



Section 8

Defined Terms

The following defines terms used in this Member Handbook to explain your SCERS benefits. These definitions can help you understand the benefits available to you and your rights under SCERS. For your ease in identification, the terms defined in this Glossary are capitalized throughout this Member Handbook.

Active Member

A regular full-time or part-time employee of a Participating Employer who receives pension-eligible compensation from the employer from which Member Contributions for retirement are deducted and remitted to SCERS.

Actuarial Valuation (or Actuarial Study)

A type of appraisal performed by a pension actuary in accordance with professional standards that requires making economic and demographic assumptions to estimate current and projected liabilities. The assumptions are typically based on a mix of statistical studies and experienced judgment. Forms the basis for the actuary to determine the annual employer and Member Contribution rates which, together with investment earnings, will provide sufficient funding to pay the benefits earned by SCERS members.

Annuity

A series of payments paid to a member for the member's lifetime (Unmodified Allowance) or for both the member's and the member's Beneficiary's lifetime (Optional Settlement joint and survivor).

Beneficiary(ies)

The person(s) designated by a member or statute to receive, or who has received or is receiving, benefits or payments from SCERS upon the death of a SCERS member.

Glossary of Terms

Benefit Calculator

A tool SCERS provides on its website for members to estimate the monthly Service Retirement allowance they may be eligible to receive from SCERS.

Benefit Tier

The benefit level applicable to a member based on Membership Category, Participating Employer and date of hire or re-hire in employment subject to SCERS membership.

Continuance

The monthly benefit allowance payable to a member's Beneficiary or Eligible Survivor(s) upon the member's death.

Cost-of-Living Adjustment (COLA)

An annual adjustment, if any, to the monthly allowances paid by SCERS, determined based on changes in the CPI applicable to SCERS. The maximum annual COLA is determined by the Membership Category and Benefit Tier applicable to the payment from SCERS.

Deferred Member

An Active Member of SCERS who terminates SCERS-covered employment and leaves Member Contributions on deposit with SCERS; may be Vested or non-vested.

Defined Benefit Pension Plan

A retirement plan that provides a lifetime monthly benefit when a member retires or dies, calculated using a plan member's age, years of Service Credit, and Final Compensation at time of retirement or death.

Disability Retirement

A type of monthly benefit that may be granted by the Board when a member proves based on medical evidence that the member is permanently incapacitated from performing the duties of the member's position. The disability may be work-related (see definition of Service-Connected Disability Retirement) or not work-related (see definition of Nonservice-Connected Disability Retirement).

Eligible Survivor

The following members of a SCERS member's family who may be entitled to receive monthly benefits from SCERS upon the member's death:

- Eligible Spouse – The deceased member's surviving spouse/ registered domestic partner, if married/registered at least one year prior to the date of death.
- Eligible Minor Child – The member's natural or adopted unmarried child under the age of 18, or under age 22 if regularly enrolled as a full-time student in an accredited school.

Final Compensation

The average pension-eligible compensation a member earned over the applicable Final Compensation Period which serves as the basis for determining the benefits payable by SCERS.

Final Compensation Period

The number of consecutive months, as applicable based on the member's Membership Category and Benefit Tier, over which a member's pension-eligible compensation is averaged to determine Final Compensation for the purpose of determining the benefits payable by SCERS. For all Members subject to PEPRA, the Final Compensation period is 36 consecutive months.

Member's Affidavit

A form issued and maintained by SCERS that an employee must complete and submit to SCERS when first establishing membership in SCERS. Also used by members to update personal status, mailing address, or Beneficiary designation on file with SCERS.

Member Contributions

For Active Members, means the amount deducted biweekly from a member's salary for retirement and transmitted to and held by SCERS for that member, the accumulated balance of which receives semi-annual interest credit from SCERS.

For members eligible for a distribution from SCERS (as in a withdrawal after the member terminates SCERS-covered employment), means the total account balance held by SCERS for that member that includes all biweekly contributions, any additional contributions the member paid because of the member's election to purchase Permissive Service Credit or to redeposit previously withdrawn contributions, plus interest accumulated in the member's account as a result of semi-annual interest crediting from Membership Date through the date of transfer or payment by SCERS.

Membership Category

The designation assigned to each job classification eligible for SCERS membership that 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.

Membership Date

The date a person employed by a Participating Employer in a permanent full-time or part-time position establishes membership in SCERS. Generally, it is the first day of employment in a position and time base eligible for SCERS membership.

