



Police & Fire Department Retirement Plan

*Tier 1 Retirement Benefits Handbook

*Tier 1 applies to sworn Police Department employees hired on or before August 3, 2013, and sworn Fire Department employees hired on or before January 1, 2015.

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Chapter 1: Introduction

The purpose of this handbook is to summarize Tier 1 retirement benefits available to members and beneficiaries of the 1961 Police & Fire Department Retirement Plan. The Plan provides benefits to qualifying sworn employees of the City of San Jose's Police and Fire Departments and their qualifying beneficiaries. The terms and conditions of benefits under the Plan are established in the San José Municipal Code (SJMC), the San José City Charter, and other applicable state and federal laws.

Tier 1 applies to sworn Police Department Employees hired on or before August 3, 2013, and sworn Fire Department Employees hired on or before January 1, 2015. Details of Tier 1 can be found in Title 3, Chapters 3.36, 3.42, and 3.44 of the SJMC. References to specific sections of the SJMC appear throughout this handbook, when appropriate. This handbook is based on the Office of Retirement Services' understanding of applicable law as of the time of this handbook's preparation. Applicable law, or interpretations of applicable law, may change from time to time. **IF THIS HANDBOOK DIFFERS IN ANY WAY FROM APPLICABLE LAW, THE LAW WILL PREVAIL.**

Changes to your retirement benefits are subject to the meet and confer process under the Meyers-Milias-Brown Act, which requires employers to meet with employee representatives to confer about changes in wages, hours, or terms and conditions of employment. Proposed changes in retirement benefits are discussed during negotiations between City representatives and representatives of the recognized employee bargaining organizations.

Please consult with the Retirement Staff if you have questions regarding your retirement benefits that cannot be answered by this handbook. We are here to help!

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Chapter 2: Plan Management

This chapter describes the structure and responsibilities of the Board of Administration for the Police and Fire Department Retirement Plan. In addition, information on the schedule for regular monthly Board meetings and the process for hearings are included.

Board of Administration

The Board of Administration (referred to in this handbook as the Retirement Board or the Board) administers the Police and Fire Department Retirement Plan (referred to in this handbook as the Retirement Plan or the Plan). The Retirement Board consists of two City employees elected by members of the system, two Retired Plan members elected by the Retiree Associations, four public members, who are not connected with the City, and another public member, who is selected by the eight Board members and approved by the City Council.

[S]MC 2.08.1210]

The Retirement Board may make and enforce reasonable rules and regulations for the administration, management, and control of the Retirement Plan and fund, subject to the provisions of the San José Municipal Code and the Charter of the City of San José. In addition, professional investment advisors may be retained, as needed, to assist the Board in setting and implementing investment policies for the retirement fund.

[S]MC 3.36.350 & 3.36.530]

The Retirement Board must keep all necessary records for the Plan, including:

- Member's contributions;
- City's contributions;
- The investment and disposition of the money in the plan; and
- The names of all persons receiving benefits under the retirement system, the nature of such benefits and the amounts paid to each.

[S]MC 3.36.430]

Actuarial Evaluation

The Retirement Board must keep data for actuarial valuations of the Plan. These are statistical calculations that analyze the soundness of the Plan. An actuarial investigation of the Plan must be conducted at least once every five years. In practice, the Board has called for a valuation every year. This evaluation will result in a report that includes the mortality, disability, service and compensation history of persons receiving benefits. In addition, the report will include an actuarial valuation of the Plan's assets and liabilities. [S]MC 3.36.400]

Board Meetings

The Retirement Board holds regular monthly meetings the first Thursday of every month at 8:30 a.m. Please contact Retirement Staff to verify the dates, times and location of the Board meetings. There is a section of the Board agenda for Public Comments. You may attend the Board meeting and address the Board during this time.

Hearings

The Retirement Board may, at its own discretion, hold hearings to determine any question involving any right, benefit or obligation of a person under the Retirement Plan. If the Board has not held a hearing with regard to its determination, any person affected by the determination may petition the Board in writing for a hearing. The request for a hearing must be filed within 30 days of the Board's determination. After the hearing, the Board may affirm, reverse, or modify its prior determination.

[S]MC 3.36.450]

Chapter 3: Membership

This chapter explains the eligibility requirements for membership in the retirement plan, criteria for suspension of membership and members' responsibilities.

Eligible Employees

As noted above, the Tier 1 Retirement Plan became effective on February 1, 1962, and applies to sworn Police Department Employees hired on or before August 3, 2013, and sworn Fire Department Employees hired on or before January 1, 2015.

Note: You were not a member of the Police and Fire Department Retirement Plan while you were in the Academy since no contributions were paid and no service was credited.

[S]MC 3.36.170 & 3.36.200]

Your membership in this retirement plan continues until you retire or leave the position that qualifies you for membership in the plan.

[S]MC 3.36.1610]

Ineligible Employees

The following classes of employees are not qualified for membership in the retirement plan:

- Independent contractors who are not employees;
- Persons in City service principally for training or educational purposes, whether or not they receive any compensation (this includes police & firefighter recruits during their academy time);
- Persons serving or employed on a part-time basis;
- Persons serving or employed who are paid on a per diem, per hour, or any basis other than monthly (monthly includes bi-weekly); or
- Persons who are members of any other retirement or pension system and who are receiving credit in the other system for services are, as to such service, excluded from this system.

[S]MC 3.36.160]

A Fire Chief or Police Chief, with an effective employment start date on or after August 1, 2010, would be ineligible, if on the effective date of such person's appointment they are not entitled to credit for service in this retirement system and if the person is not entitled to redeposit withdrawn accumulated contributions.

[S]MC 3.36.205]

Special Membership Provisions

Disability Retirees Who Return to City Service

If you receive a disability retirement and are subsequently appointed to a full-time position with the City that would not normally entitle you to membership in this system (such as a non-sworn position), you are a member of this system while in your new position for as long as your disability continues.

[S]MC 3.36.270]

Suspension of Membership

Your membership in the Retirement Plan will automatically be suspended during such time as:

- You are suspended from City service;
- You are temporarily laid off due to lack of work requiring your Services;
- You are on a leave of absence without bi-weekly compensation; or
- You are not receiving or you are not entitled to receive your full bi-weekly compensation.

Your membership in this retirement system will automatically be reinstated when such time period expires and you have returned to full-time City service. If suspended, you will not be entitled to:

- A disability retirement allowance due to any disability that occurs during your suspension; or
- A return of your contributions or interest on your contributions because of your suspension or during your suspension.

Members' Responsibilities

Beneficiary Designation

Members are responsible for completing a beneficiary designation form and keeping their designation information current.

Change of Name and/or Address

Active members must change their address through the venue provided by Human Resources. Retirees and former members who have contributions on deposit must fill out a "Change of Name and/or Address" form when changing names or addresses and submit the form and any necessary documentation to the Office of Retirement Services. These forms and other forms can be found on the Retirement Services Website (www.sjretirement.com).

Change of Family Status and/or Beneficiaries

If any change takes place in your family status (i.e. marriage/domestic partnership, divorce, adoption, birth or death in the family), be sure to provide copies of the appropriate documents to the Retirement Services. If necessary, you should also update your beneficiary designations at this time. The beneficiary form is available under “forms” on the Retirement Services website (www.sjretirement.com). Be sure to select the appropriate form (active employees should use the beneficiary form for active members and retirees should use the beneficiary form for Police & Fire retired).

Necessary Documentation for Changes in Family Status

Following is a list of the documents that must be submitted along with any applicable Retirement Services Department forms related to the various scenarios referred to below.

Marriage

- A copy of your Certified Marriage License which has been filed with the county in which you were married; and
- A copy of your new spouse’s birth certificate.

(If you are retired and considering a post retirement marriage please see page 44 for more information.)

Domestic Partnership

- A copy of your Certified Domestic Partnership Certificate; and
- A Declaration of Domestic Partnership (notarized).
- A copy of your Domestic Partners Birth Certificate

Prior to retirement you must register with the California State Secretary of State to be eligible for survivorship benefits and you must be eligible to enter a domestic partnership (Note: for an opposite sex couple one person must be at least age 62).

Divorce

You must provide a copy of the full divorce stipulation identifying the community property settlement. It must very clearly address the community property interest in your pension. This document is usually referred to as the Judgment of Dissolution with a Marital Settlement Agreement attached.

If your pension is being divided you must provide the filed Plan Approved Domestic Relations Order (PADRO) and a copy of your Judgment of Dissolution. If you or your attorney need more detailed information on PADRO’s, please see the chapter on divorce and PADRO’s in this handbook. Upon your request, one of our Retirement Benefit Analysts will provide you with our *Guidelines for Plan Approved Domestic Relations Orders* which will guide you and your attorney through the PADRO process.

Birth, Adoption or Legal Guardianship of a Child

- Copy of your new child's birth certificate; or
- Legal Documentation of the Adoption or Guardianship

Death in the Family

- Copy of the certified death certificate for that family member.

Active employees should submit information regarding the above mentioned changes of status to both Human Resources Department and Retirement Services Department. Retirees and former members who left their contributions on deposit should notify the Retirement Services Department of any changes in family status. Notification should be given within 30 days of the event.

Member's Responsibility to Prove Claims

Any person who applies for any allowance or benefit under this Retirement Plan has the burden of proving all the facts, circumstances and conditions that must be established to entitle such person to the allowance or benefit.

[S]MC 3.36.090]

Examples of Proof That Will be Required

- A copy of your birth certificate to verify your age which is used to determine eligibility for retirement. We will accept a copy of your valid United States (U.S.) Passport if you were born outside of the U.S.
- A copy of your marriage license to verify that you are married and who is entitled to spousal benefits such as health benefits and survivorship payments upon your death.
- A copy of your spouse's birth certificate to verify your spouse's age which is a factor in calculating your retirement benefit optional settlements. We will accept a copy of a valid U.S. Passport if your spouse was born outside of the U.S.
- A copy of your dependent children's birth certificate to verify their age and to verify that they are entitled to benefits such as health and survivorship payments upon your death.
- A copy of your dependent children's Full-time Student Documentation to determine whether or not they are entitled to dental, vision coverage and/or survivorship allowance.
- A copy of your divorce related documents to verify how the community property interest in your pension has been addressed.

Chapter 4: Contributions

This chapter discusses the contributions that both you and the City make to the retirement plan. The contribution rates are the percentages of your salary that you and the City each pay into the retirement plan. Your contributions are made through payroll deductions.

The Retirement Board reviews annually and sets, the rates of contribution necessary to make this system actuarially sound. This ensures that the retirement plan will have sufficient funds to provide your retirement benefits. The Board's determination is based on actuarial studies of the retirement fund's projected investment earnings.

Record of Contributions

Although all contributions to the retirement plan are kept together in the retirement fund, a record is kept of your contributions, and your contributions are credited to your individual "account." Your "accumulated contributions" represent the total of all your contributions to the retirement plan.

[S]MC 3.36.020.1, 3.36.1510 & 3.36.1540]

You will receive an annual notice documenting your retirement service credit, your contributions to the plan, and interest earned on your contributions.

Social Security

City employees do not contribute to the Social Security system and do not receive Social Security credit for their City service. You may still be eligible for Social Security benefits if you were previously employed by some other institution or company that did contribute to Social Security. However, if you receive a government pension such as one from the City of San José, your Social Security benefit may be reduced. Contact your local Social Security office at (800) 772-1213 to find out whether or not you are eligible for benefits.

Medicare

The Medicare portion of Social Security (FICA) tax is withheld from payroll checks of employees hired after March 31, 1986. Please call your local Social Security office if you have any questions concerning Medicare benefits. For more on retiree health benefits and Medicare see chapter 12.

Tax Treatment of Contributions

Starting April 1987, the contributions made to the retirement plan were paid with pre-tax dollars. Prior to April 1987, the contributions were paid into the plan with after-tax dollars. Because they were made with after-tax dollars, contributions

made to the retirement plan before April 1987 will not be subject to additional taxation when they are withdrawn. If you receive a retirement allowance or a survivorship allowance, the after-tax contributions you made prior to April 1987 are prorated over your life expectancy as a tax-free portion of your pension.
[S]MC 3.36.1580]

Contributions During Military Service

If you take a leave of absence in order to serve in the military during a time of war, or if you are drafted in peacetime, you may be eligible for service credit during the leave. If you are eligible and elect to continue retirement contributions while on leave, the City will make the Employer contributions required. You will need to pay the employee contributions. Please see City policy on Military Leave for more information.
[S]MC 3.36.620]

Withdrawal of Contributions

You may not withdraw your contributions from the retirement plan unless your membership in the plan is terminated. Termination of your membership may be as a result of voluntary resignation, termination or death.

Chapter 5: Benefit Eligibility Requirements

Tier 1 members of the Police and Fire Plan become eligible to receive benefits according to the following schedule:

Benefit	Minimum Age	Minimum Service
Service Retirement [S]MC 3.36.750, 3.36.810(E) & 3.36.750]	55	20
	50	25
	None	30
Early Retirement (Reduced Allowance) [S]MC 3.36.810]	50-54 Must be at least age 50	20
Deferred Vested Retirement (Separation from City prior to Retirement) [S]MC 3.36.1640(C) & 3.36.1640(D)]	55	10 Only if 20 years have elapsed from the date of membership
	50	25
Mandatory Retirement [S]MC 3.36.780]	70	None
Service Connected Disability [3.36.1000]	None	None
Non-Service Connected Disability [3.36.990]	None	2

Chapter 6: Service Retirement

This chapter explains the process and benefits of service retirement for members who retire directly from active City service. If you leave City service and qualify to retire later, please refer to Chapter 13.

Eligibility Requirements & Retirement Allowance Calculation (Police)

Type of Service Retirement	Minimum Age	Minimum Service	Retirement Allowance Calculation
Service Retirement [S]MC 3.36.809, 3.36.809 & 3.36.809]	55	20	First 20 years of Service: 2.5% per year of service X final compensation (50% maximum)) Next 21-30 years of service: 4% per year of service X final compensation (90% combined maximum)
	50	25	First 20 years of Service: 2.5% per year of service X final compensation (50% maximum) Next 21-30 years of service: 4% per year of service X final compensation (90% combined maximum)
	None	30	First 20 years of Service: 2.5% per year of service X final compensation (50% maximum) Next 21-30 years of service: 4% per year of service X final compensation (90% combined maximum)
Early Retirement (Reduced Allowance) [S]MC 3.36.810]	50-54	20	Allowance reduced pursuant to Municipal Code Section 3.36.810
Mandatory Retirement [S]MC 3.36.780]	70	None	First 20 years of Service: 2.5% per year of service X final compensation (50% maximum) Next 21-30 years of service: 4% per year of service X final compensation (90% combined maximum)

Eligibility Requirements & Retirement Allowance Calculation (Fire)

Type of Service Retirement	Minimum Age	Minimum Service	Retirement Allowance Calculation
Service Retirement [S]MC 3.36.808, 3.36.808 & 3.36.808]	55	20	First 20 years of Service: 2.5% per year of service X final compensation (50% maximum) Beginning of 21st year of service: 3% per year of service X final Compensation (90% max) – All years convert to 3% after 20 years of service.
	50	25	First 20 years of Service: 2.5% per year of service X final compensation (50% maximum) Beginning of 21st year of service: 3% per year of service X final Compensation (90% max) – All years convert to 3% after 20 years of service.
	None	30	First 20 years of Service: 2.5% per year of service X final compensation (50% maximum) Beginning of 21st year of service: 3% per year of service X final Compensation (90% max) – All years convert to 3% after 20 years of service.
Early Retirement (Reduced Allowance) [S]MC 3.36.810]	50-54	20	Allowance reduced pursuant to Municipal Code Section 3.36.810
Mandatory Retirement [S]MC 3.36.780]	70	None	First 20 years of Service: 2.5% per year of service X final compensation (50% maximum) Beginning of 21st year of service: 3% per year of service X final Compensation (90% max) – All years convert to 3% after 20 years of service.

