



August 30, 2023

### **SCERS' Treatment of Service Credit Prior to April 28, 2019**

This statement is being provided to members who work 7/12 work schedules to clarify any misunderstanding or miscommunication regarding the SCERS' Service Credit Policy.

SCERS calculates service credit based on work schedules reported by the employer and according to the Service Credit Policy adopted by the Board April 17, 2019. Prior to April 2019, members were credited with additional service credit for compensated time worked beyond 80 hours according to normal full-time work schedules in a bi-weekly pay period. As a result, members were able to earn slightly more than one year of service credit for each year of compensated service.

Beginning with pay periods commencing on or after April 28, 2019, members who work alternate full-time schedules such as 7/12, accrue no more than one year of service credit by working that schedule in a 12-month period. This limit was prospective beginning with the pay periods commencing on or after April 28, 2019, aligning with the adoption of the Service Credit Policy.

At the time of the policy implementation, all service credit was captured and recognized by SCERS for retirement calculation purposes; no adjustments prior to April 28, 2019, pay period have been made by SCERS staff when calculating retirement benefits.

Please note that there may have been circumstances in which the 81<sup>st</sup> to 84<sup>th</sup> hours in certain pay periods were not included as additional service credit prior to April 28, 2019, if the hours worked were captured as Compensatory Time Off (CTO) when it was accrued. CTO time is not eligible for additional service credit and has never been treated as retirement applicable. This practice was not changed by the SCERS' Service Credit Policy in 2019.

Finally, on April 14, 2023, the Sacramento County Superior Court issued the final ruling in *Sacramento County Deputy Sheriffs' Association v. Sacramento County Employees' Retirement System, et al.*, resolving all disputed issues in SCERS' favor. The lawsuit was filed in 2019 following SCERS' adoption and implementation of several policies that clarified how pensions are calculated, including prospective limitation of service credit to one year of credit for one year of work for those on a 7/12 work schedule.

Eric Stern  
Chief Executive Officer