



SCERS RETIREMENT FAQs

Congratulations on reaching this important milestone in your career! In addition to these FAQs, you will find helpful information and resources on our website at www.scers.org (items in *italics* below are available on our website). If you need more information or have questions not addressed here, please contact us at (916) 874-9119 or sacretire@saccounty.net.

Q: How long will it take for me to receive my first retirement check?

A: Our goal is to get you paid within 45 days from your retirement date. Sometimes it will take longer than 45 days to receive your first retirement check. For example, if there is an unresolved community property or divorce issue, if you are retiring concurrently from a reciprocal retirement system, or if you retire during peak season (January through March).

Q: How many days out should I submit my retirement application?

A: The maximum allowed is 60 days from your retirement date.

Q: I heard March is a good time to retire. Is that true?

A: A member can retire anytime throughout the year. You should pick a date that best suits your retirement plans and optimizes your retirement benefit. March is typically our busiest time of the year due to the COLA that becomes effective on April 1st each year. Refer to the Summer 2020 edition of the *SCERS Newsletter – “Retiring in March: Tips to Consider”* segment available on our website for more information. As you plan for retirement, the COLA is only one of several items to consider for your overall retirement readiness. Your age factor and service credit, as well as other sources of retirement income are all important considerations for retiring.

Q: What’s the best age to retire?

A: We recommend planning ahead to make sure the time is right for you. Age is only one variable to consider to consider. Your SCERS retirement benefit is a product of three (3) variables: age, final average salary, and service credit. Refer to the *SCERS Member Handbook* for a chart of age factor percentages, and use our online *Benefit Calculator* to estimate your retirement benefit. You should also consider income you may receive from Social Security or from your deferred compensation retirement plans (i.e. 401k, 457, etc.); please check with Social Security and your deferred compensation provider separately.

Q: How do I know what my highest final average salary is?

A: Typically, your highest final average salary will be in your last 12 or 36 months of employment. If you think you have a different higher final average salary period, you can request an alternate final average salary period from SCERS.



Q: How is my pension calculated?

A: Your pension is based on three (3) variables: age at retirement, average monthly final salary and total years of service (pension benefit = age factor x years of service credit x final average compensation). In the pension world, we often identify ourselves by our respective retirement formulas, for example 2% at age 55 or 61, 3% at age 50, etc. A quick way to estimate your retirement benefit, using the “2% at 55” formula for example, is to multiply 2% by your years of service credit, and then multiply that by your estimated final average salary. For example, if you accrued 25 years of service with an estimated final average salary of \$5,000 per month: $2\% \times 25 = 50\%$. Then multiply $50\% \times \$5,000 = \$2,500$. Therefore, your estimated pension benefit would be \$2,500. You can use our online *Benefit Calculator* to better estimate and compare your retirement benefit under different options and retirement dates.

Q: What will be my retirement take-home pay? Is my pension benefit amount gross or net?

A: Your pension is calculated as a gross amount (before taxes and deductions). SCERS cannot estimate your net amount (take-home pay) because tax withholdings and deductions are unique and individual to each member.

Q: I'm married and I'd like to know the difference between choosing Unmodified and Option 2?

A: The Unmodified benefit provides you the maximum benefit you can receive and upon your death your spouse/registered domestic partner (RDP) beneficiary will receive 60% of your unmodified benefit amount. Option 2 provides you a lesser amount than the Unmodified benefit and upon your death your spouse/RDP beneficiary will continue to receive the same (100% continuance) retirement benefit you received. Please refer to the *SCERS Member Handbook* for information on benefit option allowances. Use our online *Benefit Calculator* to estimate and compare retirement benefits under different option elections.

Q: How does divorce work with pensions?

A: Generally, the benefits earned through your SCERS-covered employment are community property. In other words, your SCERS benefits belong equally to you and your spouse. SCERS is required to review and administer the distribution of benefits in accordance with Court orders, also known as a Domestic Relations Order (DRO). Please refer to the *Dissolution of Marriage Guidelines* and the *Dissolution of Marriage Documents Policy* for details. Community property issues must be resolved before SCERS can issue retirement benefit payments.

Q: How much is the COLA every year?

A: The maximum annual COLA for Miscellaneous Tier 3, 4, and 5, as well as Safety Tier 2, 3, and 4 is 2%. The maximum annual COLA for Miscellaneous Tier 1 and Safety Tier 1 is 4%. Miscellaneous Tier 2 does not receive a COLA. You can find more information about COLA's, including the annually approved COLA amounts, on the *Retiree COLA Tracker* page on our website.



Q: What kind of service credit purchases are available?

A: The most common types of service credit purchases are for pre-membership employment, medical leaves, prior public service, and redeposits. Pre-membership service generally refers to temporary employment with a SCERS participating employer. A Medical leave purchase is a service credit purchase for members who were off work due to medical reasons. Public service purchases are also available to those who were previously employed in the military, with a State employer or a public employer within Sacramento County. A Redeposit refers to a service credit purchase option for those who previously withdrew retirement funds from SCERS. Restrictions and limitations may apply. Refer to the *Purchasing Public Service Packet* for more information.

Q: Does SCERS handle my retiree health benefits or my deferred compensation plan?

A: SCERS does not administer retiree health benefits or deferred compensation plans. For information pertaining to your employer-sponsored retiree health benefits or deferred compensation plan, please contact the Sacramento County Employee Benefits Office (EBO) at (916) 874-2020 or your agency's personnel office.

Q: How does my pension affect social security benefits?

A: Your SCERS pension is separate from social security benefits and is only one part of your retirement income. You should consider income from Social Security and your deferred compensation retirement plan as part of your overall retirement planning. If you are eligible for Social Security benefits you should consult with the Social Security Administration at www.ssa.gov for more information.