Service Retirement Allowance Calculation (Police)

The formula used to determine your monthly service retirement allowance is:

First 20 years of Service: 2.5% per year X final compensation
(50% maximum)

Next 21-30 years of service: 4% per year of service X Final Compensation
(90% maximum)

Example #1, if you have 20 years of City service and your final compensation was \$10,000 per month, your benefit would be:

$$\begin{aligned} 20 \text{ years} \times 2.5\% &= 50\% \\ \text{Total \% of Final Compensation} &= 50\% \end{aligned}$$

$$\$10,000 \times 50\% = \$5,000 \text{ Monthly Retirement Allowance}$$

[S]MC 3.36.809]

Example #2, if you have 28 years of City service and your final compensation was \$10,000 per month, your benefit would be:

$$\begin{aligned} 20 \text{ years} \times 2.5\% &= 50\% \\ 8 \text{ years} \times 4\% &= 32\% \\ \text{Total \% of Final Compensation} &= 82\% \end{aligned}$$

$$\$10,000 \times 82\% = \$8,200 \text{ Monthly Retirement Allowance}$$

[S]MC 3.36.809]

Service Retirement Allowance Calculation (Fire)

The formula used to determine your monthly service retirement allowance is:

First 20 years of service: 2.5% per year of service X Final Compensation
(50% maximum)

Beginning the 21st year of service all years convert to 3% per year:
3% per year of service (for all years of service) X Final Compensation
(90% maximum)

Example #1, if you have 20 years of City service and your final compensation was \$10,000 per month, your benefit would be:

$$20 \text{ years} \times 2.5\% = 50\%$$
$$\text{Total \% of Final Compensation} = 50\%$$

$$\$10,000 \times 50\% = \$5,000.00 \text{ Monthly Retirement Allowance}$$

Example #2, if you have 28 years of City service and your final compensation was \$10,000 per month, your benefit would be:

$$28 \text{ years} \times 3\% = 84\%$$
$$\text{Total \% of FAS} = 84\%$$

All years convert to 3% beginning the 20th year of service

$$\$10,000 \times 84\% = \$8,400 \text{ Monthly Retirement Allowance}$$

[S]MC 3.36.809]

Computation of Reduced Service Retirement Allowance

You may elect to retire early, from age 50 through age 54, if you have at least 20 years of service, but less than 25 years of service. If you select this retirement option, you will receive a reduced retirement allowance to account for the fact that you will be receiving your allowance for a longer period of time. The reduction is based on the current assumed rate of retirement fund interest earnings and the number of years you are retiring early. Please note that the assumed rate of retirement fund interest can be changed at any time at the discretion of the Police & Fire Retirement Board.

[S]MC 3.36.810]

To *estimate* your early retirement allowance, do the following:

Step 1: Use the standard formula to determine your unreduced retirement allowance:

Police:

- First 20 years of service: 50% of final compensation (2.5% per year)
- Next 21-30 years of service: 4% per year of service X final Compensation (90% max)

Fire:

- First 20 years of Service: 50% of final compensation (2.5% per year)
- Beginning of 21th year of service: 3% per year of service X final Compensation (90% max) – All years convert to 3% after 21 years of service

Step 2: Select your age at retirement and find the percentage in the table below.

Retirement Age	Years the Pension is Received Early	Percent of Unreduced
54	1	92.60%
53	2	85.70%
52	3	79.40%
51	4	73.50%
50	5	68.10%

Note: The percent of unreduced is directly related to your age; therefore the chart above does not cover all possible percentages of unreduced amounts. For example, if you are 50.50 years old then the percent of unreduced would actually be approximately 70.80%, which is between 73.50% and 68.10% on the chart above. This chart is a good tool to help you estimate what percentage to apply to an unreduced benefit.

Step 3: Use the answers from the previous steps in this formula:

$$(\text{Step 1 Answer}) \times (\text{Step 2 Answer}) = \text{Reduced Monthly Allowance}$$

To illustrate the calculation, suppose you are 50 years old with 20 years of service and want to estimate your reduced retirement allowance. Assume that your final compensation is \$10,000 per month.

Step 1: $2.5\% \times 20 \times \$10,000 = \$5,000$ Unreduced Monthly Retirement Allowance

Step 2: Since you are fifty (50), the correct figure from the chart is 68.10%.

Step 3: Now insert the answers in the first two steps into the formula:
 $\$5,000 \times 68.1\% = \$3,405$ Reduced Monthly Retirement Allowance

Note: All survivorship and death benefits will also be reduced.
[S]MC 3.36.1340, 3.36.810 (B)]

If you are considering retiring under the reduced service retirement allowance provision, please contact the Retirement Services Staff for an actual estimate of your reduced allowance.

Survivorship Benefits after Service Retirement

If you die while receiving a service retirement allowance, your eligible surviving spouse or surviving domestic partner and/or surviving children will receive benefits from the retirement plan.

[S]MC 3.36.1230, 3.36.1270, & 3.36.1300]

The following persons are eligible to receive benefits:

Surviving Spouse or Surviving Domestic Partner

The person to whom you were married to or in a domestic partnership with both at the time of your death and at the time you retired for service or disability.

[S]MC 3.36.1230(B)(1)]

Post Retirement Marriage

If you are going to marry or enter a DP after retirement you may elect to reduce your benefit to provide a survivorship benefit to your spouse. There are specific rules to be eligible. Please see page 44 for more information.

Surviving Children

Your natural or adopted children who meet all of the following requirements:

- The child survives your death;
- The child is unmarried at the time of your death;
- The child is under the age of 18 years at the time of your death;
- The child is in existence or conceived at the time of your death; and
- If the child is adopted, the adoption was completed prior to the date you retired.

[S]MC 3.36.1230(B)(3)]

If you have children who are over 18 years old but under 22 years old at the time of your death, they may qualify for a surviving child's school allowance.

[S]MC 3.36.1410(B)&(C)]

Survivorship Allowance to Surviving Spouse or Surviving Domestic Partner

If you have an eligible surviving spouse or surviving domestic partner at the time of your death, your surviving spouse or surviving domestic partner will receive a monthly allowance until he or she dies, remarries, or establishes a new domestic partnership.

However, under the following situations the surviving spouse or surviving domestic partner can remarry or establish a new domestic partnership and continue receiving benefits:

- If the member died or retired prior to 10/1/99; or
 - If at the time of death the member was at least 55 years old with at least 20 years of service (or if the member had 30 years of service regardless of age).
- [S]MC 3.36.1290 & 3.36.1230(C)(1)]

Monthly Survivorship Allowance Calculations

POLICE: To surviving spouse or surviving domestic partner: 37.5% to 42.5% of member's Final Compensation depending on the years of service. See chart below:

Years of Service	Member's Percentage of Final Compensation	Surviving Spouse or Surviving Domestic Partner Percentage of Final Compensation
20	50%	37.5%
21	54%	37.5%
22	58%	37.5%
23	62%	37.5%
24	66%	37.5%
25	70%	37.5%
26	74%	37.5%
27	78%	39.0%
28	82%	41.0%
29	86%	42.5%
30	90%	42.5%

Example for Police

If you retired with 27 years of service and your final compensation was \$10,000 per month, your monthly benefit would have been:

$$\begin{array}{r}
 20 \text{ years} \times 2.5\% = 50\% \\
 \underline{7 \text{ years} \times 4\% = 28\%} \\
 \text{Total \% of FAS} = 78\% \\
 78\% \times \$10,000 = \$7,800 \text{ Monthly Retirement Allowance}
 \end{array}$$

Your Surviving Spouse or Domestic Partner's survivorship allowance would be calculated by multiplying 39% by Final Compensation:

$$39\% \times \$10,000 = \underline{\$3,900 \text{ Monthly Survivorship Allowance}}$$

Note: Survivorship Allowance cannot exceed 42.5% of final comp; \$10,000 x 42.5% = \$4,250 (max not exceeded in this example).
[S]MC 3.36.1230 & 3.36. 1270(D)]

FIRE: To surviving spouse or surviving domestic partner: 37.5% to 45% of member's Final Compensation depending on the years of service. See chart below:

Years of Service	Member's Percentage of Final Compensation	Surviving Spouse or Surviving Domestic Partner Percentage of Final Compensation
20	50%	37.5%
21	63%	37.5%
22	66%	37.5%
23	69%	37.5%
24	72%	37.5%
25	75%	37.5%
26	78%	39.0%
27	81%	40.5%
28	84%	42.0%
29	87%	43.5%
30	90%	45.0%

Example for Fire

If you retired with 27 years of service and your final compensation was \$10,000 per month, your monthly benefit would have been:

$$\frac{27\text{years} \times 3\%}{\text{Total \% of FAS}} = 81\%$$

$$81\% \times \$10,000 = \$8,100 \text{ Monthly Retirement Allowance}$$

Your Surviving Spouse or Domestic Partner's survivorship allowance would be calculated by multiplying 40.5% by Final Compensation:

$$40.5\% \times \$10,000 = \$4,050 \text{ Monthly Survivorship Allowance}$$

Note: Survivorship Allowance cannot exceed 45% of final comp; \$10,000 x 45%= \$4,500 (max not exceeded in this example).
[S]MC 3.36.1230 & 3.36.1270(E)]

Survivorship Allowance to Surviving Children (Police & Fire)

If you have eligible surviving children at the time of your death, they will receive a survivorship allowance until they marry or reach the age of 18, whichever is earlier. They may continue to be eligible until age 22 if they are full-time students and meet the qualifications for a school allowance (please see Chapter 14). The survivorship allowance will be calculated as follows:

One Child:	Final Compensation x 25%
Two Children:	Final Compensation x 37.5%
Three or More Children:	Final Compensation x 50%

Example #1, if you die while receiving a service retirement allowance and your final compensation was \$10,000 per month, the monthly child survivorship allowance for one child would be:

$$\text{\$10,000} \times 25\% = \text{\$2,500 Monthly Child Survivorship Allowance}$$

Example #2, if you die while receiving a service retirement allowance and your final compensation was \$10,000 per month, the monthly child survivorship allowance for two children would be:

$$\text{\$10,000} \times 37.5\% = \text{\$3,750 Monthly Survivorship Allowance for two children}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,875/month ($\text{\$3,750}/2=\text{\$1,875}$)

Example #3, if you die while receiving a service retirement allowance and your final compensation was \$10,000 per month, the monthly child survivorship allowance for three (or more) children would be:

$$\text{\$10,000} \times 50\% = \text{\$5,000 Monthly Survivorship Allowance for three (or more) children}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,666.66/month ($\text{\$5,000}/3=\text{\$1,666.66}$)

[S]MC 3.36.1300(B), 3.36.1300(D)(1) & 3.36.1300(F)(1)]

Benefit Limitation

The maximum amount of all monthly allowances payable to your surviving spouse or surviving domestic partner and surviving children cannot exceed 75% of your final compensation. If necessary, your surviving children's survivorship allowance will be reduced so that the total benefit to your surviving spouse or surviving domestic partner and surviving children does not exceed 75% of your final compensation.

[S]MC 3.36.1310]

No Eligible Surviving Spouse or Surviving Domestic Partner and/or Eligible Surviving Children

If you die and do not have an eligible surviving spouse or surviving domestic partner or eligible surviving children, your estate will receive a total death benefit of \$1,000. [S]MC 3.36.1230(E)]

Chapter 7: Applying for Service Retirement

This chapter covers the processes for applying for retirement. When you apply for a Service Retirement it is recommended that you submit your retirement application to the Retirement Services Department three months prior to your retirement date. When you become eligible to retire, you may pick any retirement date you would like. However, it is generally best to select a retirement date at the end of a pay period. A date at the end of a pay period usually avoids any timecard and partial active pay issues. Please keep in mind the following factors when selecting a retirement date:

- Your Retirement Date cannot be earlier than the date your Retirement Application is received and date-stamped by Retirement Services.
- No active paid hours should be recorded on your timecard on your retirement date or beyond. If active hours are posted on or after your retirement date, it may affect our ability to set you up for payment.
- If you are an Exception Time Reporter who will retire at the end of a pay period, please arrange with your timekeepers to take you off Exception Time Reporting right after your last pay period to ensure that you do not inadvertently get paid after your retirement date.
- For Exception Time Reporters who do not retire at the end of a pay period, please arrange with your timekeepers to take you off Exception Time Reporting for your last pay period so that you can manually put in hours for only the days that you worked in that pay period.
- As an active employee, your active health insurance premiums are deducted from your first and second paychecks of each month. If you select a retirement date which will not allow the second insurance payment to be deducted from your active payroll check, you will be billed directly by Human Resources for the second insurance payment. Please note that payment for active insurances can not be deducted from your retirement check.

Filing a Retirement Application

You do not have to meet with a staff member from Retirement Services to submit your Retirement Application. The Retirement Application, which includes a list of required documents, is located on our website: www.sjretirement.com under "FORMS". The following documents should be turned in with your Retirement Application:

- Birth Certificate(s):
 - Certified Copy of your birth certificate;

- Certified Copy of your spouse or domestic partner’s birth certificate, if applicable; and
 - Certified Copies of any dependent children’s birth certificates, if applicable.
 - Adoption paperwork if applicable
 - Legal Guardianship paperwork if applicable
- Certified Copy of your Marriage Certificate, if applicable; or
 - Domestic Partnership Certificate & Declaration of Domestic Partnership (notarized), if applicable.
 - Proof of full-time student (FTS) enrollment for your dependent children on vision and dental who are between the ages of 19 through 24 years old. If your dependent is not a FTS they can only remain on your vision and dental insurance coverage until age 18. They can remain on your medical until age 26. Medical coverage will terminate the last day of the month of their 26th birthday.
 - If applicable, a copy of any Judgment of Dissolution of Marriage, including the Marital Settlement Agreement, for any divorce(s) that took place while you were an employee of the City. These Document(s) must clearly address your pension benefits.
 - The divorce documents are reviewed to ensure that the language in the document is in compliance with the provisions of the Retirement Plan. Please see Chapter 20 on Divorce and Plan-Approved Domestic Relations Orders.

Although we will accept a retirement application up to the day of your effective retirement date, please remember that you cannot receive retirement benefits until:

- Your application has been placed on a Board agenda and is approved.
- All required document(s) are received in our office.

Retirement Process

Once your application is received by the Office of Retirement Services, the following occurs:

- A letter is sent to your department advising that you have submitted an application for Retirement.
- You will be contacted by staff who will:
 - Send you the required Forms that we need to verify eligibility and complete the retirement set-up process;

- Send you an estimate of your retirement benefit;
 - i. Please note that you can run a benefit estimate for yourself anytime on our website: www.sjretirement.com under “MY ACCOUNT”.
 - Schedule you for a Retirement Transition Session, where all retirement forms and procedures will be discussed and applicable forms will be submitted to Retirement Services;
 - i. It is strongly recommended that you review the materials sent to you prior to attending your Retirement Transition Session so you can prepare questions which address your specific circumstances.
 - Place your application on the Board Agenda for approval of your retirement (your attendance at the meeting is not required). The Board must approve your retirement before we can issue your retirement benefits;
 - Submit your Notice of Separation to your department
 - Review your documents for completeness ; and
 - Coordinate Reciprocity, if necessary.
- Staff will verify that all documentation has been received and your application is complete.

It is important to note that your retirement check is issued only once a month, on the last business day of the month. Therefore, because one to two months may pass before you receive your first retirement check; it would be prudent to plan for that period of time without pay.

Chapter 8: Disability Retirement

This chapter covers eligibility requirements for disability retirement, types of disability retirements and the associated benefits of each type. Various other scenarios and considerations related to disability retirement are also discussed.

Summary

If you are disabled, a disability retirement may be granted if:

- Your disability is of permanent or extended and uncertain duration;
- Your disability occurred while you were a member of this system; and
- Your disability, due to injury or disease, renders you physically or mentally incapable of assuming the responsibilities and performing the duties of your position and of any other position in the same classification of positions to which the city may offer to transfer you, or your disability, not due to injury or disease, renders you mentally incapable of assuming the responsibilities and performing the duties of your position and of any other position in the same classification of positions to which the city may offer to transfer you.

The determination of disability is made by the Retirement Board.
[S]MC 3.36.900]

Service-Connected and Non-Service-Connected Disability

There are two types of disability retirements:

1. Service-Connected Disability

Your disability is considered service-connected if it is as a result of injury or disease arising out of and in the course of your employment with the City.

2. Non-Service-Connected Disability

Your disability is non-service-connected if it is not job related.

[S]MC 3.36.900(D) & [S]MC 3.36.900(C)]

Situations Where Member is not Eligible for Disability Retirement Benefits:

You do not qualify for any type of disability retirement if:

- You became disabled before you were a member of this retirement plan;
- You become disabled after your membership in this retirement plan is terminated or you are no longer a City employee;
- You become disabled during a leave of absence from City service, unless you are on military leave or leave with full compensation and pay; or

You become disabled due to a non-service-connected injury or illness and you have less than two years of city service.

[S]MC 3.36.920 & 3.36.990]

In no case may you receive both service retirement and disability retirement benefits.

[S]MC 3.36.930]

Payment of Disability Retirement Benefits

No disability retirement benefits are payable prior to the filing of an application and approval by the Retirement Board, or prior to the date upon which the Board makes a motion to grant a disability retirement. If you are changing from a Service or Early retirement to a Disability retirement your effective date of retirement will not change.