Nonservice-Connected Disability Retirement (NSCDR)

A type of retirement that may be granted by the Board when a member proves based on medical evidence that the member is permanently incapacitated from performing the duties of the member's position and the member's employment did NOT cause or contribute to the incapacity.

Optional Settlement

One or more alternative forms of distribution for a member's lifetime monthly retirement benefit that a member may elect at the time of retirement. An Optional Settlement modifies the member's highest monthly retirement benefit allowance payable, known as the Unmodified Allowance, typically to provide a continuing benefit to the member's Beneficiary through a joint and survivor Annuity.

Participating Employer

The County of Sacramento, the Superior Court in Sacramento County, and the special district employers that have taken formal action to provide the retirement and related benefits administered by SCERS to their employees.

Permissive Service Credit

Periods of work a member may have performed prior to SCERS membership for one or more Participating Employers or for other public agencies or the federal government, or periods of uncompensated medical leave after becoming a SCERS member, for which a member may elect to pay the required additional Member Contributions as determined by SCERS to increase total Service Credit with SCERS.

Reciprocity

An arrangement defined by law and agreements between state and local public retirement systems in California that allows one system to recognize the membership, service credit, and pension-eligible compensation earned while a person is a member of another system, subject to specified rules and conditions. This allows public employees to “connect” their public employment in California for retirement benefit purposes. The eligibility and benefits of Reciprocity are specified in statute and are intended to encourage a career in public service in California.

Reciprocal Member

A person who becomes a member of SCERS after establishing membership in a Reciprocal System and the prior Reciprocal System recognizes Reciprocity for the person’s period of SCERS membership, or a SCERS Deferred Member who establishes membership in a Reciprocal System and SCERS recognizes Reciprocity for the Deferred Member’s period of membership in the Reciprocal System.

Reciprocal System

Another public retirement system in California that by law or otherwise has a reciprocal service agreement with SCERS. This includes 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.

Retired Member

A member receiving a monthly Service Retirement or Disability Retirement benefit allowance from SCERS.

Service-Connected Disability Retirement (SCDR)

A type of retirement that may be granted by the Board when a member proves based on medical evidence that the member is permanently incapacitated from performing the duties of the member's position and that the incapacity is a result of injury or disease arising out of and in the course of the member's employment and such employment substantially contributes to the incapacity.

Service Credit

Credit accrued in SCERS by a member who receives pension-eligible compensation for time worked (or paid leave) with a Participating Employer from which Member Contributions for retirement are deducted. SCERS members earn one service credit for each hour worked in SCERS-covered employment. Generally, members who work full-time (80 hours in a biweekly pay period) receive 80 Service Credits each pay period. A total of 2,088 service credits equals one year of full-time service. A member's total Service Credit is used to establish eligibility for retirement benefits and the amount of such benefits.

Service Retirement

A type of retirement granted by the Board after a member has met the age and service eligibility requirements, filed an application for Service Retirement with SCERS, and terminated all employment with all Participating Employers.

Unmodified Allowance

The highest monthly retirement benefit allowance payable by SCERS to a member, based on the member's Membership Category, Benefit Tier, and Service Credit, Final Compensation, and age at retirement.

Vested

The period of service or age a member must attain to receive employer-paid benefits from SCERS at a future date. Generally, a SCERS member is Vested when the member has at least five years of full-time Service Credit.

Appendix A: Summary of Pension-Eligible Pay Elements

Earnings Type	Description	Included*	Excluded
Regular Earnings	Paid for hours worked	X	
7/12 Work Shift	Paid for regular work schedule of 12 hours per day; 84 hours per bi-weekly pay period	X	
Workers' Compensation Temporary Disability	Paid Workers' Compensation benefits integrated with existing leave balances for employees who have an accepted industrial injury and are temporarily disabled	X	
State Disability Integration	Paid State Disability benefits integrated with existing leave balances for employees who are temporarily disabled	X	
Leave Balance Usage (vacation, compensating time off (CTO), holiday in-lieu, sick leave, etc.)	Paid leave for authorized absence from work	X	
Disability Pay	Additional pay that, when combined with Workers' Compensation Disability Pay, equals 50% of an employee's bi-weekly pay	X	
4850 Time Pay	Paid for up to one year, tax free, in lieu of temporary disability for Safety personnel in accordance with Labor Code Section 4850	X	
Animal Allowance	Paid to employees assigned as a canine handler for scheduled work of ten (10) hours per month for ordinary care and informal training	X	
One Time Bonus Payment	Payments normally made once a year as a result of bargaining		X
Overtime – includes CTO Expired	Paid for hours worked in excess of normal work schedule		X
Extra-help wages	Paid to employees who are not regular (permanent) county employees		X
Holiday-in-lieu paid after 104 hours	Paid for hours over the maximum of 104		X
Shift Differential	Paid to employees working other than the day shift		X
Standby Pay	Paid to employees assigned to remain on call if the need arises for emergency work		X
Food Allowance	Paid to employees hired or transferred into food service prior to July 1971 represented by Health Services Unit		X
Terminal Pay – vacation, holiday in lieu, CTO, and leave payout	Accumulated leave balances paid to an employee upon separation from employment.		X
Special Pay Allowances	Additional pay for performing work considered to be out of or in addition to the class		X

