

Retirement Consultation Guide

SB|*cera*

San Bernardino County Employees'
Retirement Association

Use this resource as you plan your service retirement.



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Service • Accountability • Security

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Retirement Consultation Guide

A plan for a secure retirement.



FOUR FACTORS USED IN CALCULATING YOUR RETIREMENT BENEFIT

- Age
- Service Credit
- Tier
- Compensation

Learn more at:

www.SBCERA.org/FourFactors

www.SBCERA.org/Tables

Introduction

Choosing to retire is a big decision. You may be eager to retire, but unsure if it's the right time or whether you can afford it. Retirement requires careful consideration and planning. In this guide, we have segmented the retirement planning stages into: Before Retirement, At Retirement, and After Retirement.

In addition to this guide, we suggest a few additional tasks and resources:

Create a mySBCERA Account

mySBCERA is your online member portal that can be accessed anytime, anywhere, on your preferred device. Take advantage of retirement planning tools, educational resources, and more by visiting www.SBCERA.org/mySBCERA.

In your mySBCERA account you can:

- View Your Account Summary
- See Your Contact and Beneficiary Information
- Get a Customized Retirement Benefit Estimate
- Access Your Member Statements
- Find Pre-filled Forms for Various Account Activities
- Register for Seminars and Webinars
- Elect eCorrespondence to receive Member Statements and more via email versus mail

Calculate Your Retirement Benefit

SBCERA offers several resources to assist you in calculating your future benefit. The most useful resource is your mySBCERA account. By accessing your mySBCERA account and creating a benefit estimate, you are able to use data specific to you in calculating your future benefit.

Your benefit is based on a formula that is predictable. Similar to a mathematic formula, the value of the formula's factors dictates the outcome. If you change one of these factors, the end result will change. In this guide we explain the four factors used to calculate your monthly lifetime retirement benefit from SBCERA.

Retirement Planning Tables

Available for Tier 1 and Tier 2 members, these tables use three of the four factors used to calculate your retirement benefit. They allow you to easily estimate your future retirement benefit. You can see how your retirement benefit grows as you get older and/or add years of service credit.

You read these tables in a diagonal way with your age in the top row and your service credit in the left-hand column. **Please keep in mind that these tables are estimates** and do not include every percentage increase you might accrue.



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**SBCERA's seminars
are informative and
educational.**”

Retirement Options

When you retire, you will be required to select a beneficiary and a benefit options that you feel best meets the needs of you and your beneficiary. This beneficiary will supersede any previous beneficiary designation. The option selected will determine what survivor benefits you will provide to your beneficiary after your death and your benefit amount in retirement. Some of the options reduce your monthly benefit in order to provide a lifetime monthly continuance for your beneficiary.

Your options include:

Unmodified

The **maximum** lifetime retirement benefit.

Benefits to Beneficiary

Lifetime monthly continuance of 60% of the amount you were receiving to your eligible spouse or registered domestic partner. A minor child receives the benefit until age 18 or marriage; or up to age 22 if they are an unmarried full time student at an accredited school. If there is more than one minor child the benefit may be split between them.

Option 1

A **reduced** lifetime retirement benefit based on your life expectancy.

Benefits to Beneficiary

Any undistributed refundable contributions will be paid to your designated beneficiary or estate in a lump sum.

Notes:

- The designated beneficiary must have an **insurable interest in your life**.
- This is the **only option** where you can name your estate.
- This is the only option that allows you to change your beneficiary at any time.

Option 2

A **reduced** lifetime retirement benefit based on your age and the age of your beneficiary.

Benefits to Beneficiary

Lifetime monthly continuance of up to 100% of the amount you were receiving, depending on beneficiary status and age.

Notes:

- The designated beneficiary must have an **insurable interest in your life**.
- Cannot be your estate
- This option is irrevocable.

Option 3

A **reduced** lifetime retirement benefit based on your age and the age of your beneficiary.

Benefits to Beneficiary

Lifetime monthly continuance of 50% of the amount you were receiving.

Notes:

- The designated beneficiary **must have an insurable interest in your life**.
- Cannot be your estate.
- This option is irrevocable.

Option 4

A **reduced** lifetime retirement benefit based on your age and the age of your beneficiary(ies).

Benefits to Beneficiary

Custom continuance to one or more beneficiaries.

Notes:

- The designated beneficiary **must have an insurable interest in your life**.
- Cannot be your estate.
- This option is irrevocable. You cannot change your beneficiary after you retire, even if they die before you.