[S]MC 3.36.900(B)(2)]

Disability Retirement Benefit Chart (Police):

Retirement Type	Minimum Service Required	Benefit
Service-Connected Disability [S]MC 3.36.1020]	None	If less than 20 years of service: 50% of Final Compensation; If greater than 20 years of service: 2.5% x first 20 years of service x Final Compensation; Next 21 – 30 years of service: 4% per year of service x Final Compensation (maximum of 90%).
Non-service-Connected Disability [S]MC 3.36.995(B), 3.36.995(C)(5)(b)]	2 Years	If less than 20 years of service: 32% of Final Compensation plus 1% for each full year in excess of 2 (maximum of 50%); If greater than 20 years of service: 2.5% x first 20 years of service x Final Compensation; Next 21-30 years of service: 4% per year of service x Final Compensation (90% maximum). Next 21 – 30 years of service: 4% per year of service x Final Compensation (maximum of 90%)

Disability Retirement Benefit Chart (Fire):

Retirement Type	Minimum Service Required	Benefit
Service-Connected Disability [S]MC3.36.1020(A)(6)(b)]	None	If less than 20 years of service: 50% of Final Compensation; Greater than 20 years of service 21 st year of service: 3% per year of service x Final Compensation (90% maximum).
Non-service-Connected Disability [S]MC 3.36.995(C)(6)]	2 Years	If less than 20 years of service: 32% of Final Compensation plus 1% for each full year in excess of 2 (maximum of 50%); Beginning of 21 st year of service: 3% per year of service x Final Compensation (90% maximum).

Disability Retirement Allowance

Service-Connected Disability Retirement

(Police & Fire with less than 20 years of service)

If you become disabled due to a service-connected injury or disease and have fewer than twenty (20) years of service, you may be eligible for a service-connected disability retirement allowance. The monthly retirement allowance would be:

Your Final Compensation x 50%

For example, if your final compensation is \$10,000 per month, then your monthly disability retirement allowance would be \$5,000 per month ($\$10,000 \times 50\% = \$5,000$).

[S]MC 3.36.1020]

**Service-Connected Disability Retirement
(Police with more than 20 years of service)**

If you become disabled due to a service-connected injury or disease and have more than twenty (20) years of service, you may be eligible for a service-connected disability retirement allowance.

For example, if you have twenty-five years of service and your final compensation is \$10,000 per month, then your monthly disability retirement allowance would be:

2.5% x first 20 years of service x Final Compensation; and
Next 21 – 30 years of service: 4% per year x Final Compensation (90% max)

$$\begin{array}{r} 20 \text{ years} \times 2.5\% = 50\% \\ \underline{5 \text{ years} \times 4\%} = 20\% \\ \text{Total \% of FAS} = 70\% \end{array}$$

$$\$10,000 \times 70\% = \$7,000$$

[S]MC 3.36.1020]

**Service-Connected Disability Retirement
(Fire with more than 20 years of service)**

If you become disabled due to a service-connected injury or disease and have more than twenty (20) years of service, you may be eligible for a service-connected disability retirement allowance.

For example, if you have twenty-five years of service and your final compensation is \$10,000 per month, then your monthly disability retirement allowance would be:

Over 20 years of service: 3% per year of service x Final Compensation (90% max)

$$\begin{array}{r} \underline{25 \text{ years} \times 3\%} = 75\% \\ \text{Total \% of FAS} = 75\% \end{array}$$

$$\$10,000 \times 75\% = \$7,500$$

[S]MC 3.36.1020]

**Non-Service-Connected Disability Retirement Allowance
(Police & Fire with 2-20 years of service)**

If you become disabled due to a non-service-connected injury or disease and have two or more years of service credit in the plan, you may be eligible for a non-service-connected disability retirement allowance. If you have between 2 and 20 years of service, your monthly allowance would be:

32% of Final Compensation plus 1% for each year in excess of 2 (max of 50%)

For example, if you had seven years of service and your monthly final compensation was \$10000, then your monthly non-service-connected disability retirement allowance would be:

$$\begin{aligned} 32\% \text{ for having less than 20 years} &= 32\% \\ \underline{5 \text{ years} \times 1\%} &= \underline{5\%} \\ \text{Total \% of FAS} &= 37\% \end{aligned}$$

$$\$10,000 \times 37\% = \$3,700$$

[S]MC 3.36.995]

**Non-Service-Connected Disability Retirement Allowance
(Police with more than 20 years of service)**

If you become disabled due to a non-service-connected injury or disease and have two or more years of service credit in the plan, you may be eligible for a non-service-connected disability retirement allowance. If you have more than 20 years of service, your monthly allowance would be:

2.5% x first 20 years of service x Final Compensation,
Next 21 – 30 years of service: 4% per year x Final Compensation (90% max)

For example, if you have twenty five (25) years of service and your final compensation is \$10,000 per month, then your monthly disability retirement allowance would be:

$$\begin{aligned} 20 \text{ years} \times 2.5\% &= 50\% \\ \underline{5 \text{ years} \times 4\%} &= \underline{20\%} \\ \text{Total \% of FAS} &= 70\% \end{aligned}$$

$$\$10,000 \times 70\% = \$7,000$$

[S]MC 3.36.995]

**Non-Service-Connected Disability Retirement Allowance
(Fire with more than 20 years of service)**

To qualify for non-service-connected disability retirement, you must have two or more years of service credit in the plan. If you have more than 20 years of service, your monthly allowance will be:

All years greater than 20 are multiplied by 3%
3% per year of service x Final Compensation (90% max)

For example, if you have twenty five (25) years of service and your final compensation is \$10,000 per month, then your monthly disability retirement allowance would be:

$$\frac{25 \text{ years} \times 3\%}{100} = 75\%$$

$$\text{Total \% of FAS} = 75\%$$

$$\$10,000 \times 75\% = \$7,500$$

[S]MC 3.36.995]

Outside Earnings

Reporting Requirement

If you receive a disability retirement with fewer than 20 years of service credit in this retirement plan and you subsequently take another job, your combined total income from your pension from City of San Jose and your current job cannot be in excess of the maximum compensation earnable in the position from which you retired.

As a condition of receiving a monthly disability retirement allowance, you must submit written statements of your total income and earnings from employment outside City service during your disability retirement. These reports are required until your years of retirement service credit in this retirement plan plus the time you have been retired equals 20 years.

You have two choices of how to report your outside earnings: 1. monthly statements with an annual summary, or 2. annual reporting with a copy of your full federal and state income tax returns, W-2's and 1099 forms. If you file jointly, you must also submit your spouse's W-2's and 1099's.

You will also need to submit a written statement of your reporting election and projected income and earnings for the coming year by January 10th of each year. You may file an amended statement if there is a change in your projected income.

[S]MC 3.36.1035(B)(2)]

Monthly Statements and Annual Summary

You must submit a monthly Statement of Outside Earnings for each month by the 10th day of the following month. In addition to the monthly reports, on or before May 1st of each year, you must file a notarized declaration under penalty of perjury of your total income and earnings received during the preceding year.

[S]MC 3.36.1035(B)(1)]

Annual Reporting with Income Tax Returns

Instead of the monthly statements described above, you may choose to submit a single report of your annual income and copies of your federal and state income tax returns, including your (and your spouse's, if filing jointly) W-2's and 1099's forms showing your total income. The tax returns, W-2's, 1099's, and form must be submitted to the Department of Retirement Services by May 1st for income earned in the previous year.

[S]MC 3.36.1035(B)(2)]

Termination of Benefits for Failure to File Reports

If you fail to report your income as described above, your disability retirement allowance will be suspended until you submit the required information. When you submit the information, your allowance will be reinstated including any allowances that have been withheld, less any applicable deductions.

[S]MC 3.36.1035(D)]

Deductions for Earnings Outside of City Employment

If your disability retirement allowance plus your outside earnings exceed the maximum compensation earnable in the position from which you retired, then your retirement allowance will be reduced until your total income equals that salary or the allowance received is \$0.00.

For example:

Current Monthly Salary of Former Position:	\$10,000
Monthly <u>Retirement Allowance:</u>	<u>-\$5,000</u>
Monthly Maximum Outside Earnings	\$5,000

In this example, if your outside earnings (as reported monthly or the monthly average from your annual projection if reported annually) are less than \$5,000, then the full retirement allowance will be paid. However, if outside earnings are more than \$5,000, then the retirement allowance will be reduced. If, for example, you earn \$5,500 in a given month, your allowance will be reduced as follows:

Monthly Outside Earnings:	\$5,500
Monthly <u>Maximum Outside Earnings:</u>	<u>\$5,000</u>
Monthly Offset:	\$ 500

In this example, the monthly retirement allowance will be reduced from \$5,000 to \$4,500 for a total reduction of \$500.00.

If your outside earnings itself exceeds the current base salary of the position from which you retired, then you will still receive a check for \$0. You will maintain benefits such as medical, dental, and life insurance.

If for any reason your allowance should have been offset and it was not, you are responsible for making up the overpayment. Any excess amount and applicable interest may be deducted from future allowance payments or collected from you directly.

Once your years of service in this plan plus the time you have been retired for your disability totals 20 years, this offset is no longer applicable. After any overpayments are recovered, you may receive your full disability retirement allowance without deductions for outside employment.

[S]MC 3.36.1040]

Reinstatement to Duty After Disability Retirement Approval

Medical Exam during Disability Retirement

Once you have received a disability retirement, the Retirement Board may require you to undergo a medical examination to determine the status of your disability. If, based on the results of this exam, the Retirement Board determines that you have become capable of performing the duties of your position, and you are under age 55, you will be subject to reinstatement to duty.

[S]MC 3.36.1080 & 3.36.1110]

Failure or Refusal to Submit to Medical Examination

If you fail or refuse to undergo any medical exam that is required by the Retirement Board while you are receiving a disability retirement allowance, the Board may terminate your allowance. If your allowance is terminated, you will no longer have any right to restoration to duty, nor will you or any of your survivors be entitled to any allowances or benefits of this plan.

However, if you apply for reinstatement of your disability retirement within one year of the termination of your allowance, and can prove at that the time of application for reinstatement that you are still disabled, the Board may reinstate your disability retirement and your allowance as of the date decided by the Board.

If you die before having your disability retirement and your allowance reinstated, your surviving spouse/domestic partner or surviving child(ren) may apply to the Retirement Board for survivorship benefits or death benefits. If they can prove that your disability continued until your death, the Board may grant them survivorship or death benefits to which they would have been entitled if your disability retirement had not been terminated. They must apply for these benefits within one year from the date the Board terminated your disability retirement.

No survivorship allowances or death benefits will be granted to anyone unless application is made within this one-year period.

[S]MC 3.36.1120]

Permanent Disability After Age 55

If at age 55 you are still incapacitated to perform the duties of the position you held at the time of your disability retirement, and of any other position in the same classification of positions, you will be deemed permanently disabled. This means that you no longer will be subject to recall to duty, and your disability retirement allowance may not be cancelled. [SJMC 3.36.1110]

Disability Retirement Allowance if Retiree is Determined to be no Longer Disabled

If the Retirement Board determines you are no longer disabled, you will continue to receive your disability retirement allowance until the City reinstates you, or until:

- You reject an offer of reinstatement into your previous position or a Position in the same classification;
- You refuse or fail to report to work in your previous position or a position in the same classification when requested to do so; or
- The Board determines that you have become unable to accept reinstatement or have become unable to perform the duties of your previous position or a position in the same class of positions. [SJMC 3.36.1140]

Reinstatement to Duty

If the Board determines that you are no longer incapacitated for the performance of duty, and you are not yet 55 years old, you may be reinstated as a Tier 2 member in the former position or a position in the same classification of positions, subject to Civil Service Rules. After reinstatement, you will again be a member of this retirement plan and will be credited for your past service as if you had never been retired, however your benefit will be calculated under Tier 2 rules. [SJMC 3.36.1090]

Refusal to Accept Reinstatement

If the Board finds that you are no longer incapacitated for duty, but you fail to report for duty or reject an offer of reinstatement, your disability retirement allowance may be terminated including all rights that you or your survivors may have under the retirement plan. [SJMC 3.36.1100]

Survivorship Benefits on a Service Connected Disability Retirement

If you die while receiving a service-connected disability retirement allowance, your eligible surviving spouse/domestic partner and children will receive benefits from the retirement plan. [SJMC 3.36.1230, 3.36.1240, 3.36.1270, 3.36.1280 & 3.36.1300]

Surviving Spouse or Surviving Domestic Partner:

The person to whom you were married or in a domestic partnership with both at the time of your death and at the time you were granted a disability retirement. [SJMC 3.36.1230(B)(1)(a)]

Surviving Children:

Your natural or adopted children who meet all of the following requirements:

- The child survives your death;
- The child is unmarried at the time of your death;
- The child is under the age of 18 years at the time of your death;
- The child is in existence or conceived at the time you retired; and
- If the child is adopted, the adoption was completed prior to the date you retired.

[SJMC 3.36.1230(B)(1)(b)]

If you have children who are over 18, but under 22, at the time of your death, they may still qualify for a surviving child’s school allowance. [SJMC 3.36.1410(E)]

Survivorship Allowance to Surviving Spouse or Domestic Partner

If you have an eligible surviving spouse or surviving domestic partner at the time of your death, your surviving spouse or surviving domestic partner will receive a monthly allowance until he or she dies or remarries.

However, under the following situations the surviving spouse or surviving domestic partner can remarry and continue receiving benefits:

- If the member died or retired as of 10/1/99; or
- If at the time of death the member was at least 55 years old with at least 20 years of service (or if the member had 30 years of service regardless of age).

The monthly survivorship allowance will be calculated as follows:

POLICE: To surviving spouse or surviving domestic partner: 37.5% to 42.5% of member’s Final Compensation depending on the years of service. See chart below:

Years of Service	Member's Percentage of Final Compensation	Surviving Spouse or Surviving Domestic Partner Percentage of Final Compensation
20	50%	37.5%
21	54%	37.5%
22	58%	37.5%
23	62%	37.5%
24	66%	37.5%
25	70%	37.5%
26	74%	37.5%

27	78%	39.0%
28	82%	41.0%
29	86%	42.5%
30	90%	42.5%

Example for Police

If you die while receiving a service-connected disability retirement allowance and had 27 years of service and your final compensation was \$10,000 per month, your monthly benefit would have been:

$$\begin{aligned}
 &20 \text{ years} \times 2.5\% = 50\% \\
 &7 \text{ years} \times 4\% = 28\% \\
 &\text{Total \% of FAS} = 78\% \\
 &78\% \times \$10,000 = \$7,800 \text{ Monthly Retirement Allowance}
 \end{aligned}$$

Your Surviving Spouse or Domestic Partner’s survivorship allowance would be calculated by multiplying 39% by Final Compensation:

$$39\% \times \$10,000 = \underline{\$3,900 \text{ Monthly Survivorship Allowance}}$$

Note: Survivorship cannot exceed 42.5% of final comp; $\$10,000 \times 42.50\% = \$4,250$ (max not exceeded in this example).
[S]MC 3.36.1230, 1270(B)]

FIRE: To surviving spouse or surviving domestic partner: 37.5% to 45% of member’s Final Compensation depending on the years of service. See chart below:

Years of Service	Member's Percentage of Final Compensation	Surviving Spouse or Surviving Domestic Partner Percentage of Final Compensation
20	50%	37.5%
21	63%	37.5%
22	66%	37.5%
23	69%	37.5%
24	72%	37.5%
25	75%	37.5%
26	78%	39.0%
27	81%	40.5%
28	84%	42.0%
29	87%	43.5%
30	90%	45.0%

Example for Fire

If you die while receiving a service-connected disability retirement allowance and had 27 years of service and your final compensation was \$10,000 per month, your monthly benefit would have been:

$$\begin{aligned} & \underline{27 \text{ years} \times 3\% = 81\%} \\ & \text{Total \% of FAS} = 81\% \end{aligned}$$

$$81\% \times \$10,000 = \$8,100 \text{ Monthly Retirement Allowance}$$

Your Surviving Spouse or Domestic Partner's survivorship allowance would be calculated by multiplying 40.50% by Final Compensation:

$$40.50\% \times \$10,000 = \underline{\$4,050 \text{ Monthly Survivorship Allowance}}$$

Note: Survivorship cannot exceed 45% of final comp; $\$10,000 \times 45\% = \$4,500$ (max not exceeded in this example).
[S]MC 3.36.1230, 1270(B)]

Survivorship Allowance to Surviving Children (Police & Fire)

If you have eligible children at the time of your death, they will receive a survivorship allowance until they marry or reach the age of 18, whichever is earlier. They may continue to be eligible until age 22 if they are full-time students and meet the qualifications for a school allowance. The survivorship allowance will be calculated as follows:

One Child:	Final Compensation x 25%
Two Children:	Final Compensation x 37.5%
Three or More Children:	Final Compensation x 50%

Example #1, if you die while receiving a service-connected disability retirement allowance and your final compensation was \$10,000 per month, the monthly child survivorship allowance for one child would be:

$$\$10,000 \times 25\% = \underline{\$2,500 \text{ Monthly Child Survivorship Allowance}}$$

Example #2, if you die while receiving a service-connected disability retirement allowance and your final compensation was \$10,000 per month, the monthly child survivorship allowance for two children would be:

$$\$10,000 \times 37.5\% = \underline{\$3,750 \text{ Monthly Survivorship Allowance for two children}}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,875/month ($\$3,750/2=\$1,875$).

