



## POLICE & FIRE DEPARTMENT RETIREMENT PLAN FIRE BENEFITS FACT SHEET – TIER 2

Contributions	
Employee	26.00% of base salary (Pension: 16.26%, Retiree Healthcare: 9.74%) As of 6/18/2017 <sup>1</sup>
City	26.88% of base salary (Pension: 16.26%, Retiree Healthcare: 10.62%) As of 6/18/2017
Service Required To Leave Contributions In Retirement Plan	5 Years of Service with the City in the Police and Fire Department Plan (Year of Service = 2080 hours worked in the applicable 12-month period)
Service Retirement	
Age/Years of Service	57 with 5 Years of Service with the City in the Police and Fire Department Plan 50 with 5 Years of Service with the City in the Police and Fire Department Plan. A reduction factor of 7% per year for each year between age fifty-seven (57) and the Tier 2 member's age at retirement, prorated to the closest month.
Deferred Vested Retirement	At least 5 Years of Service with the City in the Police and Fire Department Plan (This applies to members who separate from City service before retirement and leave their contributions in the retirement system.) Can begin at age 50 with reduction fact of 7% per year for each year between age fifty-seven and the Tier 2 member's age at retirement, prorated to the closest month.
Allowance	First 20 years of Service: 2.4% per year of service X Final Compensation Beginning of 21 <sup>st</sup> year of service: 3.0% per year of service X Final Compensation Beginning of 26 <sup>th</sup> year of service: 3.4% per year of service x Final Compensation <ul style="list-style-type: none"> <li>• "Final Compensation" is the average annual base pay plus any premium pays authorized by ordinance for the highest 3 consecutive Years of Service [SJMC 3.36.020.05]</li> <li>• Maximum benefit is 80% of Final Compensation</li> </ul>
Disability Retirement - (Service-Connected)	
Minimum Service	NONE
Allowance	An individual who is granted a service-connected disability retirement is entitled to a monthly allowance equal to the greater of: <ol style="list-style-type: none"> <li>i. 50% of Final Compensation;</li> <li>ii. A service retirement allowance, if he or she qualified for such; or</li> <li>iii. An actuarially reduced factor, as determined by the plan's actuary, for each quarter year that his or her service age is less than 50 years, multiplied by the number of Years of Service subject to the applicable formula, if not qualified for a service retirement.</li> </ol>
Disability Retirement - (Non Service-Connected)	
Minimum Service	5 years
Allowance	An individual who is granted a non service-connected disability retirement is entitled to a monthly allowance equal to the greater of: <ol style="list-style-type: none"> <li>i. If less than age 50: 1.8% per Year of Service or</li> <li>ii. If older than age 50: The amount of service pension benefit as calculated based upon the service pension formula.</li> </ol>
Voluntary Employees' Beneficiary Association (VEBA)	
Defined Contribution Plan	All Tier 2 employees will make mandatory contributions of 4% into the Voluntary Employees' Beneficiary Association (VEBA).
Reciprocity	
Reciprocity	As of September 30, 1994, the City of San José adopted a reciprocal agreement with CalPERS. This may result in improved benefits for members who transfer between CalPERS and this retirement plan. Please call the Retirement Department or CalPERS for more information.
Cost-of-Living Adjustments (COLA)	
Cost-of-living Adjustments	Retirees are eligible for an annual cost-of-living adjustment (COLA) limited to the increase in the Consumer Price Index (San Jose-San Francisco-Oakland, U.S. Bureau of Labor Statistics index, CPI-U, December to December), capped at 2.0% per year. The first COLA will be prorated based on the number of months retired.

### Death Before Retirement

<sup>1</sup> Please note the contribution rates are subject to change based on the retirement board actuary's actuarial valuations.



