmental employers is covered by similarly administered California public retirement systems to “connect” their service for retirement benefit purposes. The eligibility and benefits of Reciprocity are specified in statute and are intended to encourage a career in public service.

SCERS has reciprocal service agreements with the California counties that operate under the CERL, the State of California retirement systems (CalPERS, CalSTRS, UCRP and JRS), and the retirement systems of charter cities and counties. Please contact SCERS to confirm whether a particular public employer has a reciprocal service agreement with SCERS.

### **Benefits of Establishing Reciprocity**

There are several benefits to establishing Reciprocity if you are joining SCERS and are also a member of a Reciprocal System or if you leave SCERS-covered employment in the future and become a member of a Reciprocal System:

- Service Credit earned in a Reciprocal System is combined with your SCERS service when determining Vested status and eligibility to retire. This means you do not need to “start over” when you change employers and your service is covered by a Reciprocal System.
- The highest retirement eligible compensation attained under any Reciprocal System is used by all Reciprocal Systems to calculate your Final Compensation and determine your retirement benefits.
- Placement in a more generous Benefit Tier may be determined for those members who have established incoming or outgoing Reciprocity. If you became a member of a Reciprocal System prior to January 1, 2013, and establish incoming Reciprocity with SCERS, you may be eligible for SCERS membership in a Legacy (pre-PEPRA) Benefit Tier. Please contact SCERS for further assistance in determining if Reciprocity applies to your specific circumstances.

## Qualifications for Incoming Reciprocity

To qualify for Reciprocity, you **MUST** do all of the following:

- Elect to leave your contributions on deposit and defer retirement with your previous employer's retirement system. Your service in the Reciprocal System cannot overlap with your SCERS Membership Date.
- Begin membership in SCERS within six months following the termination of your employment with the Reciprocal System.
- Retire from each Reciprocal System on the same day.
- Retire from each Reciprocal System for the same reason (i.e., service or disability).

It is the previous retirement system that establishes Reciprocity. You should contact your previous public employer's retirement system to establish Reciprocity for your SCERS membership.

## Establishing Incoming Reciprocity

**Once you establish Reciprocity, your election is irrevocable.**

Thereafter, you cannot withdraw contributions from the previous retirement system unless you terminate all employment for all SCERS Participating Employers and elect to withdraw your contributions from SCERS and terminate your SCERS membership. In addition, when you get ready to retire, you must file separate retirement applications with each Reciprocal System and retire from each system on the same day. You will receive a separate retirement benefit from each system based on the service earned in that system. *Refer to Section 4 for information on establishing outgoing Reciprocity.*



## Take Note

Overlapping employment will disqualify you for Reciprocity. If you wish to establish Reciprocity, you must terminate from your previous public employer before starting your employment with your next public employer. Make sure you discuss and coordinate your situation with both employers and/or retirement systems.

## New Member Checklist

Here are some simple steps to help you make the most of your SCERS membership:

- ✓ **Keep your address information up to date with your employer.**  
To ensure that you receive important information from SCERS, keep your home address current with your employer at all times.
- ✓ **Keep your Beneficiary information up to date with SCERS.**  
If you have a life change, such as marriage/registered domestic partnership, birth/adoption of a child, or divorce, review your Beneficiary designation. You may update your Beneficiary designation by submitting a new Member's Affidavit form to SCERS. If you are changing your Beneficiary due to the birth or adoption of a child or a divorce, supporting documents will be required.
- ✓ **Read SCERS informational materials.** The best way to optimize the benefits available to you is to understand how they work. We suggest that you read all materials you receive about your SCERS benefits, as well as those posted on SCERS' website. *Refer to Section 8 of this handbook.*
- ✓ **Review your Annual Member Statement.** Each year you will receive an Annual Member Statement that provides a broad range of important information, such as your Membership Category, Benefit Tier, annual and total Member Contributions, interest credited to your account and the amount of Service Credit you have earned.
- ✓ **More Questions?** Contact SCERS by phone at (916) 874-9119, email to [sacretire@saccounty.net](mailto:sacretire@saccounty.net), on the web at [www.scers.org](http://www.scers.org), or by mail or in person at 980 9th Street, Suite 1900, Sacramento, CA 95814.

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