Example #3, if you die while receiving a service-connected disability retirement allowance and your final compensation was \$10,000 per month, the monthly child survivorship allowance for three (or more) children would be:

$$\$10,000 \times 50\% = \underline{\$5,000 \text{ Monthly Survivorship Allowance for three (or more) children}}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,666.66/month ($\$5,000/3=\$1,666.66$).

[S]MC 3.36.1300(B), [S]MC 3.36.1300(D)(1) & [S]MC 3.36.1300(F)(1)]

Benefit Limitation

The maximum amount of all monthly allowances payable to your surviving spouse/domestic partner and children cannot exceed 75% of your final compensation. If necessary, your children's survivorship allowance will be reduced so that the total benefit to your surviving spouse/domestic partner and children does not exceed 75% of your final compensation.

[S]MC 3.36.1310]

No Eligible Surviving Spouse or Surviving Domestic partner or Eligible Surviving Children

If you die and do not have an eligible surviving spouse or surviving domestic partner or eligible surviving children, your estate will receive a total death benefit of \$1,000.

[S]MC 3.36.1230(E)]

Survivorship Benefits on a Non-Service Connected Disability Retirement (Police & Fire)

If you die while receiving a non-service-connected disability retirement allowance, your surviving spouse or surviving domestic partner and surviving children, are eligible to receive survivorship benefits

[S]MC 3.36.1240 (B)(1) & [S]MC 3.36.1240(B)(2)]

Survivorship Allowance to Surviving Spouse or Surviving Domestic Partner

If you have an eligible surviving spouse or surviving domestic partner at the time of your death, your surviving spouse or surviving domestic partner will receive a

monthly allowance until he or she dies or remarries. However, under the following situations the surviving spouse or surviving domestic partner can remarry and continue receiving benefits:

- If the member died or retired as of 10/1/99; or
- If at the time of death the member was at least 55 years old with at least 20 years of service (or if the member had 30 years of service regardless of age).

The monthly Survivorship Allowance will be calculated as follows:

Final Comp x 24% + 0.75% of Final Compensation for each year in excess of two years of service(37.5% max)

For example, if you die while receiving a non-service connected disability retirement and had 15 years of service and your final compensation was \$10,000 per month, the monthly survivorship allowance would be:

Base of 24% of FAS = 24.00%

13 years x 0.75% = 9.75% (total of 15 yrs. service; each yr. in excess of 2 yrs. service = 13 yrs.)

Total % of FAS = 33.75%

$\$10,000 \times 33.75\% = \underline{\$3,375 \text{ Monthly Survivorship Allowance}}$

[S]MC 3.361240(C), 3.36.1280(B) & 3.36.1290]

Survivorship Allowance to Surviving Children

If you retire on a non-service connected disability and have eligible children at the time of your death, they will receive a survivorship allowance until they marry or reach the age of 18, whichever is earlier. They may continue to be eligible until age 22, if they are full-time students and meet the qualifications for a school allowance. The monthly allowance will be calculated as follows:

One Child: Final Compensation x 25%

Two Children: Final Compensation x 37.5%

Three or More Children: Final Compensation x 50%

Example #1, if you die while receiving a non-service connected disability retirement allowance and your final compensation was \$10,000 per month, the monthly child survivorship allowance for one child would be:

$\$10,000 \times 25\% = \underline{\$2,500 \text{ Monthly Child Survivorship Allowance}}$

Example #2, if you die while receiving a non-service connected disability retirement allowance and your final compensation was \$10,000 per month, the monthly child survivorship allowance for two children would be:

$$\$10,000 \times 37.5\% = \underline{\$3,750 \text{ Monthly Survivorship Allowance for two children}}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,875/month ($\$3,750/2=\$1,875$).

Example #3, if you die while receiving a non-service connected disability retirement allowance and your final compensation was \$10,000 per month, the monthly child survivorship allowance for three (or more) children would be:

$$\$10,000 \times 50\% = \underline{\$5,000 \text{ Monthly Survivorship Allowance for three (or more) children}}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,666.66/month ($\$5,000/3=\$1,666.66$).

[S]MC 3.36.1300(B), [S]MC 3.36.1300(D)(1) & [S]MC 3.36.1300(F)(1)]

Benefit Limitation

The maximum amount of all monthly allowances payable to your surviving spouse/domestic partner and children cannot exceed 75% of your final compensation. If necessary, your children's survivorship allowance will be reduced so that the total benefit to your surviving spouse/domestic partner and children does not exceed 75% of your final compensation.

[S]MC 3.36.1310]

No Eligible Surviving Spouse or Surviving Domestic Partner or Eligible Surviving Children

If you die and do not have an eligible surviving spouse/domestic partner or eligible surviving children, your estate will receive a total death benefit of \$1,000.

Chapter 9: Applying for a Disability Retirement

This chapter provides information on how to apply for a disability retirement and describes the disability retirement process.

Application

An application for a disability retirement may be made by any of the following persons:

- You;
- Someone authorized to apply for you on your behalf;
- The head of your department;
- The City Manager; or
- The Retirement Board.

[S]MC 3.36.950]

Disability Retirement Application Time Limit

If you separate from City service or retire on a service retirement, you have one year from the date of separation or the service retirement date to apply for a disability retirement.

[S]MC 3.36.920 (A)(4)]

It takes approximately 9 months from the date staff has found evidence that you are Maximum Medically Improved (MMI) to process a disability retirement application. If you are applying for a Service Connected Disability to expedite the process you have the option of submitting your own doctor's medical documentation along with the application. If you are an active employee on 4850 time or any other paid leave it is important that you communicate with staff when that leave is expected to exhaust. If you are applying for a Non-Service Connected Disability you are required to submit all of your medical records pertaining to your disability.

Chapter 10: Optional Payment Options

This chapter provides information on the optional retirement allowances that retirees may elect within the time periods prescribed below.

At the time of your retirement, your standard retirement allowance is calculated. If you are married or in a domestic partnership, your spouse or domestic partner's standard survivorship allowance is also calculated and you will be given the opportunity to select an optional settlement. The optional settlements give you less money each month in return for a higher allowance to your surviving spouse or surviving domestic partner.

How Options Are Calculated

The options are "actuarial equivalents" of your standard retirement allowance. An actuarial equivalent is a benefit equal in value to your standard allowance when computed upon the basis of the mortality tables adopted and the regular interest rate fixed by the board. The mortality tables are used irrespective of the gender of the member, the member's spouse or the member's domestic partner.

[SJMC 3.36.1466]

You and your spouse or domestic partner's ages are very important in determining the options. If your spouse or domestic partner is significantly younger than you, your benefit would be reduced more than if you were the same age. This is because the benefit to your spouse or domestic partner will most likely be paid for a longer period of time.

If you previously retired for a Service Retirement and elected an option, than you subsequently changed to a Disability Retirement, you may owe the Plan money back. This is due to the difference in mortality tables used when calculating an option for a Service Retirement and a Disability Retirement.

Time Limits to Choose Options

An election for an optional settlement must be made in writing no later than 30 days after the effective date of retirement. You may amend or revoke any election in writing on or before the effective date of your retirement. Any election that is not amended or revoked on or before 30 days from the effective date of your retirement shall be irrevocable. [SJMC 3.36.1461]

The optional settlements shall be paid only to the person to whom you are married or to the person who is your domestic partner both at the time of your retirement and at the time of your death. Unless you have elected a Post Retirement Marriage or Domestic Partnership reduction. Please see below for details. [SJMC 3.36.1463(E)]

Post-Retirement Marriage or Domestic Partnership

A person who is receiving a monthly retirement allowance and who marries or establishes a domestic partnership after beginning to receive such monthly allowance may elect an optional settlement by filing a written election with the Retirement Services Department. The Post-Retirement Optional Settlement allows for payment of a survivorship benefit that would otherwise not be payable. To do this, the member must take a reduced allowance to provide the spouse or domestic partner a survivorship payment.

The election of the Post-Retirement Optional Settlement must be **filed within 30 days** after the date of the marriage or establishment of the domestic partnership. The election becomes effective one year from the date of marriage or the establishment of the domestic partnership.

[S]MC 3.36.1468]

Note: If a Post-Retirement Optional Settlement is elected the surviving spouse or surviving domestic partner will only receive the survivorship allowance and no health benefits when the member dies.

Documents required to begin the election of a Post Retirement Marriage or Domestic Partnership:

- Written request for the Post Retirement Marriage or Domestic Partnership Optional Settlement within 30 days of event;
- Certified Copy of your spouse's birth certificate; and
- Certified Copy of your Marriage Certificate; or
- Domestic Partnership Certificate & Declaration of Domestic Partnership (notarized), if applicable.

Once the documents above are received Retirement Services Staff will submit your information to the Retirement Plans Actuary to calculate the Post-Retirement Optional Settlement. Retirement Staff will notify you of your reduced benefit and survivor benefits as soon as it is received from the Retirement Plans Actuary and provide you with the necessary documents to elect or decline the Post-Retirement Optional Settlement.

Chapter 11: Death Before Retirement

This chapter describes the benefits available to your survivors if you die while still a City employee and a member of the retirement plan, but before you retire. The benefits available are dependent upon your years of service and whether or not your death was service-connected.

The following persons may be eligible to receive a survivor benefit:

Surviving Spouse or Surviving Domestic Partner

The person to whom you were married or in a domestic partnership with at the time of your death and who survives your death. Unless you elected a Post Retirement Marriage reduction. See page 44 for more details
[S]MC 3.36.1200(B)(1) & 3.36.1200(B)(2)]

Surviving Children

Your natural or adopted children who meet all of the following requirements:

- The child survives your death;
- The child is unmarried and not in a domestic partnership at the time of your death;
- The child is under the age of 18 years at the time of your death;
- The child is in existence or conceived at the time of the deceased person's death; and
- If the child is adopted, the adoption was completed prior to your death.

[S]MC 3.36.1200(B)(3)]

Active Non- Service Connected Death With Less Than 2 years of Service (Police & Fire)

This section applies if you meet the following conditions:

- You die while a member of the plan;
- You die prior to being retired;
- You die with less than 2 years of service; and
- Your death is not due to your employment with the City.

[S]MC 3.36.1250(A)(1)]

Return of Contributions to Surviving Spouse or Surviving Domestic Partner

Your surviving spouse or surviving domestic partner will receive your contributions to the retirement plan, plus interest earned by the fund not to exceed 2% per year, or \$1,000, whichever is greater.

[S]MC 3.36.1250(C)]

Return of Contributions to Surviving Children When There is no Surviving Spouse or Surviving Domestic Partner

If you do not have a surviving spouse or surviving domestic partner at the time of your death, your surviving children will receive your contributions to the retirement plan, plus interest earned by the fund not to exceed 2% per year, or \$1,000, whichever is greater.

[S]MC 3.36.1250(D)]

Return of Contributions When There is no Surviving Spouse or Surviving Domestic Partner nor Surviving Children

If you die without leaving an eligible surviving spouse or surviving domestic partner or eligible surviving children, your estate will be entitled to receive your accumulated contributions to the retirement fund, plus interest as earned by the fund not exceeding 2% per year, or \$1,000, whichever is greater.

[S]MC 3.36.1250(F)]

Note: Surviving spouses, surviving domestic partners and/or surviving children of members who die before retirement with less than 2 years of service (and whose death was not Service-Connected) are not eligible to receive monthly survivorship allowances.

Active Non-Service Connected Death with More Than 2 Years of Service

This section applies if you die before retirement and all of the following conditions are met:

- You die while a member of this plan;
- You die prior to being retired;
- You die before being eligible for a service retirement;
- Your death did not arise out of and in the course of your employment; and
- You have a minimum of two years of retirement service credit.

[S]MC 3.36.1210(A)(1)]

Survivorship Allowance to Surviving Spouse or Surviving Domestic Partner if the Deceased Person was Entitled to a Retirement Allowance up to Seventy Five Percent (75%) of the Deceased Persons Final Compensation (Police & Fire)

If you have an eligible surviving spouse or surviving domestic partner at the time of your death, your surviving spouse or surviving domestic partner will receive a monthly allowance until he or she dies or remarries. However, under the following situations the surviving spouse or surviving domestic partner can remarry and continue receiving benefits:

- If the member died or retired as of 10/1/99; or
- If at the time of death the member was at least 55 years old with at least 20 years of service (or if the member had 30 years of service regardless of age).

[S]MC 3.36.1290(A)]

The allowance will be calculated as follows:

Final Comp x 24% + 0.75% of Final Compensation for each year in excess of two years of service. (Max of 37.5% of Final Compensation).

For example, if you die before retirement (non-service connected death) and had 10 years of service and your final compensation was \$10,000 per month, the monthly survivorship allowance would be:

Base of 24% of FAS=24%

8 years x 0.75% = 6% (total of 10 yrs. service; each yr. in excess of 2 yrs. service = 8 yrs.)

Total % of FAS = 30%

\$10,000 x 30% = \$3,000 Monthly Survivorship Allowance

[S]MC 3.36.1210(F), 3.36.1280(C)(1), 3.36.1280(D)(1) & 3.36.1290(A)]

Survivorship Allowance to Surviving Spouse or Surviving Domestic Partner if the Deceased Person was Entitled to a Retirement Allowance of at Least Seventy Five Percent (75%) of the Deceased Persons Final Compensation (Police & Fire)

If you have an eligible surviving spouse or surviving domestic partner at the time of your death, your surviving spouse or surviving domestic partner will receive a monthly allowance until he or she dies or remarries. However, under the following situations the surviving spouse or surviving domestic partner can remarry and continue receiving benefits:

- If the member died or retired as of 10/1/99; or
- If at the time of death the member was at least 55 years old with at least 20 years of service (or if the member had 30 years of service regardless of age).

[S]MC 3.36.1290(A)]

The allowance will be calculated as follows:

50% x deceased person's retirement allowance

max of 42.5% of final compensation for Police
and max of 45% of final compensation for Fire

Example for Police

If you retired with 27 years of service and your final compensation was \$10,000 per month, your monthly benefit would have been:

$$\begin{array}{r} 20 \text{ years} \times 2.5\% = 50\% \\ \underline{7 \text{ years} \times 4\% = 28\%} \\ \text{Total \% of FAS} = 78\% \\ 78\% \times \$10,000 = \$7,800 \text{ Monthly Retirement Allowance} \end{array}$$

Your Surviving Spouse or Domestic Partner's survivorship allowance would be calculated by multiplying 50% by your Monthly Retirement Allowance:

$$50\% \times \$7,800 = \underline{\$3,900 \text{ Monthly Survivorship Allowance}}$$

Note: Survivorship cannot exceed 42.5% of final comp; $\$10,000 \times 42.5\% = \$4,250$ (max not exceeded in this example).

Example for Fire

If you retired with 27 years of service and your final compensation was \$10,000 per month, your monthly benefit would have been:

$$\begin{array}{r} \underline{27 \text{ years} \times 3\% = 81\%} \\ \text{Total \% of FAS} = 81\% \\ 81\% \times \$10,000 = \$8,100 \text{ Monthly Retirement Allowance} \end{array}$$

Your Surviving Spouse or Domestic Partner's survivorship allowance would be calculated by multiplying 50% by your Monthly Retirement Allowance:

$$50\% \times \$8,100 = \underline{\$4,050 \text{ Monthly Survivorship Allowance}}$$

Note: Survivorship cannot exceed 45% of final comp; $\$10,000 \times 45\% = \$4,500$ (max not exceeded in this example).

[S]MC 3.36.1280(C)(2) & 3.36.1280(D)(2)]

Survivorship Allowance to Surviving Children if you die Before Retirement With at Least two Years of Service (Police & Fire)

If you have eligible children at the time of your death, they will receive a survivorship allowance until they reach the age of 18. They may continue to be eligible until age 22 if they are full-time students and meet the qualifications for a school allowance. The allowance will be calculated as follows:

One Child:	25% x Final Compensation
Two Children:	37.5% x Final Compensation
Three or More Children:	50% x Final Compensation

Example #1, if you die before retirement with at least two years of service and your final compensation was \$10,000 per month, the monthly child survivorship allowance for one child would be:

$$\$10,000 \times 25\% = \underline{\$2,500 \text{ Monthly Child Survivorship Allowance}}$$

Example #2, if you die before retirement with at least two years of service and your final compensation was \$10,000 per month, the monthly child survivorship allowance for two children would be:

$$\$10,000 \times 37.5\% = \underline{\$3,750 \text{ Monthly Survivorship Allowance for two children}}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,875/month ($\$3,750/2=\$1,875$).