Eligible Beneficiary

- **Eligible Spouse or Domestic Partner:** Someone you are married to or registered with for at least one year prior to your effective date of retirement. Someone can become an eligible spouse or domestic partner after retirement, if you are married or registered for at least two years prior to your death and they are at least 55 years old at the time of your death, and you chose the Unmodified Option at the time of retirement.
- **Eligible Child for the Unmodified Option:** An eligible child for the unmodified option is a child who is unmarried under the age of 18, or unmarried and a full-time student under the age of 22.
- **Eligible Child for Options 1-4:** An eligible child for retirement options 1-4 is your child, regardless of if they are a minor or an adult.

Designated Beneficiary

- **Somebody with an Insurable Interest:** This is, essentially, any person who would be injured financially by your death. It is when you have a personal interest in the life of the other person and you can prove the individual is of personal value to you such as a spouse, registered domestic partner, parent, child (includes both minor and adult children), grandchild, sibling, fiancé/fiancée, or business partner.
- **Your Estate:** You can designate your estate, only if you select Option 1.

Section 01: Before Retirement

Create a mySBCERA Account

mySBCERA is SBCERA's online member portal. You can access mySBCERA on any device with any browser. To create an account, visit www.SBCERA.org/mySBCERA, click on the "Enroll Now" button, and follow the steps to enroll in mySBCERA.

www.SBCERA.org/mySBCERA

Take advantage of valuable self-service retirement planning tools like registering for seminars, viewing beneficiaries and creating personalized Benefit Estimates. You can easily create as many customized Benefit Estimates as you like in mySBCERA.

Attend a Seminar or Webinar

Planning your retirement can be overwhelming, especially with all the choices you have to make and factors to consider. SBCERA seminars and webinars are designed to provide you with the information you need to help you feel confident in your future retirement decisions. SBCERA partners with deferred compensation providers, healthcare providers, and Social Security to inform about the various options that make up a successful retirement.

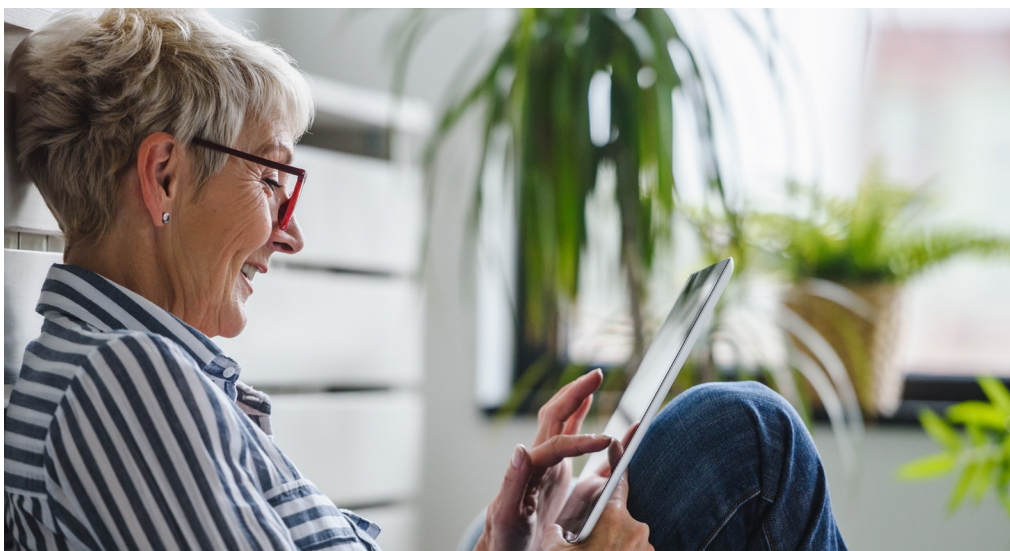
www.SBCERA.org/Seminars

Service Purchase Options

Service credit is one of the factors used to calculate your retirement benefit. You can increase your years of service credit by working longer or by purchasing various types of service credit if qualified.

www.SBCERA.org/SCP

Under various circumstances there may have been a time in your life when you were working for another public agency, another participating SBCERA employer, or the military, but you weren't eligible for SBCERA membership. Depending on the circumstance, Active and Deferred Members may be eligible to purchase that time and have it count towards service credit. Typically, the more service credit you have, the higher your monthly lifetime benefit will be when you retire. Service credit purchases must be made prior to retirement, and all balances must be paid off within 120 days of termination or after your effective retirement date. Learn more by visiting www.SBCERA.org/ServiceCreditPurchases.



mySBCERA is your online member portal that can be accessed anytime, anywhere, on your preferred device. Take advantage of retirement planning tools, educational resources, and more by visiting www.SBCERA.org/mySBCERA.

Section 01: Before Retirement (cont.)