Appendix A: Summary of Pension-Eligible Pay Elements

Earnings Type	Description	Included*	Excluded
Incentive Pay Allowances	Additional pay for possession of educational degrees or required certificates		X
Miscellaneous Allowances	Assignment differentials paid as a percentage of base pay		X
Management Differential	Additional pay to managers in lieu of other benefits, i.e., tuition reimbursement		X
Transcription Fees for court reporters	Paid to court reporters to transcribe their cases		X
Retirement Offset	Additional pay for certain employees in-lieu of the county paying ½ retirement contributions		X
Vacation Cash-In	Additional pay for cashing in accrued vacation that does not exceed what may be earned in each 12-month period during the final compensation period		X
Payoff Beyond Maximum Accrual	Additional pay for vacation or holiday-in-lieu hours over the maximum accrual		X
Mental Health Retention	Paid to employees who work at the mental health facility		X
Clothing Allowance	Paid to employees for the cost of maintaining a uniform		X
Equipment Allowance	Paid to reimburse employees who are required to provide their own equipment; i.e., court reporters		X
Insurance Subsidy	Cash payment of the amount of the county contribution towards health insurance over the premium, less the cost of social security		X
Fair Labor Standards Act Adjustment	Differential paid when the value of overtime per FLSA guidelines is greater than that negotiated		X**
Insurance Subsidy Offset	An amount paid in January of each year to refund the social security reduction of the health insurance subsidy to employees who were at social security maximum		X
Auto Allowance	Payment for use of personal vehicle for county business		X
<p>* Compensation can be excluded if: (a) Board of Retirement determines compensation had been paid to enhance retirement benefits, (b) compensation had previously been provided in kind and converted to cash payment in the final compensation period; (c) any one-time or ad-hoc payment made to a member, but not to similarly situated members in the member's grade or class, and (d) any payment for unused leave balances that exceed what may be earned in each 12-month period during the final compensation period.</p>			
<p>** Per prior, written agreement, one exception has been established to the standard exclusion of the pay element reserved for FLSA adjustments. That exception is the additional "half rate" payable for 12 hours of contractual overtime to members who work 24-hour schedules.</p>			

Appendix B: Service Retirement Benefit Estimate Worksheet – Unmodified Allowance

Service Retirement Benefit Estimate Worksheet			
Line #	Descriptive Information	Example	Your Information
1	Estimated age at retirement: (to nearest quarter age)	55	
2	Estimated years of Service Credit at retirement: (use estimated number of calendar year of full-time service in SCERS-covered employment; 2,088 hours = 1 year of Service Credit)	25	
3	Retirement Benefit Age Factor: (refer to Appendix C or D to find percentage factor for Estimated age at retirement on Line 1)	1.300%	
4	Benefit Factor: (multiply Line 2 by Line 3 and enter result as a percentage)	32.5%	
5	Estimated monthly Final Compensation: (use Example on page 55 to estimate monthly Final Compensation)	\$1,878	
6	Estimated* monthly Unmodified Allowance for Service Retirement: (multiply the estimated monthly Final Compensation on Line 5 by the Benefit Factor on Line 4)	\$610.35*	

*This is an estimate only. SCERS will calculate your actual benefit when you apply for retirement.

Appendix C: Retirement Benefit Age Factors Miscellaneous – Tier 5

Applies to Retiring Members Hired in SCERS-Covered Employment After December 31, 2012