Example #3, if you die before retirement with at least two years of service and your final compensation was \$10,000 per month, the monthly child survivorship allowance for three (or more) children would be:

$$\$10,000 \times 50\% = \underline{\$5,000 \text{ Monthly Survivorship Allowance for three (or more) children}}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,666.66/month ($\$5,000/3=\$1,666.66$).

[SJMC 3.36.1210(G), 3.36.1300(B), 3.36.1210(G), 3.36.1300(D)(1), 3.36.1210(G) & 3.36.1300(F)(1)]

Benefit Limitation

The maximum amount of all monthly allowances payable to your surviving spouse or surviving domestic partner and children cannot exceed 75% of your final compensation. If necessary, your children's survivorship allowance will be reduced so that the total benefit to your surviving spouse or surviving domestic partner and children does not exceed 75% of your final compensation. [SJMC 3.36.1310]

No Surviving Spouse or Surviving Domestic Partner nor Surviving Children

If you die without an eligible surviving spouse or surviving domestic partner or eligible surviving children, your estate will be entitled to receive your accumulated contributions from the retirement fund, plus interest as earned by the fund not exceeding 2% per year. Your estate will receive a minimum of \$1,000 even if your contributions total less than \$1,000.

[S]MC 3.36.1210(E) & 3.36.1210(I)]

Active Service Connected Death Regardless of Years of Service

The survivorship benefits in this section apply if you meet the following conditions:

- You die while a member of the plan;
- You die prior to being retired; and
- Your death arises out of and in the course of your employment with the City.

[S]MC 3.36.1200(A)(1) & 3.36.1200(A)(5)]

Survivorship Allowance to Surviving Spouse or Surviving Domestic Partner

If you have an eligible surviving spouse or surviving domestic partner at the time of your death, your surviving spouse or surviving domestic partner will receive a monthly allowance until he or she dies, remarries, or establishes a new domestic partnership. However, under the following situations the surviving spouse or surviving domestic partner can remarry or establish a new domestic partnership and continue receiving benefits:

- If the member died or retired as of 10/1/99; or
- If at the time of death the member was at least 55 years old with at least 20 years of service (or if the member had 30 years of service regardless of age).

[S]MC 3.36.1290]

The monthly survivorship allowance will be calculated as follows:

POLICE: To surviving spouse or surviving domestic partner: 37.5% to 42.5% of member’s Final Compensation depending on the years of service. See chart below:

Years of Service	Member's Percentage of Final Compensation	Surviving Spouse or Surviving Domestic Partner Percentage of Final Compensation
20	50%	37.5%
21	54%	37.5%
22	58%	37.5%
23	62%	37.5%
24	66%	37.5%
25	70%	37.5%
26	74%	37.5%
27	78%	39.0%
28	82%	41.0%
29	86%	42.5%
30	90%	42.5%

Example for Police

If you retired with 27 years of service and your final compensation was \$10,000 per month, your monthly benefit would have been:

$$\begin{aligned}
 &20 \text{ years} \times 2.5\% = 50\% \\
 &7 \text{ years} \times 4\% = 28\% \\
 &\text{Total \% of FAS} = 78\% \\
 &78\% \times \$10,000 = \$7,800 \text{ Monthly Retirement Allowance}
 \end{aligned}$$

Your Surviving Spouse or Domestic Partner’s survivorship allowance would be calculated by multiplying 39% by Final Compensation:

$$39\% \times \$10,000 = \underline{\$3,900 \text{ Monthly Survivorship Allowance}}$$

Note: Survivorship cannot exceed 42.5% of final comp; $\$10,000 \times 42.5\% = \$4,250$ (max not exceeded in this example).

[S]MC 3.36.1200(F) & 3.36.1270(D)(2)

FIRE: To surviving spouse or surviving domestic partner: 37.5% to 45% of member's Final Compensation depending on the years of service. See chart below:

Years of Service	Member's Percentage of Final Compensation	Surviving Spouse or Surviving Domestic Partner Percentage of Final Compensation
20	50%	37.5%
21	63%	37.5%
22	66%	37.5%
23	69%	37.5%
24	72%	37.5%
25	75%	37.5%
26	78%	39.0%
27	81%	40.5%
28	84%	42.0%
29	87%	43.5%
30	90%	45.0%

Example for Fire

If you retired with 27 years of service and your final compensation was \$10,000 per month, your monthly benefit would have been:

$$\begin{aligned}
 &27\text{years} \times 3\% = 81\% \\
 &\text{Total \% of FAS} = 81\% \\
 &81\% \times \$10,000 = \$8,100 \text{ Monthly Retirement Allowance}
 \end{aligned}$$

Your Surviving Spouse or Domestic Partner's survivorship allowance would be calculated by multiplying 40.50% by Final Compensation:

$$40.50\% \times \$10,000 = \$4,050 \text{ Monthly Survivorship Allowance}$$

Note: Survivorship cannot exceed 45% of final comp; \$10,000 x 45% = \$4,500 (max not exceeded in this example). [SJMC 3.36.1200(F) & 3.36. 1270(E)(2)]

Survivorship Allowance to Surviving Children (Police & Fire)

If you have eligible children at the time of your death, they will receive a survivorship allowance until they marry or reach the age of 18, whichever is earlier. They may continue to be eligible until age 22 if they are full-time students and meet the qualifications for a school allowance. The survivorship allowance will be calculated as follows:

One Child: Final Compensation x 25%

Two Children: Final Compensation x 37.5%

Three or More Children: Final Compensation x 50%

Example #1, if you die before retirement and your death was service connected and your final compensation was \$10,000 per month, the monthly child survivorship allowance for one child would be:

$$\$10,000 \times 25\% = \underline{\$2,500 \text{ Monthly Child Survivorship Allowance}}$$

Example #2, if you die before retirement and your death was service connected and your final compensation was \$10,000 per month, the monthly child survivorship allowance for two children would be:

$$\$10,000 \times 37.5\% = \underline{\$3,750 \text{ Monthly Survivorship Allowance for two children}}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,875/month (\$3,750/2=\$1,875).

Example #3, if you die before retirement and your death was service connected and your final compensation was \$10,000 per month, the monthly child survivorship allowance for three (or more) children would be:

$$\$10,000 \times 50\% = \underline{\$5,000 \text{ Monthly Survivorship Allowance for three (or more) children}}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,666.66/month (\$5,000/3=\$1,666.66).

[S]MC 3.36.1300(B), 3.36.1300(D)(3) & 3.36.1300(F)(3)]

Lump Sum Return of Contributions Option

Your eligible survivors are entitled to begin receiving a monthly allowance upon your death. However, they have the option to receive a lump sum payment equal to your contributions, plus interest as earned by the fund up until the date of your death, not exceeding 2% per year. The total employee contributions and interest will be divided by the calculated survivor benefit to get a number of months to delay the start of the monthly survivor allowance. It is important to note that the employee contributions and interest are taxable at the time when they are distributed in cash.

For example, if you die before retirement with at least two years of service and your contributions with interest were \$200,000 and you had a monthly survivorship allowance of \$5000; if your survivors choose the lump sum option, they would receive \$200,000 up front. However, they would not begin receiving the \$5,000 monthly Survivorship Allowance until 40 months after your death (\$200,000 contributions/\$5,000 survivorship = 40 months). Your survivors would receive

medical and dental benefits during this 40 month period. [SJMC 3.36.1200 (C), 3.36.1200(D) & 3.36.1200(H)]

Since choosing to receive your contributions in a lump sum amount will delay the start of the monthly survivorship allowance, and has tax consequences your survivors should discuss this option with the Retirement Department.

Benefit Limitation

The maximum amount of all monthly allowances payable to your surviving spouse or surviving domestic partner and children cannot exceed 75% of your final compensation. If necessary, your children's survivorship allowance will be reduced so that the total benefit to your surviving spouse or surviving domestic partner and children does not exceed 75% of your final compensation. [SJMC 3.36.1310]

No Surviving Spouse or Surviving Domestic Partner nor Surviving Children

If you die without an eligible surviving spouse or surviving domestic partner or eligible surviving children, your estate will be entitled to receive your accumulated contributions from the retirement fund, plus interest as earned by the fund not exceeding 2% per year. Your estate will receive a minimum of \$1,000 even if your contributions total less than \$1,000. [SJMC 3.36.1200(E) & 3.36.1200(I)]

Active Death While Eligible for Service Retirement (Police & Fire)

The survivorship benefits in this section apply to the following situations:

- You die after age 55 with at least 20 years of service, but before retirement;
- You die between the age of 50-54 with at least 25 years of service, but before retirement; or
- You die with at least 30 years of service. [SJMC 3.36.1200(A)(1-2)]

Survivorship Allowance to Surviving Spouse or Surviving Domestic Partner

If you have an eligible surviving spouse or surviving domestic partner at the time of your death, your surviving spouse or surviving domestic partner will receive a monthly allowance until he or she dies, remarries, or establishes a new domestic partnership. However, under the following situations the surviving spouse or domestic partner can remarry or establish a new domestic partnership and continue receiving benefits:

- If the member died or retired as of 10/1/99; or
- If at the time of death the member was at least 55 years old with at least 20 years of service (or if the member had 30 years of service regardless of age).

[SJMC 3.36.1230(C) & 3.36.1290]

The monthly allowance will be calculated as follows:

POLICE: To surviving spouse or surviving domestic partner: 37.5% to 42.5% of member's Final Compensation depending on the years of service. See Chart Below:

Years of Service	Member's Percentage of Final Compensation	Surviving Spouse or Surviving Domestic Partner Percentage of Final Compensation
20	50%	37.5%
21	54%	37.5%
22	58%	37.5%
23	62%	37.5%
24	66%	37.5%
25	70%	37.5%
26	74%	37.5%
27	78%	39.0%
28	82%	41.0%
29	86%	42.5%
30	90%	42.5%

Example for Police

If you died before retirement, while eligible to retire and had 27 years of service and your final compensation was \$10,000 per month, your monthly benefit would have been:

$$\begin{array}{r} 20 \text{ years} \times 2.5\% = 50\% \\ \underline{7 \text{ years} \times 4\% = 28\%} \\ \text{Total \% of FAS} = 78\% \\ 78\% \times \$10,000 = \$7,800 \text{ Monthly Retirement Allowance} \end{array}$$

Your Surviving Spouse or Domestic Partner's survivorship allowance would be calculated by multiplying 39% by Final Compensation:

$$39\% \times \$10,000 = \underline{\$3,900 \text{ Monthly Survivorship Allowance}}$$

Note: Survivorship cannot exceed 42.5% of final comp; $\$10,000 \times 42.5\% = \$4,250$ (max not exceeded in this example). [S]MC 3.36.1200(F) & 3.36.1270(D)]

Three or More Children: 50% x Final Compensation

Example #1, if you die before retirement and you were eligible for Service Retirement and your final compensation was \$10,000 per month, the monthly child survivorship allowance for one child would be:

$$\$10,000 \times 25\% = \underline{\$2,500 \text{ Monthly Child Survivorship Allowance}}$$

Example #2, if you die before retirement and you were eligible for Service Retirement and your final compensation was \$10,000 per month, the monthly child survivorship allowance for two children would be:

$$\$10,000 \times 37.5\% = \underline{\$3,750 \text{ Monthly Survivorship Allowance for two children}}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,875/month ($\$3,750/2=\$1,875$).

Example #3, if you die before retirement and you were eligible for Service Retirement and your final compensation was \$10,000 per month, the monthly child survivorship allowance for three (or more) children would be:

$$\$10,000 \times 50\% = \underline{\$5,000 \text{ Monthly Survivorship Allowance for three (or more) children}}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,666.66/month ($\$5,000/3=\$1,666.66$).

[SJMC 3.36.1210(G), 3.36.1300(B), 3.36.1210(G), 3.36.1300(D)(1), 3.36.1210(G) & 3.36.1300(F)(1)]

Lump Sum Return of Contributions Option

Your eligible survivors are entitled to begin receiving a monthly allowance upon your death. However, they have the option to receive a lump sum payment equal to your contributions, plus interest as earned by the fund up until the date of your death, not exceeding 2% per year. The total employee contributions and interest will be divided by the calculated survivor benefit to get a number of months to delay the start of the monthly survivor allowance. It is important to note that the employee contributions and interest are taxable at the time when they are distributed in cash.

For example, if you die before retirement with at least two years of service and your contributions with interest were \$200,000 and you had a monthly survivorship allowance of \$5000; if your survivors choose the lump sum option, they would receive \$200,000 up front. However, they would not begin receiving the \$5,000 monthly Survivorship Allowance until 40 months after your death ($\$200,000 \text{ contributions} / \$5,000 \text{ survivorship} = 40 \text{ months}$). Your survivors would receive medical and dental benefits during this 40 month period. [SJMC 3.36.1200 (C), 3.36.1200(D) & 3.36.1200(H)]

Since choosing to receive your contributions in a lump sum amount will delay the start of the monthly survivorship allowance, and has tax consequences your survivors should discuss this option with the Retirement Department.

Chapter 12: Medical and Dental Benefits

This chapter describes medical and dental benefits for eligible service and disability retirees and their survivors. It also covers medical and dental benefits for survivors of Police and Fire members who died while City employees, but before receiving retirement pay. This chapter does not apply to persons who left City service prior to retirement (or their survivors). Medical and Dental benefits for those who separate from the City prior to retirement are described in Chapter 13.

Medical Benefits

Medical Insurance Eligibility Requirements for Retirees

You will be entitled to medical insurance if you meet the following requirements:

- You are retired for service or disability;
- You have 15 years of retirement service credit or you are receiving a retirement allowance that is at least 37.5% of your final compensation; and
- You apply for medical insurance at the time of your retirement and agree to pay any applicable premiums.

[S]MC 3.36.1900(A) & 3.36.1920(A)(1)]

Medical Insurance Eligibility Requirements for Your Spouse or Domestic Partner

Your spouse or domestic partner (DP) is eligible for medical insurance under either of the following conditions:

- You are married or in a domestic partnership at the time of your retirement; or
- You marry or establish a domestic partnership after retirement and add your spouse or domestic partner to an eligible medical plan within 30 days of marriage or the establishment of a domestic partnership or during the next open enrollment period. This coverage will **not** continue after your death for your surviving spouse or surviving domestic partner.

[S]MC 3.36.1920(C)(D) & 3.36.1230(B)(1)(2)]

Medical Insurance Eligibility Requirements for Eligible Children/Dependents

Effective January 1, 2011, your natural, adopted, legal guardianship and/or step children are eligible for medical insurance until the end of the month he or she turns 26 years old. If you have an adult disabled child, medical coverage will cease when the member and survivor are no longer living.

Medical Insurance for Your Survivor(s)

Once your eligible surviving spouse, surviving domestic partner, child(ren) begin receiving a survivorship allowance, they are entitled to medical insurance if they meet the following requirements:

- You had 15 years of service credit at the time of your death or your surviving spouse, surviving domestic partner, child, or children are entitled to receive a survivorship allowance that is 37.5% or more of your final compensation;
- At the time of your death, you and your survivor(s) were both enrolled in a medical insurance plan offered by the City; and
- The eligible survivor applies to continue medical insurance coverage within sixty (60) days of your death and agrees to pay any applicable premiums.

[S]MC 3.36.1910 & 3.36.1920(B)]

Single Coverage Only for Surviving Spouse or Surviving Domestic Partner

Generally, your surviving spouse/DP will only receive single coverage. However, if there are eligible surviving children or there is a guardianship arrangement at the time of your death, your surviving spouse/DP will be eligible for family coverage.

[S]MC 3.36.1920(E) & 3.36.1230(B)(3)]

Payment of Family Coverage Premiums in the Case of Guardianship

A surviving spouse/DP shall be required to pay the difference between single and family coverage premiums.

[S]MC3.36.1935]

Medical Insurance Premiums

You will be required to pay the portion of the premium that is not paid by the Medical Trust Fund (Fund). The Fund subsidizes 100% of the lowest cost single or family medical plan available to an active employee.

[S]MC 3.36.1930(C)(2)]

For example, if "Plan A" is the lowest cost plan and the monthly premium is \$1,000 and the retiree elects "Plan B", which costs \$1,200/month, then a \$200 monthly premium deduction will be taken from the retiree's pension check.

Plan B (family coverage)	\$1,200.00
<u>Less the Lowest Cost Plan (Plan A)</u>	<u>\$1,000.00</u>
Retiree's monthly premium	\$ 200.00

Medicare

When you or your spouse/DP reach age 65, you will be eligible for Medicare and should apply for Medicare. Office of Retirement Services will mail you a letter 3 months before you or your spouse/DP turn 65. Please follow the directions on the letter. You will need to complete the necessary forms (i.e. Medical, Dental, & Vision Change Form and the Medicare Enrollment Form specific to your plan) and submit them to the Office of Retirement Services along with a copy of the Medicare card.

Medicare will be your primary insurance and your supplement coverage through the P&F Retirement Plan will be secondary. Please note that you are responsible for paying Social Security Administration directly the Medicare Part-B monthly premium. In addition, you will also be responsible for paying any premiums you may have with your Medicare Supplement Coverage through the P&F Retirement Plan.