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<p>Service-Connected Death regardless of years of service</p>	<p><u>To surviving spouse/domestic partner</u> 37.5% to 45% of member's Final Compensation depending on the years of service [SJMC3.36.1200(F),1205, 1270(B)] <u>and</u> to surviving children : If 1 Surviving Child: Final Comp x 25% [SJMC 3.36.1200 (G), 1300 (B)] If 2 Surviving Children: Final Comp x 50% [SJMC 3.36.1200 (G) , 1300 (D2)] If 3 or More Surviving Children: Final Comp x 75% [SJMC 3.36.1200 (G) , 1300 (F2)]</p> <p>There is an 80% cap on Final Compensation that can be paid to survivors</p> <p>If no surviving spouse/domestic partner nor surviving children, to the estate: Return of contributions, plus interest, or \$1,000, whichever is greater, [SJMC 3.36.1200 (E), 1200(I)]</p>
<p>Nonservice-Connected Death with less than 2 yrs of service</p>	<p>Greater of:</p> <p>(1) Return of contributions, plus interest, to surviving spouse/domestic partner; where there is no surviving spouse/ domestic partner to member's surviving children, or where there are no surviving children either, to the member's estate, or</p> <p>(2) \$1,000, whichever is greater [SJMC 3.36.1250 (C-E)]</p>
<p>Nonservice-Connected Death with more than 2 yrs of service, but <u>not</u> eligible for a service retirement</p>	<p><u>To surviving spouse/domestic partner</u> : 24% +.75% for each year in excess of 2 x Final Compensation (45% maximum) [SJMC 3.36.1210 (F), 1205, 1280 (B) (D)]</p> <p><u>and</u> to surviving children: If 1 Surviving Child: Final Comp x 25% [SJMC 3.36.1210 (G), 1300 (B)] If 2 Surviving Children: Final Comp x 37.5% [SJMC 3.36.1210(G), 1300 (D1)] If 3 or More Surviving Children: Final Comp x 50% [SJMC 3.36.1210(G), 1300 (F1)]</p> <p>There is an 80% cap on Final Compensation that can be paid to survivors.</p> <p>If no surviving spouse/domestic partner nor surviving children to the estate: Return of contributions, plus interest, or \$1,000 whichever is greater [SJMC 3.36.1210(E),1210(I)]</p>
<p>Death before retirement, but while eligible for service retirement – Non-service Connected death</p>	<p><u>To surviving spouse/domestic partner</u> 37.5% to 45% of member's Final Compensation depending on the years of service [SJMC3.361200 (A),(F),1270(B)]</p> <p>For example: Member's benefit = 81% Survivorship benefit = 40.5% of Final Compensation Member's benefit = 84% Survivorship benefit = 42% of Final Compensation Member's benefit = 87% Survivorship benefit = 43.5% of Final Compensation Member's benefit = 90% Survivorship benefit = 45% of Final Compensation</p> <p><u>and</u> to surviving children: If 1 Surviving Child: Final Comp x 25% [SJMC 3.36.1200 (G), 1300 (B)] If 2 Surviving Children: Final Comp x 37.5% [SJMC 3.36.1200(G), 1300 (D1)] If 3 or More Surviving Children: Final Comp x 50% [SJMC 3.36.1200(G), 1300 (F1)]</p> <p>If no surviving spouse/domestic partner nor surviving children, to the estate: Return of contributions, plus interest, or \$1,000, whichever is greater [SJMC 3.36.1200 (E), 1200 (I)]</p>



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Death After Retirement	
Service Retirees	To surviving spouse/domestic partner: Survivorship allowance equal to fifty percent (50%) joint and survivor annuity as determined by the Plan's actuaries.
Non-service connected Disability Retirees	To surviving spouse/domestic partner: Survivorship allowance equal to fifty percent (50%) joint and survivor annuity as determined by the Plan's actuaries.
Optional Settlements	
Optional Settlements	Retiree may choose an optional settlement at retirement that reduces their allowance to provide a higher survivorship allowance to their spouse/domestic partner.
Post-Retirement Marriage	
Post-Retirement Marriage	If a retiree marries after retirement, the retiree can elect to take a reduction on their pension benefit in order to allow for a survivorship benefit to the surviving spouse/domestic partner.
<p><b>Note:</b> The maximum total combined benefit payable to a surviving spouse/domestic partner and surviving children is 80% of final compensation. If no surviving children, the surviving spouse's survivorship allowance will be reduced so that the total benefit does not exceed 80% of final compensation. For more information please contact the Office of Retirement Services at (408) 794-1000 or 1(800) 732-6477. Or, go online at <a href="http://www.sjretirement.com">www.sjretirement.com</a>.</p>	