Reciprocity

Reciprocity is an agreement that allows you to link your retirement benefits between certain California public retirement systems. It enables you to preserve and enhance your total retirement system benefits.

www.SBCERA.org/Reciprocity

Your contribution rate may be adjusted based on your service dates in the first system. Be aware that you may owe additional contributions or receive a refund for overpayment of contributions due to the change in your contribution rate.

- If you were a member of an eligible reciprocal public retirement system prior to January 1, 2013 and establish reciprocity, you may be eligible for the tier and benefit levels in place prior to January 1, 2013.
- The service credit earned in one system may be used to meet the minimum requirements for vesting and/or retirement eligibility in the other system. However, when calculating your benefit amount, each system will only use the years of service credit earned with its system.
- Your highest Final Average Compensation (FAC) from either system may be used by both systems to compute your benefit. Reciprocal systems may not include certain pay items in calculating FAC.

Provide Verification Documents

You must provide an original or certified copy of a birth certificate, passport, Real ID, or naturalization paperwork for you and your beneficiary, and a certified marriage certificate or your domestic partnership certificate, if applicable. You can provide these documents to SBCERA at any time during your career.

Provide Divorce Documents

Pursuant to the laws of California, if you are a member of SBCERA while you are married, your former spouse may be entitled to an interest in the community property portion of your retirement benefit.

www.SBCERA.org/Divorce

Upon a divorce or divorce filing, as an active or retired member, please notify SBCERA as soon as possible. If not, you could face long delays in the payment of your current and/or future retirement benefits.



Sign-up for a Pre-Retirement seminar or webinar to get a full understanding of your retirement benefits. To view the schedule of upcoming seminars and webinars, visit:
www.SBCERA.org/Seminars

Section 01: Before Retirement (cont.)

Choose a Retirement Effective Date

www.SBCERA.org/RetireDate

When choosing what day to retire, waiting a month or two can make a difference in your lifetime monthly benefit amount. Keep the following things in mind when choosing your effective date of retirement to optimize your benefit:



Age

Your retirement benefit increases with each quarter year of age until the maximum age indicated in the Retirement Planning Tables



Service Credit

The more service credit you have the greater your benefit will be.



Spring

The cost-of-living adjustment (COLA) is determined in the spring of each year.



Calendar Year

Upon retirement, you may receive lump-sum payments (i.e. cash-outs) for remaining leave accruals from your employer.



Leave Accruals

Some Tier 1 members are eligible to complete cash-outs prior to retirement.

Request a Service Retirement Packet

Approximately sixty (60) days (or less) prior to your effective date of retirement, notify SBCERA and we will mail or email you a Service Retirement Packet. The packet will include the forms required to complete your retirement. When you receive the packet, please log into mySBCERA to review a benefit estimate created based on your effective date of retirement.

Final Average Compensation (FAC)

www.SBCERA.org/FAC

Your Final Average Compensation (FAC) is one factor used in determining your retirement benefit. It is the average compensation you earned prior to retirement and varies based on your tier.

The Alameda Decision may affect your FAC if you are a Tier 1 member. More information is available on our Alameda FAQ page at www.SBCERA.org/Alameda.

Review Leave Balances

You may be eligible to cash out leave accruals to include in your Final Average Compensation (FAC). You should refer to your Memorandum of Understanding (MOU) and/or ask your Payroll Specialist regarding required criteria for eligibility.

Finalize Service Credit Purchases

www.SBCERA.org/SCP

Service credit is earned based on the hours worked for a participating SBCERA employer, which are then converted to years. It is one of the factors used to determine the amount of your monthly lifetime retirement benefit. It is also used to determine when you become vested, eligible to retire, and stop paying contributions to SBCERA (30 years, Tier 1 only). Typically, the more service credit you have, the higher your monthly lifetime benefit will be.

Section 01: Before Retirement (cont.)

Social Security

SBCERA Members* do not participate in Social Security. In other words, your earnings from your SBCERA-covered employment are not covered under Social Security.

www.SBCERA.org/SSA



Most SBCERA Members do participate in Medicare. Medicare is our country's health insurance program for people age 65 or older. Medicare recommends you apply for benefits before you reach age 65. You should apply even if you do not intend to retire yet.

For coverage information about Social Security Retirement Benefits or Medicare, SBCERA recommends you contact your employer's Human Resources/Benefits Department or visit www.SSA.gov. You can apply for Social Security and Medicare benefits on the Social Security website.

*Law Library employees do participate in Social Security.

Deferred Compensation (457b, 401k, etc.)

A deferred compensation plan withholds a portion of an employee's pay until a specified date, usually retirement. Examples of deferred compensation providers within SBCERA-covered employers are Voya and MassMutual. Please contact your employer's deferred compensation provider to let them know you are retiring and to determine the best distribution for your personal situation.