Reimbursement for Medicare Part-B Payments

The plan will reimburse members, former members and survivors for the amounts paid to SSA for the Medicare Part-B coverage, subject to the following limitations:

1. The member, former member, eligible spouse/DP or survivor must be eligible for medical insurance and must be enrolled in an eligible medical plan.
2. The total amount paid for medical benefits plus the Medicare Part-B reimbursement shall not exceed the premium for the lowest cost medical plan.
3. The member, former member or survivor must submit proof of payment for Medicare Part-B no later than April 1st immediately following the calendar year for which reimbursement is sought.
4. The reimbursement shall not exceed the amount of the Medicare Part-B payments for which proof of payment is submitted.
5. The reimbursement may be reduced or eliminated pursuant to San José Municipal Code §3.36.1950. [SJMC 3.36.1925]

Example of When Medicare Part-B Will be Reimbursed

Lowest Cost Plan (Medical Trust Fund Subsidy Amount) = Medical Plan A

Medical Plan A (family coverage) = \$1,000 monthly premium

Medicare Supplemental Medical Plan C (family coverage) = \$800 monthly premium

If the Medicare Part-B monthly premium is \$99.00, and the member and his spouse/DP are both enrolled in Medicare Part-B, their monthly Medicare Part-B payments equal to \$198.00/month (\$99.00 x 2).

Lowest Cost Plan (Plan A)	\$1,000.00
<u>Less the Medicare Supplemental Plan C</u>	<u>\$ 800.00</u>
Unused Subsidy Amount	\$ 200.00/month

Since the total payment for Part-B is less than the unused subsidy amount, the member will be reimbursed the full \$198.00/month in Medicare Part-B Reimbursement.

Note: The maximum reimbursement will be the LESSER amount of the available amount for reimbursement and the Medicare Part-B payment.

Example of When Medicare Part-B Will not be Reimbursed

Lowest Cost Plan (Medical Trust Fund Subsidy Amounts) = Medical Plan A

Medical Plan A (family coverage) = \$1,000month premium

Medicare Supplemental Medical Plan F (family coverage) = \$1,100month premium

If the Medicare Part-B monthly premium is \$99.00/person, and the member and his spouse/DP are both enrolled in Medicare Part-B, their monthly Medicare Part-B payments equal to \$198.00 (\$99.00 x 2).

Medicare Supplemental Plan F	\$1,100.00
<u>Less Lowest Cost Plan (Plan A)</u>	<u>\$1,000.00</u>
Member’s Monthly Deduction	\$ 100.00/month

Since the medical premium is more than the lowest cost plan, there is no Subsidy left to reimburse the member. If the member pays a monthly premium, the member is not eligible for a reimbursement because the Fund is already subsidizing 100% of the lowest cost plan.

Dental Benefits

Dental Insurance Eligibility Requirements for Retirees

You are entitled to dental insurance if you meet the following requirements:

- You retire from active employment for service or disability;
- You are entitled to 15 years of service or receive a retirement allowance equal to at least 37.5% of final compensation;
- You leave City service after 7/5/92, but prior to retirement with 20 or more years of service, you leave your contributions in the retirement plan, and you receive an allowance (i.e., applies for retirement); and

- At the time of your retirement, you apply for dental insurance coverage in one of the dental insurance plans sponsored by the City.

[S]MC 3.36.2000 & 3.36.2020]

Dental Insurance for Your Spouse or Domestic Partner:

You may obtain dental insurance for your spouse or domestic partner under either of the following conditions:

- You are married or in a domestic partnership at the time of your retirement; or
- You marry or establish a domestic partnership after retirement and add your spouse or domestic partner in accordance with the terms of an eligible dental plan within 30 days of marriage or at the next open enrollment period. This coverage will **not** continue after your death.

[S]MC 3.36.2020(D)(E) & 3.36.1230(B)(1)(2)]

Dental Insurance Eligibility Requirements for Eligible Children and/or Dependents

Your natural, adopted, legal guardianship and/or step children are eligible for dental insurance until the end of the month he or she turns 19 years old or until the age of 24 if they are a full-time student.

Full-Time Student Requirements

Full-time students must be enrolled with a minimum of 12 units at an accredited college or university. It is very important for you to provide student verification to the Office of Retirement Services by December 1st. If verification is not received by December 1st or within 30 days of enrollment, the dependent will be dropped from your dental coverage.

Retirement Services will mail letters requesting the full time student verification at different times. The first letter will be mailed the first of the month before the child turns 19, and if the child is already certified by our office, the annual letter will be mailed September 1st.

Retirement Services will also mail a letter the first of the month before your child turns 24 letting you know his/her coverage is terminating. At the time of loss of coverage, the child will be offered Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage, which is a federally mandated provision of continuation of medical, dental and vision care benefits which the full premium must be paid by the recipient. The maximum duration of this self-paid coverage is 36 months.

Dental Insurance Eligibility for Survivors

Your survivors will be entitled to dental insurance if they meet the following requirements:

- Your survivor is receiving a monthly survivorship allowance;
- At the time of your death, you and your survivor were both enrolled in a dental insurance plan sponsored by the City;
- The survivor applies to continue dental insurance coverage within 30 days of your death; and
- At the time of your death, the member was entitled to credit for 15 or more years of service or the spouse/domestic partner and or children were entitled to an allowance of at least 37.5% of the member's final compensation (if hired after 7/1/98).

Note: If the child is adopted, the adoption must have been completed prior to the date you retired for the child to be eligible.

[S]MC 3.36.2010(A), 3.36.2020(B) & 3.36.1230(3)]

Dental Insurance Premiums

The retirement fund pays the costs of providing dental insurance coverage for eligible members.

[S]MC 3.36.2030]

Open Enrollment

Every November 1st through November 30th, the Office of Retirement Services has its Annual Open Enrollment Period, which allows Retirees and Survivors to make changes to their health insurances.

Open Enrollment communication gets mailed the last week in October to all medical eligible Retirees and Survivors advising them of any changes to their health insurances, the date of the Health Fair and the times and locations of the vendor representatives' presentations, if any.

Open Enrollment information is also available on the Office of Retirement Services website: www.sjretirement.com. On the website, you can electronically submit your Open Enrollment changes. To do so, click on the Open Enrollment Link and follow the instructions to make your Open Enrollment changes online. You will need your Web Member Services (WMS) username and password.

Chapter 13: Separation from City Service Prior to Retirement (Deferred Vested)

This chapter describes various scenarios at the time of separation from City service (prior to retirement) based on the number of years you served. If you separate from City service before retirement your options and possible benefits depend, in part, on the number of years of retirement service credit you have earned.

Upon receiving notice of your rights regarding your retirement contributions, you must elect your option by notifying the Retirement Services Department in writing by completing and submitting a Distribution Election Form. This form must be completed and returned no later than 180 days after the notice is mailed to you. Failure to submit the form within 180 days shall be deemed an irrevocable election to withdraw your contributions.

[S]MC 3.36.1640(A)

Options at the Time of Separation From the City

Less Than 10 Years of Service

If you have earned less than 10 years of service credit and separate from City service, all of your contributions to the plan, plus interest on your contributions not to exceed two percent per year, will be returned to you. You, your survivors or your estate will not be entitled to any other benefit under the retirement plan.

[S]MC 3.36.1620]

Less Than 10 Years of Service (With Reciprocity)

You may be eligible to leave your contributions on deposit even if you have earned less than 10 years of service credit if you leave City employment, but continue in public service in California. You must meet several requirements that are explained in Chapter 16.

10 or More Years of Service

If you leave City employment after earning 10 or more years of service credit you may either:

- Request a return of your contributions; or
- Leave your contributions in the retirement fund and apply to receive a lifetime retirement allowance when you turn age 55 and at least 20 years has passed since you first became a member of the retirement plan. You may begin receiving your benefits at age 50 if you have at least 25 years of service.

Return of Contributions

If you elect a return of your contributions, you will receive your contributions plus interest earned by the fund, not to exceed 2% per year. You will not receive any of the contributions the City has made on your behalf. You will also lose any rights to an allowance or benefits that you, a surviving spouse, a surviving domestic partner, or child(ren) may have been entitled to under the retirement plan. You will forfeit any rights to a disability retirement.

[S]MC 3.36.1640(A)]

If you elect to receive a return of contributions, you have a choice to may rollover your contributions and interest to an Individual Retirement Account (IRA) or to a qualified retirement plan. If you choose to receive a cash disbursement, we must withhold 20% for Federal taxes. You also may be subject to a 10% penalty for early withdrawal if you are under age 59.5. At your request, we will withhold 2% for State taxes.

Note: In order to receive a return of your contributions once you have been separated you will need to complete the Distribution Election Form that the Retirement Services Department will send you when you have separated.

Leaving Contributions in the Retirement Fund

Right to Request Return of Contributions

Even if you initially chose to leave your contributions in the retirement fund, at any time you may request a return of your contributions by submitting a new Distribution Election Form. If you request a return of contributions, you will receive your accumulated contributions, plus interest earned by the fund, not to exceed 2% per year. Thereafter, you will lose any rights to an allowance or benefits that you, a surviving spouse, a surviving domestic partner and/or surviving child(ren) may have been entitled to under the retirement plan.

[S]MC 3.36.1640(H)]

Note: If you elected reciprocity you may not withdraw your contributions as long as you are employed by a reciprocal agency. Please refer to Chapter 16 for additional information on reciprocity.

Benefits Eligibility Requirements if you Separate From City Service Before Retirement (Deferred Vested)

If you separate from City service before retirement and choose to leave your contributions in the fund, you are eligible to apply to receive a monthly retirement allowance when you reach the age of 55 and 20 years have elapsed from the time you first became a member of the retirement plan.

[S]MC 3.36.1640(C)]

If your separation from City service is after July 5, 1992, you may apply to receive a retirement allowance if you meet the following conditions:

- You have reached the age of 50; and
- You had at least 25 years of retirement service credit at the time of your separation.

[S]MC 3.36.1640(D)]

The calculation of the monthly Retirement Allowance if you separate from City service before retirement and qualify for a benefit will be calculated as follows:

POLICE: The formula used to determine your monthly retirement allowance is:

- First 20 years of Service: 2.5% per year X final compensation (50% maximum)
- Next 21-30 years of service: 4% per year of service X Final Compensation (90% maximum)

Example #1 for Police:

If you have 10 years of City service and your final compensation was \$10,000 per month, your benefit would be:

$$\begin{aligned} 10 \text{ years} \times 2.5\% &= 25\% \\ \text{Total \% of FAS} &= 25\% \end{aligned}$$

$$\$10,000 \times 25\% = \underline{\$2,500 \text{ Monthly Retirement Allowance}}$$

[S]MC 3.36.1640(E)(4)]

Example # 2 for Police:

If you have 28 years of City service and your final compensation was \$10,000 per month, your benefit would be:

$$\begin{aligned} 20 \text{ years} \times 2.5\% &= 50\% \\ \underline{8 \text{ years} \times 4\%} &= 32\% \\ \text{Total \% of FAS} &= 82\% \end{aligned}$$

$$\$10,000 \times 82\% = \underline{\$8,200 \text{ Monthly Retirement Allowance}}$$

[S]MC 3.36.1640(E)(4)]

FIRE: The formula used to determine your monthly retirement allowance is:

- First 20 years of Service: 2.5% per year (50% maximum)
- Beginning the 21st year all years of service convert to 3% per year (90% maximum)

Example #1 for Fire:

If you have 10 years of City service and your final compensation was \$10,000 per month, your benefit would be:

$$10 \text{ years} \times 2.5\% = 25\%$$

$$\text{Total \% of FAS} = 25\%$$

$$\$10,000 \times 25\% = \underline{\$2,500 \text{ Monthly Retirement Allowance}}$$

[S]MC 3.36.1640(E)(5)]

Example #2, for Fire:

If you have 28 years of City service and your final compensation was \$10,000 per month, your benefit would be:

$$28 \text{ years} \times 3\% = 84\%$$

$$\text{Total \% of FAS} = 84\%$$

All years convert to 3% after 20 years of service

$$\$10,000 \times 84\% = \underline{\$8,400 \text{ Monthly Retirement Allowance}}$$

[S]MC 3.36.1640(E)(5)]

Survivorship Benefits if you Separate From City Service and die Before Becoming Eligible to Receive Benefits

If you separate from City service and choose to leave your contributions in the retirement fund, but die before you reach 55 years of age and before 20 years have elapsed since you first became a member of this system, your eligible survivors or your estate will receive a return of your contributions, plus interest as earned by the plan not exceeding 2% per year. Your survivors will receive a minimum of \$1,000.

[S]MC 3.36.1680]

The following persons are eligible for the return of contributions:

Surviving Spouse or Surviving Domestic Partner

This is the person to whom you were married or in a domestic partnership with at the time of your death and who survives your death.

[S]MC 3.36.1680 & 3.36.1250(B)(1),(2)]

Surviving Children

If there is no surviving spouse or surviving domestic partner at the time of your death, your natural or adopted children who meet all of the following requirements will receive the benefit:

- The child survives your death;
- The child is neither married nor a member of a domestic partnership at the time of your death;
- The child is under the age of 18 years at the time of your death; and
- If the child is adopted, the adoption was completed prior to your death.

[S]MC 3.36.1680 & 3.36.1250(B)(3)]

Your estate will receive the return of your contributions if you die without a surviving spouse or surviving domestic partner or eligible surviving child(ren) as defined above.

[S]MC 3.36.1680 & 3.36.1250(F)]

Survivorship Benefits if you Separate From City Service Before Retirement and if you die After Becoming Eligible to Receive Benefits, but Before Starting to Receive a Retirement Allowance

If you die after becoming eligible to receive a monthly benefit, but before you begin to receive a retirement allowance, the following persons will be eligible to receive a survivorship allowance:

Surviving Spouse or Surviving Domestic Partner

The person to whom you were married or in a domestic partnership with at the time of your death and who survives your death.

[S]MC 3.36.1200(B)(1),(2)]

Surviving Children

Your natural or adopted children who meet all of the following requirements:

- The child survives your death;
- The child is neither married nor a member of a domestic partnership at the time of your death;
- The child is under the age of 18 years at the time of your death;
- The child is in existence or conceived at the time of the deceased person's death; and
- If the child is adopted, the adoption was completed prior to your death.

[S]MC 3.36.1200(B)(3)]

If you have children who are over 18, but under the age of 22, at the time of your death, they may qualify for a surviving child's school allowance.
[S]MC 3.36.1660(C)]

Survivorship Allowance to Surviving Spouse or Surviving Domestic Partner

If you have an eligible surviving spouse or surviving domestic partner at the time of your death, your surviving spouse or surviving domestic partner will receive a monthly allowance until he or she dies, remarries, or establishes a domestic partnership. However, under the following situations the surviving spouse or domestic partner can remarry or establish a domestic partnership and continue receiving benefits:

- If the member died or retired as of 10/1/99; or
- If at the time of death the member was at least 55 years old with at least 20 years of service (or 30 years of service regardless of age).

The surviving spouse or surviving domestic partner's monthly allowance will be calculated as follows:

$$\text{Years of Service} \times 1.875\% \times \text{Final Compensation (max of 37.5\%)}$$

For example, if you left City service with 15 years of service, 20 years have elapsed from your date of entry into the Retirement System, and your final compensation was \$10,000 per month, the survivorship allowance would be:

$$15 \text{ years of service} \times 1.875\% = 28.125\%$$

$$28.125\% \times \$10,000 = \underline{\$2,812.50 \text{ Monthly Survivorship Allowance}}$$

[S]MC 3.36.1660(B) (1)]

Survivorship Allowance to Surviving Children if you die While Eligible for Benefits, but Before Starting to Receive Them

If you have eligible children at the time of your death, they will receive a survivorship allowance until they reach the age of 18. They may continue to be eligible until age 22 if they are full-time students and meet the qualifications for a school allowance. The survivorship allowance will be as follows:

One Child: Years of Service x 1.25% x Final Compensation
(the monthly allowance cannot exceed 25% of your final compensation).

Two Children: Years of Service x 1.875% x Final Compensation
(the combined monthly allowance to both children cannot exceed 50% of your final compensation).

Three or More Children: Years of Service x 2.5% x Final Compensation
(the combined monthly allowance to all surviving children cannot exceed 75% of your final compensation).