Age at Retirement	Benefit Factor \$ 7522.20 (2% @62) Percentage	Age at Retirement	Benefit Factor \$ 7522.20 (2% @ 62) Percentage
52	1.000%	60	1.800%
52 ¼	1.025%	60 ¼	1.825%
52 ½	1.050%	60 ½	1.850%
52 ¾	1.075%	60 ¾	1.875%
53	1.100%	61	1.900%
53 ¼	1.125%	61 ¼	1.925%
53 ½	1.150%	61 ½	1.950%
53 ¾	1.175%	61 ¾	1.975%
54	1.200%	62	2.000%
54 ¼	1.225%	62 ¼	2.025%
54 ½	1.250%	62 ½	2.050%
54 ¾	1.275%	62 ¾	2.075%
55	1.300%	63	2.100%
55 ¼	1.325%	63 ¼	2.125%
55 ½	1.350%	63 ½	2.150%
55 ¾	1.375%	63 ¾	2.175%
56	1.400%	64	2.200%
56 ¼	1.425%	64 ¼	2.225%
56 ½	1.450%	64 ½	2.250%
56 ¾	1.475%	64 ¾	2.275%
57	1.500%	65	2.300%
57 ¼	1.525%	65 ¼	2.325%
57 ½	1.550%	65 ½	2.350%
57 ¾	1.575%	65 ¾	2.375%
58	1.600%	66	2.400%
58 ¼	1.625%	66 ¼	2.425%
58 ½	1.650%	66 ½	2.450%
58 ¾	1.675%	66 ¾	2.475%
59	1.700%	67 & over	2.500%
59 ¼	1.725%		
59 ½	1.750%		
59 ¾	1.775%		

Appendix D: Retirement Benefit Age Factors Safety – Tier 4

Applies to Retiring Members Hired in SCERS-Covered Employment After December 31, 2012

Age at Retirement	Benefit Factor § 7522.25(d) (2.7% @ 57) Percentage	Age at Retirement	Benefit Factor § 7522.25(d) (2.7% @ 57) Percentage
50	2.000%	54	2.400%
50 ¼	2.025%	54 ¼	2.425%
50 ½	2.050%	54 ½	2.450%
50 ¾	2.075%	54 ¾	2.475%
51	2.100%	55	2.500%
51 ¼	2.125%	55 ¼	2.525%
51 ½	2.150%	55 ½	2.550%
51 ¾	2.175%	55 ¾	2.575%
52	2.200%	56	2.600%
52 ¼	2.225%	56 ¼	2.625%
52 ½	2.250%	56 ½	2.650%
52 ¾	2.275%	56 ¾	2.675%
53	2.300%	57 & over	2.700%
53 ¼	2.325%		
53 ½	2.350%		
53 ¾	2.375%		

Appendix E: Disability Retirement Formulas Benefit Estimate Worksheets

Nonservice-Connected Disability Retirement (NSCDR)

Nonservice-Connected Disability Retirement (NSCDR) Benefit Estimate Worksheet (For Miscellaneous Tier 5 and Safety Tier 4)			
Line #	Descriptive Information	Example ¹	Your Information
1	Estimated years of Service Credit: (use estimated number of calendar years of full-time service in SCERS-covered employment)	15	
2	Estimated monthly Final Compensation: (use Example on page 55 to estimate monthly Final Compensation)	\$1,878	
3	NSCDR Benefit Factor: (use the table below to find NSCDR Benefit Factor that corresponds to estimated years of Service Credit on Line 1)	40%	
4	Estimated monthly Unmodified Allowance for NSCDR: (multiply Line 2 by Line 3)	\$751.20²	

¹ The Example column is an estimate for a Miscellaneous Member of Benefit Tier 5. This is an estimate only. SCERS will calculate your actual benefit when you apply for Disability Retirement.

² If the amount of your Service Retirement allowance (if you are eligible to retire for service) is greater than your Disability Retirement allowance, SCERS will pay the greater allowance amount as your Disability Retirement benefit.

Years of Service Credit	NSCDR Benefit Factor	Years of Service Credit	NSCDR Benefit Factor
5	20%	11	32%
6	22%	12	34%
7	24%	13	36%
8	26%	14	38%
9	28%	15+	40%
10	30%		

Appendix E: Disability Retirement Formulas Benefit Estimate Worksheets

Service-Connected Disability Retirement (SCDR)

Benefit Estimate Worksheet (For All SCERS Membership Categories and Benefit Tiers)			
Line #	Descriptive Information	Example ¹	Your Information
1	Estimated monthly Final Compensation: (use Example on page 55 to estimate monthly Final Compensation)	\$1,878	
2	Enter SCDR Benefit Factor of 50%:	50%	
3	Estimated monthly Unmodified Allowance for SCDR: (multiply Line 1 by Line 2)	\$939²	

¹ This is an estimate only. SCERS will calculate your actual benefit when you apply for Disability Retirement.

² If the amount of your Service Retirement allowance (if you are eligible to retire for service) is greater than your Disability Retirement allowance, SCERS will pay the greater allowance amount as your Disability Retirement benefit.