Health Insurance Options

SBCERA only administers your retirement benefit. We do not manage retiree medical or insurance benefits. Therefore, be sure to notify your employer about your retirement to learn about and apply for benefits and options they may offer you, such as retiree healthcare, dental, vision, cash-outs and/or life insurance.

www.SBCERA.org/Health

Certain benefit premiums can be automatically deducted from your pension benefit. Your Retirement Specialist will be able to go over those with you. SBCERA will provide you with referral information and contacts for additional information and options. You may also contact the County of San Bernardino Employee Benefits & Services Division at (909) 387-5787.

Inform your Employer

You, the member, are responsible for informing your employer of your selected retirement date. Additionally, based on a selection you will confirm in a Service Retirement Interview Checklist, SBCERA will send confirmation of your retirement date and last day on payroll to your employer.

Section 02: At Retirement

Contact SBCERA 60 Days Prior to Retirement

Approximately sixty (60) days (or less) prior to your effective date of retirement, notify SBCERA and we will mail or email you a Service Retirement Packet. The packet will include the forms required to complete your retirement. When you receive the packet, please log into mySBCERA to review a benefit estimate created based on your effective date of retirement. If you would like a benefit estimate prior to requesting a packet, you can create your own estimates online at www.SBCERA.org/mySBCERA.

Schedule an Appointment with a Retirement Specialist

SBCERA provides multiple ways to consult with a retirement expert before retiring. We offer the convenience of phone consultations where a Retirement Specialist will go over the paperwork you have been provided and help ensure it is properly completed. Additionally, SBCERA offers in-person Group Service Retirements. Many members prefer the group format because it allows them to hear questions from other members they may not have considered themselves. Finally, SBCERA offers one-on-one in-person or virtual retirement appointments.

Whatever your choice, SBCERA Retirement Specialists will help ensure you are educated enough to make an informed decision about retirement.

Complete and Return Paperwork

You, the member, will need to complete, sign and return all the relevant paperwork that SBCERA sent you in the Service Retirement Packet. Read and complete your packet carefully, making sure to sign and date wherever required. In addition, it must be signed and dated no more than 60 days prior to your effective date of retirement. Once completed, you may submit your packet to SBCERA in one of the following ways:

- Group Service Retirement
- One-on-One Service Retirement Consultation
- Mailed, emailed, or faxed to SBCERA
- Dropped off at SBCERA using the secure drop box

Other Considerations

Social Security, Deferred Compensation (Voya and MassMutual), and health insurance options should be coordinated prior to retiring. SBCERA and your employer's Human Resources department can provide you with the relevant contact information for the options available.



Be sure to contact your Deferred Compensation provider and Social Security, if applicable. These are essential elements of a financially secure retirement.

www.SBCERA.org/Paperwork



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My Retirement Specialist provided me with all the knowledge I needed to make an informed decision.”

Section 03: After Retirement

What Happens Next

You will receive your retirement benefit direct deposit generally on the last business day of each month. However, it can take up to two months to receive your first benefit and that first benefit may be a mailed check. That first retirement payment will be retroactive back to your date of retirement.

Keep Your Information Updated

www.SBCERA.org/Forms

In Retirement, you may want to think of SBCERA as your paycheck provider. As such, you want to keep your information updated and current. If you move, please provide SBCERA with an updated Address/Name Change Request form. If there is a change with a beneficiary named at the time of retirement, please provide SBCERA with an updated Beneficiary/Designation Change form. Also, if you change the bank that you have set up for direct deposit of your retirement benefit, you will need to submit a new Authorization Agreement for Direct Deposit.

mySBCERA

www.SBCERA.org/mySBCERA

As mentioned, mySBCERA is one of the most valuable tools we offer. If you have already set up an account, you can access an abundance of valuable information. If you haven't set up an account, please go to www.SBCERA.org/mySBCERA, click on the Enroll Now button, and follow the steps to enroll in mySBCERA.

Within mySBCERA, you can access a number of valuable self-service tools specifically for retirees, like pay statement history, tax withholding elections, and 1099-Rs. By enrolling in mySBCERA, you will be able to review and update your information no matter where retirement takes you.

Open Enrollment

While SBCERA does not provide or administer health benefits, we can facilitate the deduction for certain types of benefits from your retirement payment. You will want to keep track of any open enrollment periods for your specific providers. We suggest setting up calendar reminders for these open enrollment periods.

Post-Retirement Employment

www.SBCERA.org/PostRetire

Any restrictions on your ability to work after retirement only apply to employment with an SBCERA-covered employer. The Public Employees' Pension Reform Act of 2013 (PEPRA) imposes restrictions on the ability of a retiree to work for an employer in a retirement system while also collecting a pension from that same system. The restrictions related to this type of post-retirement employment are detailed on the SBCERA website.

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www.SBCERA.org