Example #1, if you separate from the City and then die while eligible for retirement benefits, but prior to collecting the retirement benefits and you had 15 years of service and your final compensation was \$10,000 per month, the monthly child survivorship allowance for one child would be:

$$15 \text{ years} \times 1.25\% = 18.75\% \\ \text{Total \% of FAS} = 18.75\%$$

$$\$10,000 \times 18.75\% = \underline{\$1,875 \text{ Monthly Child Survivorship Allowance}}$$

Example #2, if you separate from the City and then die while eligible for retirement benefits, but prior to collecting the retirement benefits and you had 15 years of service and your final compensation was \$10,000 per month, the monthly child survivorship allowance for two children would be:

$$15 \text{ years} \times 1.875\% = 28.125\% \\ \text{Total \% of FAS} = 28.125\%$$

$$\$10,000 \times 28.125\% = \underline{\$2,812.50 \text{ Monthly Child Survivorship Allowance}}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,406.25/month (\$2,812.50/2=\$1,406.25).

Example #3, if you separate from the City and then die while eligible for retirement benefits, but prior to collecting the retirement benefits and you had 15 years of service and your final compensation was \$10,000 per month, the monthly child survivorship allowance for three (or more) children would be:

$$15 \text{ years} \times 2.5\% = 37.50\% \\ \text{Total \% of FAS} = 37.50\%$$

$$\$10,000 \times 37.50\% = \underline{\$3,750 \text{ Monthly Child Survivorship Allowance}}$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,250/month (\$3,750/3=\$1,250).

[SJMC 3.36.1660(B)(2), 3.36.1660(B)(3) & 3.36.1660(B)(4)]

Benefit Limitation

The maximum amount of all monthly allowances payable to your surviving spouse or surviving domestic partner and surviving children cannot exceed 75% of your final compensation. If necessary, your children's survivorship allowance will be

reduced so that the total benefit to your surviving spouse or surviving domestic partner and children does not exceed 75% of your final compensation.

No Surviving Spouse, Surviving Domestic Partner, and no Surviving Children

If you die without leaving an eligible surviving spouse or surviving domestic partner or eligible surviving children, your estate will be entitled to receive your accumulated contributions to the retirement fund, plus interest as earned by the fund not exceeding 2% per year.

[S]MC 3.36.1660(A)(2)]

Survivorship Benefits if You Die After You Begin Receiving Monthly Benefits and You Separated from City Service Before Retirement

Your survivors may be entitled to benefits if you die after beginning to receive a monthly retirement allowance. The following persons will be eligible to receive benefits:

Surviving Spouse or surviving domestic partner:

The person to whom you were married or in a domestic partnership with at the time of your death and at the time you began to receive your retirement allowance.

[S]MC 3.36.1230(B)(1),(2) & 3.36.1670(A),]

Surviving Children:

Your natural or adopted child and/or children who meet all of the following Requirements:

- The child survives your death; and
- The child is neither married nor a member of a domestic partnership at the time of your death; and
- The child is under the age of 18 years at the time of your death; and
- The child is in existence or conceived at the time you began receiving your benefits; and
- If the child is adopted, the adoption was completed prior to the date you began receiving your benefits.

[S]MC 3.36.1230(B) & 3.36.1670(D)]

If you have children who are over 18, but under the age of 22 at the time of your death, they may qualify for a surviving child's school allowance. Please see the chapter on Surviving Child's School Allowance for more details on the Surviving Child's benefits.

[S]MC 3.36.1670(C)]

Survivorship Allowance to Surviving Spouse or Surviving Domestic Partner:

If you have a surviving spouse or surviving domestic partner at the time of your death, your surviving spouse or surviving domestic partner will be eligible for a monthly allowance until he or she dies. The monthly allowance will be calculated as follows:

$$\text{Years of Service} \times 1.875\% \times \text{Final Compensation (max of 37.5\%)}$$

For example, if you left City service with 15 years of service (20 years have elapsed from your date of entry into the Retirement System) and your final compensation was \$10,000 per month, the survivorship allowance would be:

$$\begin{aligned} 15 \text{ years of service} \times 1.875\% &= 28.125\% \\ 28.125\% \times \$10,000 &= \underline{\$2,812.50 \text{ Monthly Survivorship Allowance}} \end{aligned}$$

The monthly allowance cannot exceed 37.5% of your final compensation.

[S]MC 3.36.1670 (B)(1)]

Survivorship Allowance to Surviving Children:

One Child: Years of Service x 1.25% X Final Compensation = Allowance
The monthly allowance cannot exceed 25% of your final compensation.

Two Children: Years of Service x 1.875% x Final Compensation = Allowance
The combined monthly allowance to children cannot exceed 50% of your final compensation.

Three or More Children: Years of Service x 2.5% x Final Compensation
The combined monthly allowance to all surviving children cannot exceed 75% of your final compensation

Example #1, if you left City service with 15 years of service (20 years have elapsed from your date of entry into the Retirement System) and your final compensation was \$10,000 per month, the monthly child survivorship allowance for one child would be:

$$\begin{aligned} 15 \text{ years} \times 1.25\% &= 18.75\% \\ \text{Total \% of FAS} &= 18.75\% \end{aligned}$$

$$\begin{aligned} \$10,000 \times 18.75\% &= \underline{\$1,875 \text{ Monthly Child Survivorship Allowance}} \\ &(\text{Monthly allowance cannot exceed 25\% of your final compensation}) \end{aligned}$$

Example #2, if you left City service with 15 years of service (20 years have elapsed from your date of entry into the Retirement System) and your final compensation was \$10,000 per month, the monthly child survivorship allowance for two children would be:

$$15 \text{ years} \times 1.875\% = 28.125\% \\ \text{Total \% of FAS} = 28.125\%$$

$$\$10,000 \times 28.125\% = \underline{\$2,812.50 \text{ Monthly Child Survivorship Allowance}} \\ (\text{Monthly allowance cannot exceed 50\% of your final compensation})$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,406.25/month ($\$2,812.50/2=\$1,406.25$)

Example #3, if you left City service with 15 years of service (20 years have elapsed from your date of entry into the Retirement System) and your final compensation was \$10,000 per month, the monthly child survivorship allowance for three (or more) children would be:

$$15 \text{ years} \times 2.5\% = 37.50\% \\ \text{Total \% of FAS} = 37.50\%$$

$$\$10,000 \times 37.50\% = \underline{\$3,750 \text{ Monthly Child Survivorship Allowance}} \\ (\text{Monthly allowance cannot exceed 75\% of your final compensation})$$

Note: The survivorship amount is divided equally among each child; in this example each child would receive \$1,250/month ($\$3,750/3=\$1,250$)

[S]MC 3.36.1670(B)(2), 3.36.1670(B)(3) & 3.36.1670(B)(4)]

Survivorship Allowance to Surviving Spouse or Surviving Domestic Partner: Benefit Limitation

The maximum amount of all monthly allowances payable to your surviving spouse or surviving domestic partner and surviving child or children cannot exceed 75% of your final compensation. If necessary, your children's survivorship allowance will be reduced so that the total benefit to your surviving spouse or surviving domestic partner and surviving child or children does not exceed 75% of your final compensation.

No Surviving Spouse or Surviving Domestic Partner and no Surviving Children:

If you die after starting to receive monthly benefits, but you do not have an eligible surviving spouse or surviving domestic partner or eligible surviving child or children, your estate will receive a total death benefit of \$1,000.

[S]MC 3.36.1670(A) & 3.36.1230(E)]

Cost of Living Adjustment

All monthly allowances described in this chapter qualify for cost of living increases. Please refer to chapter 17 for more information.

[S]MC 3.36.1690]

Medical Insurance Eligibility if you Separated From City Service Prior to Retirement

If you separate from City service prior to retirement, you may be eligible to receive medical benefits once you start receiving a monthly allowance. To be eligible you must meet all the following qualifications:

- Separation from City service must be after July 5, 1992;
- At the time of separation, you have 20 or more years of retirement services credit;
- You elect to leave your contributions in the retirement plan; and
- You apply for medical insurance coverage within 30 days of first receiving your monthly allowance.

[S]MC 3.36.1900(C) & 3.36.1920(A)(2)]

Medical Benefits for your Spouse or Domestic Partner if you Separated From City Service Prior to Retirement

Your spouse or domestic partner (DP) will be eligible to receive medical benefits under either of the following conditions:

1. You are married or a member of a domestic partnership at the time of retirement; or
2. You get married or establish a domestic partnership after retirement, and you apply to add your spouse or domestic partner within thirty (30) days of the marriage or establishment of a domestic partnership or during open enrollment.

If you get married or establish a domestic partnership after beginning to receive a monthly allowance, the coverage for your spouse or domestic partner will last only until your death. Your spouse or domestic partner qualifies for continued medical coverage after your death as a “surviving spouse” or “surviving domestic partner” only if you were married or a member of an established domestic partnership at the time of retirement.

[S]MC 3.36.1920(C)(D) & 3.36.1230(B)(1)(2)]

Medical Benefits for Your Survivors if you Separate From City Service

Your surviving spouse or surviving domestic partner, and/or surviving child(ren) are eligible to receive medical benefits if they meet the following requirements:

- You separate from City service after July 5, 1992;
- At the time of separation, you had 20 or more years of retirement service credit;
- After your death, your survivors are eligible for, and begin receiving a monthly allowance described in this chapter;
- At the time of your death, you and your survivor(s) were enrolled in one of the medical insurance plans sponsored by the City;
- Your survivor applies to continue medical insurance coverage within 60 days of your death; and
- Your survivor agrees to pay any applicable premiums.

[S]MC 3.36.1910(B) & 3.36.1920(B)]

Your surviving spouse/DP will be eligible for single coverage. If there is an eligible surviving child(ren), your surviving spouse/DP will be eligible for family coverage.

[S]MC 3.36.1920(E)]

Cost of Medical Insurance

You will be required to pay the portion of the premium that is not paid by the Medical Trust Fund (Fund). The fund pays the full premium of the active employee lowest cost medical plan.

[S]MC 3.36.1930(C)(2),(D)]

Dental Insurance Eligibility if you Separated from City Service Prior to Retirement

If you separate from City service prior to retirement, you may still be eligible to receive dental benefits once you start receiving a monthly allowance. To be eligible you must meet all the following qualifications:

- Separation from City service must be after July 5, 1992;
- At the time of separation, you have 20 or more years of retirement service credit;
- You elect to leave your contributions in the retirement plan; and

- You apply for dental insurance coverage within 30 days of first receiving your monthly allowance.

[S]MC 3.36.2000(C) & 3.36.2020(A)(2)]

Dental Benefits for Your Spouse or Domestic Partner if you Separated From City Service Prior to Retirement

Your spouse/DP may also be eligible to receive dental benefits even if you marry or establish a domestic partnership after you start to receive your monthly allowance. You must apply to add your spouse/DP in accordance with the terms of the eligible dental plan.

If you get married or establish a domestic partnership after beginning to receive a monthly allowance, the dental coverage for your spouse/DP will last only until your death. Your spouse/DP qualifies for continued dental coverage after your death as a “surviving spouse” or “surviving domestic partner” only if you were married or a member of a domestic partnership at the time of retirement.

[S]MC 3.36.2020(D) & 3.36.1230(B)(1)(2)]

Dental Benefits for Your Survivors if you Separated From City Service Prior to Retirement

Your surviving spouse or surviving domestic partner and/or surviving child(ren) are eligible to receive dental benefits if they meet the following requirements:

- You separate from City service after July 5, 1992;
- At the time of separation, you had 20 or more years of retirement service credit;
- After your death, your survivors are eligible for, and begin receiving, a monthly allowance described in this chapter;
- At the time of your death, you and your survivor(s) were enrolled in one of the dental insurance plans sponsored by the City; and
- Your survivor applies to continue dental insurance coverage within 30 days of your death.

[S]MC 3.36.2010(C) & 3.36.2020(B)]

Cost of Dental Insurance

The cost of dental insurance coverage will be paid in full by the retirement fund.

[S]MC 3.36.2030]

Chapter 14: Surviving Child's School Allowance

Upon your death, your eligible minor children may receive a survivorship allowance until they reach the age of 18 as described in the applicable chapters of this handbook. After age 18, your surviving children may still be eligible to receive an allowance if they meet all of the following conditions:

- Must have reached the age of 18;
- Must not have reached the age of 22;
- Must be neither married nor a member of a domestic partnership; and
- Must be a full-time student at a qualifying educational institution.

[S]MC 3.36.1410]

Definition of a Full-Time Student

The student must be enrolled in a junior college, college, or university in a day or evening non-correspondence course that is at least 13 weeks long and is full-time under the school's standards and practices for day students. The student may also qualify if enrolled in any other educational institution in a day or evening non-correspondence course that is at least 13 weeks long and is full-time under the school's standards and practices for day students with scheduled attendance of at least 20 hours per week.

The 13 week requirement refers to the entire course of study and not a semester, quarter, or summer school session. For example, a two-year junior college course qualifies even though a particular segment of the course lasts less than 13 weeks. A student will not be considered a full-time student if he or she is paid by his or her employer for attending an educational institution as a requirement of the employer or at the employer's request.

[S]MC 3.36.1410(C) & 3.36.1410(D)]

Qualifying Educational Institutions

A qualifying educational institution is a junior college, college, university, or school (including a technical, trade, or vocational school) that meets one of the following requirements:

- An educational institution that is operated or directly supported by the United States, or by any state in the U.S., or by any local government or political subdivision of the U.S.;
- An educational institution that is approved by a state or accredited by a state or nationally recognized accrediting agency or body; or
- An educational institution whose credits are accepted, on transfer, by not less than three institutions which have been accredited by a state recognized or nationally recognized accrediting agency. [S]MC 3.36.1410(A)]

Periods of Non-Attendance

A student who has been in full-time attendance may still be considered to be in full-time attendance during a period of time that he or she is not attending school (such as summers) as long as the period of non-attendance is less than four consecutive months. The student must establish that he or she is or intends to be in full-time attendance during the month following the period of non-attendance. A student does not qualify if the reason for non-attendance is due to expulsion or suspension from school.

[S]MC 3.36.1430]

Duration of School Allowance

As long as an eligible surviving child continues to meet the conditions described above, the school allowance continues until the month before the month in which any of the following events first occurs:

- The child dies;
- The child marries or becomes a member of a domestic partnership;
- The child turns 22 years of age; or
- The child is no longer a full-time student.

[S]MC 3.36.1440]

Amount of School Allowance

The amount of the monthly school allowance is calculated in the same manner as the applicable surviving child's allowance described in this handbook in chapter 6, chapter 8, and chapter 11.

[S]MC 3.36.1450]

Reporting Requirements

To continue receiving a monthly survivorship allowance, as well as medical and dental coverage, students must verify their eligibility. Each semester (or quarter), students must submit a copy of the school registration or a letter from the school that states that the student is attending on a full-time basis. Students must also send in a monthly statement of school attendance. Failure to provide the monthly statements and copies of school registration will result in termination of the monthly school allowance.

[S]MC 3.36.1400]

Chapter 15: Service Purchases

This chapter summarizes the various types of Service Purchase options available. The Police and Fire Retirement Plan offers a number of Service Purchase options which are defined in the San Jose Municipal Code. Service Purchases can assist you in meeting eligibility requirements for retirement and, depending on the type of service purchases elected, may increase your retirement allowance. It is important to note that there are limitations on your eligibility to make service purchases, so please read this chapter carefully to determine if you are eligible for a service purchase.

It is important to begin the Service Purchase process well before you have applied for retirement. All service purchases must be paid in full before the Retirement Plan member retires, except for the Military Service Purchase. Each type of service purchase may have different payment options, which will be explained at the time your estimate is provided to you. Depending on the type of service purchase selected, the following payment options may be available: rollover payment from your deferred compensation account, personal check, and bi-weekly post-tax payroll deductions or a combination of two or more- lump sum and installments.

Summary of Service Purchases

SERVICE PURCHASE OF LEAVE OF ABSENCES (LOA) (§3.36.717)	A Police member may purchase eligible unpaid LOA service time. Must be a member on or after July 1, 2006. Cost is actuarially calculated, and no cost to the Plan. DOES NOT COUNT TOWARDS MEDICAL OR DENTAL COVERAGE.
"REGULAR" REHIRE REDEPOSIT (§3.36.710.B-D.)	Newly rehired P&F member can redeposit prior withdrawn contributions. Cost is the total of withdrawn contributions plus 2% per year of interest.
"PRIOR" REHIRE REDEPOSIT **POLICE ONLY** (§3.36.710.I.1-3)	A Police member , who, as of July 1, 2006, has not redeposited prior withdrawn contributions from when they were originally re-hired. Cost is the total of withdrawn contributions plus actual earned interest rate per year.
RECIPROCITY REDEPOSIT (§3.36.3030)	A reciprocity eligible former P&F member can redeposit prior withdrawn contributions if their reciprocal transfer between agencies took place after 09/30/1994.
DOMESTIC RELATIONS ORDER (DRO) REDEPOSIT (§3.36.3620)	A P&F member can redeposit DRO contributions withdrawn by an alternate payee (ex-spouse). Cost is the total of withdrawn contributions plus actual earned interest rate per year. Must elect within 5 years of notification.
"REGULAR" TRANSFER BETWEEN P/F AND FED (§3.36.610.D.1.2 & §3.36.615)	A P&F member "newly" transfers from the Federated plan to the Police and Fire plan, and has terminated Federated membership, may elect within 90 days to redeposit their Federated service into the Police and Fire plan. Cost is the Federated contributions plus additional contributions to make the P&F Plan whole, plus interest on accumulated contributions at 2% per year.

<p>"PRIOR" TRANSFER BETWEEN P/F AND FED (3.36.610.D.3 & §3.36.615)</p>	<p>A Police member, on or after July 1, 2006, who has not redeposited their prior Federated service, as described in §3.36.610.D.1.a-c, can redeposit into the Police and Fire plan. Cost is the Federated contributions plus additional contributions to make the P&F Plan whole, plus interest on accumulated contributions at the actual rate earned per year.</p>
<p>MILITARY SERVICE PURCHASE (S)MC 3.36.3700)</p>	<p>A P&F member who retires on or after August 21, 2001, may purchase service credit in the Plan for eligible prior service with the Armed Forces or the Merchant Marine of the United States. Please see below for additional details regarding "eligible" military service. DOES NOT COUNT TOWARDS MEDICAL OR DENTAL COVERAGE.</p>

"Regular" Rehire Redeposit Contributions (Available to Police & Fire Members)

A newly rehired Retirement Plan member can redeposit their prior withdrawn contributions. If you elect this option, you must pay the total amount of previous contributions you withdrew. The cost of the redeposit will include the total amount of previously withdrawn contributions plus interest compounded at 2% per year from the date you withdrew the contributions until the date the contributions are redeposited. If you are eligible Retirement Services will notify you with a letter mailed to your residence. It is important to note that you will have 90 days from the initial notification from Retirement Services to make the "Regular" Rehire Redeposit. If you do not elect this purchase within such time, it will be deemed that you have declined the "Regular" Rehire Redeposit.

[S]MC 3.36.710.B-D]

"Prior" Rehire Redeposit Contributions (Only Available to Police Members)

A member of the Police Department, who, as of July 1, 2006, has not yet redeposited prior withdrawn contributions after being rehired by the City is eligible to redeposit at any time prior to retirement. The cost of the redeposit will include the total amount of previously withdrawn contributions plus the actual earned rate of interest compounded for every year beginning from the date you withdrew the contributions until the date the contributions are redeposited. If you are eligible please contact the Office of Retirement Services for your Prior Rehire Redeposit Service Purchase Estimate.

[S]MC 3.36.710.I.1-3]

“Regular” Transfer of Contributions to Police and Fire Retirement Plan From the Federated System (Available to Police and Fire Members)

A Police and Fire Retirement Plan member who has "newly" transferred from the Federated plan to the Police and Fire plan, and has ceased Federated membership, may elect within 90 days to transfer their Federated service into the Police and Fire Plan. This transfer includes the transfer of Federated employee contributions.

If you elect this option, you must pay into the Police and Fire Plan the amount of money equal to what your Police and Fire contributions would have been if you had been a member of the Police and Fire Plan during all of your service in the Federated City Employees Retirement System, plus interest at 2% per year. If you are eligible Retirement Services will notify you with a letter mailed to your residence. It is important to note that you will have 90 days from the initial notification from Retirement Services to make the Transfer Service Purchase. If you do not elect this purchase within such time, it will be deemed that you have declined the Transfer Service Purchase.

[S]MC 3.36.610.D.1.2 & 3.36.615]

“Prior” Transfer of Contributions to Police and Fire Retirement Plan From Federated System (Only Available to Police Members)

Police members who, on or after July 1, 2006, have not transferred their prior Federated service, as described above in the Regular Transfer of Contributions to the Police and Fire Plan from the Federated System can still transfer their service into the Police and Fire plan. This transfer includes the transfer of employee contributions from the Federated System.

If you elect this option, you must pay into the Police and Fire Plan the amount of money equal to what your Police and Fire Plan account would have been had you been a member of the Police and Fire Plan during all of your service in the Federated City Employees Retirement System, plus actual earned interest amounts. If you are eligible please contact the Retirement Services for your Prior Transfer Service Purchase Estimate.

[S]MC 3.36.610.D.1.2 & 3.36.615]

Service Purchase of Leave of Absences (Only Available to Police Members)

Police members can purchase eligible previously incurred unpaid Leave of Absence (LOA) service time. The cost of this purchase is actuarially calculated. The member must pay for the actuarial calculation. The service credit purchased for the LOA is

not counted towards vesting for medical or dental coverage. If you are eligible please contact Retirement Services for your LOA Service Purchase Estimate. [S]MC 3.36.717]

Domestic Relations Order Redeposit (Available to Police and Fire Members)

If an active Police or Fire member's retirement account is divided via a Domestic Relations Order (DRO) due to a divorce or dissolution of domestic partnership, the Police and Fire member can redeposit DRO contributions if withdrawn by their ex-spouse. The cost of the redeposit will include the total amount of contributions withdrawn by your ex-spouse plus the actual earned rate of interest for every year from the date your ex-spouse withdrew the contributions until the date the contributions are redeposited. If election for this redeposit is made it must be paid in full before retirement. If it is not paid in full before retirement the member will not receive the years of service credit earned through the redeposit; they will only receive the redeposited contributions. If you are eligible Retirement Services will notify you with a letter mailed to your residence. It is important to note that you will have five years from the initial notification from Retirement Services to elect the DRO Redeposit. If you do not elect to redeposit within such time, it will be deemed that you have declined the DRO Redeposit. [S]MC 3.36.3620]

Military Service Purchase (Available to Police and Fire Members)

If a Police and Fire member retires on or after August 21, 2001, they may purchase service credit in the Plan for eligible prior service with the Armed Forces or the Merchant Marine of the United States. The election of this purchase must be made within 30 days after filing for retirement. The cost of this purchase is actuarially calculated and will include all additional benefits that accrue to the member or the member's survivors who purchase military service. The Police and Fire Retirement Plan shall pay for one actuarial calculation for purchasing military service. The actuarial determination is good for 30 days. If the member does not retire within the 30 days of the actuarial study, the member shall pay for any additional calculations.

In addition, "eligible" military service must satisfy the following conditions:

- The military service was performed prior to the member's first employment by the City of San Jose;
- The member does not receive any service credit toward a military pension for the same period of time;
- The member does not receive any service credit in a reciprocal system for the same period;

- The military service is continuous; and
- The military service for which the member elects to purchase service credit does not exceed four years.

The service credit purchased through the Military Service Purchase is not counted towards vesting for medical or dental coverage. If you are eligible for a Military Service Purchase please contact Retirement Services.

[S]MC 3.36.3700]

Reciprocity Redeposit Contributions (Available to Police and Fire Members)

A former member of the Police and Fire Plan who is eligible for reciprocity can redeposit previously withdrawn contributions if their transfer between reciprocal agencies took place after 09/30/1994. The cost of the redeposit will include the total amount of previously withdrawn contributions plus the actual earned rate of interest for every year from the date you withdrew the contributions until the date the contributions are redeposited. If election for redeposit is made it must be paid in full before retirement. If you are eligible please Contact Retirement Services for your Reciprocity Redeposit Estimate.

[S]MC 3.36.3030]

Chapter 16: Reciprocity

This chapter covers various topics related to reciprocity, including: general eligibility requirements, benefits, redeposit provisions, and election process.

Summary

Effective September 30, 1994, the City of San José entered into an agreement with the California Public Employees' Retirement System (PERS) that extends reciprocal benefits to members of the Police and Fire Department Retirement Plan.

Reciprocity is an agreement between the City and PERS that in certain situations results in improved retirement benefits for persons who move from one eligible retirement system to another. It may apply, for example, if you leave San José employment and begin working for a City, County or State agency where you become a member of PERS (or the new employer has a reciprocal agreement with PERS). Reciprocity also may apply if you formerly worked for a reciprocal agency and joined the San José Police & Fire Department Retirement Plan upon leaving the reciprocal system.

Reciprocity does not mean that your contributions or retirement credit will be transferred from one system to another. You are still subject to the rights and obligations of each system. At retirement, you may be eligible to receive retirement benefits from more than one system, and you will receive separate checks from each system.

This chapter describes the reciprocity provisions that are part of the San José Police and Fire Department Retirement Plan. These provisions will apply when you are eligible for reciprocal benefits from San José. Although San José adopted the uniform reciprocal provisions requested by PERS, other reciprocal systems (including PERS) may have different provisions. You should contact the reciprocal system to determine the reciprocal benefits of that system to which you may be entitled.

General Eligibility Requirements

1. You must join the San José Police & Fire Department Retirement Plan within six months of terminating employment with a reciprocal system or you must join a reciprocal system within six months of terminating City of San José employment.
2. There cannot be any concurrent (overlapping) service in two retirement systems. An employee cannot receive retirement credit from two systems for the same time. This includes time that is credited (i.e. paid for) even though an employee is not physically working (vacation, for example).

[S]MC 3.36.3010 (A)&(B)]

The full benefits of reciprocity apply only if your transfer between this Retirement Plan and a reciprocal system, or from a reciprocal system to this Retirement Plan, took place after September 30, 1994. If your transfer took place before September 30, 1994, you may only receive the benefit of the use of average monthly salary. This is referred to as “partial reciprocity.”
[S]MC 3.36.3010(B) & (C)]

Benefits of Reciprocity

Right to Leave Contributions on Deposit Regardless of Length of Service

Normally, when leaving City service you must have 10 years of service to be eligible to leave your contributions on deposit. However, if you qualify for reciprocity, you may leave your contributions on deposit with the Police & Fire Department Retirement Plan no matter how many years of service you have credited with the Plan. If you leave your contributions on deposit, you may not withdraw your contributions as long as you are still a member of a reciprocal system.
[S]MC 3.36.3020(A)]

Combining Service in Reciprocal Systems to Meet Minimum Service Requirements

For the purpose of meeting minimum service requirements for qualification to receive benefits, you may be eligible to combine service in this Retirement Plan with service in a reciprocal system.

For example, let’s assume that you have five years of service in this Retirement Plan. If you leave San José employment and join a reciprocal system within six months, you have the right to leave your contributions on deposit with San José. Typically you must have at least 10 years of service in San José and 20 years must have passed since your first day of membership in the plan in order to be eligible to receive a benefit.

This provision will allow you to count your service with a reciprocal system to meet the 10 year requirement. In this example, you will need to work at least five years in a reciprocal system to meet the minimum requirements to receive a benefit from this Retirement Plan. You will then be eligible to receive a pension benefit from San José if you retire concurrently from both systems. **You will only be eligible to receive a pension benefit from San José based on your actual years of service in San José. The combination of service is only used to meet minimum qualifications to receive a monthly benefit.** It cannot be used to meet the minimum service required to receive medical or dental benefits.

To be eligible for reciprocity, you must meet all of the following conditions:

- You must satisfy each reciprocal agencies retirement eligibility rules;
- You must still meet minimum age requirements of this Plan and the reciprocal system;
- You must retire concurrently from this Retirement Plan and the reciprocal system; and
- You must be credited with the service in the reciprocal system.

[S]MC 3.36.3020(D)]

Note: This benefit applies only if your transfer between Retirement Systems takes place after September 30, 1994.

Use of Final Compensation from Reciprocal System

Your final compensation is an important factor in determining how much your retirement benefit will be. If you qualify for reciprocity, the highest final salary in either system will be used by both systems to calculate your benefit.

For example, let's say you have 10 years of service in the San José Police and Fire Department Retirement Plan. You resigned from your position with the City of San Jose on December 31, 1994, and left your retirement contributions on deposit with the Police and Fire Retirement Plan.

When you left, your final compensation was \$2,500 per month. On January 1, 1995, you started working for an agency whose retirement system is administered by PERS. Let's assume that you continued working there for 20 years. Now you are 55 years old and ready to retire. Your final compensation at the PERS agency is \$5,000 per month. What happens?

Without reciprocity, an example of your possible benefits is:

Reciprocal System: $2\% \times 20 \text{ Years} \times \$5,000 = \$2,000$ per month
(Note: 2% is used as an example. The reciprocal system would use whatever percentage applies under its benefit formula).

San José: $2.5\% \times 10 \text{ Years} \times \$2,500 = \$625$ per month

If you qualify for reciprocity, your benefits could be:

Reciprocal System: $2\% \times 20 \text{ Years} \times \$5,000 = \$2,000$ per month

San José: $2.5\% \times 10 \text{ Years} \times \$5,000 = \$1,250$ per month

As you can see in this example, if you meet the qualifications for reciprocity, your benefit from the City of San José could go from \$625 per month to \$1,250 per month. This is because both systems will use your highest final compensation from either employer. Since the final compensation was much higher in the PERS system than the final compensation in San José, both San José and the reciprocal system would use your PERS salary in their formula.

Note: You may also be entitled to this benefit if you had prior PERS service before coming to San José. In addition, the benefit of using a final average salary from a reciprocal system may apply even if your transfer between systems took place before September 30, 1994.

Reciprocal Benefit When Member Receives Disability Allowance From Reciprocal System

If you receive a disability allowance from a reciprocal system, San José will pay a retirement allowance with two limitations:

1. The San Jose Non Service Connected Disability allowance, when added to the amount of the allowance paid by the reciprocal system, cannot be more than what the reciprocal system would have paid for a Non-Service Connected Disability had all of the service been at the reciprocal system; and
2. The San Jose pension cannot be less than an annuity, which is the actuarial equivalent of your San Jose contributions plus interest.

If have the option of the above monthly benefit, a Return of Contributions or if you are eligible a deferred vested benefit.

[S]MC 3.36.3020(E)]

Survivorship or Death Benefits When Member Dies as a Member of a Reciprocal System

The survivorship benefits or death benefits payable if you die from non-service connected causes as a member of a reciprocal system shall not exceed an amount which, when added to the survivorship and death benefits paid to you under the reciprocal system equals the maximum death benefit payable under that system. This is subject to the following limitations:

1. The survivorship and death benefits shall be at least the amount of your accumulated contributions plus the interest accrued at the rate of 2% per year as of the date of death; and
2. If your death is caused by service-connected injury or disease in the reciprocal system, the survivorship and death benefits shall be the amount of your accumulated contributions plus interest accrued at the rate of 2% per year calculated as of the date of death. [S]MC 3.36.3020(F)]

Special Reciprocity Redeposit Provisions

If you are a former member of this Retirement Plan who terminated City employment after September 30, 1994, and withdrew your accumulated contributions and interest, you may be allowed to redeposit those contributions and accrued interest. You may then be eligible for the benefits of reciprocity. To be eligible, you must meet the following requirements:

- You must meet the “General Eligibility Requirements” as detailed in this chapter;
- You must redeposit the amount of the previously withdrawn contributions including interest that would have been earned by the withdrawn contributions at the Retirement Fund’s actual earnings rate; and
- You must redeposit the above amount before retiring from this Plan or from the reciprocal system.

[S]MC 3.36.3030 & 3.36.3010]

Electing Reciprocity

If you leave City service to join a reciprocal retirement system and meet the qualifications for reciprocal benefits, you can elect reciprocity by written request at any time prior to retiring. You should check with the agency you are joining to see if they have any time requirements on claiming reciprocity. The Reciprocity Election Form is available on the Retirement Services Departments Website (www.sjretirement.com). Send the completed Reciprocity Election Form to Retirement Services at the address in the Introduction chapter. You may also find helpful our FAQ on reciprocity on our website.

Chapter 17: Additional Annual Payments

This chapter provides information on additional annual payment to retirees or survivors through an annual cost-of-living adjustment.

Cost of Living Adjustments (COLA)

Determination of Cost-of-Living Adjustment

Effective February 1, 2002, the Police and Fire Retirement Plan will provide a 3% flat rate of cost-of-living adjustment to retirees and survivors.

[S]MC 3.44.150]

On February 1st of every year, your retirement allowance or your survivorship allowance will be adjusted. Cost-of-living increases are compounded.

Cost-of-Living Adjustment Eligibility

To receive the annual cost-of-living increase on February 1st, you must have been retired or a survivor on or before January 31st.

Example #1: If a person retires Jan 31, 2013, they would receive their first COLA on February 1, 2013.

Example #2, if a person retires April 1 2013, they would receive their first COLA on February 1, 2014.

Cost-of-Living Calculation Examples

If you retired on June 1, 2013, with an assumed retirement allowance of \$5,000.00 per month, your cost-of-living adjustment would be calculated as follows.

Example #1:

From June 1, 2013 through January 31, 2014, your retirement allowance will remain \$5,000.00 per month.

On February 1, 2014, you would receive your first cost-of-living adjustment to be calculated as follows:

$3\% \times \$5,000.00 = \150.00 (cost-of-living increase, effective February 1, 2014).

Effective February 1, 2014, your retirement allowance will become \$5,150 per month ($\$5,000.00 + \$150.00 = \$5,150.00$ per month).

From February 1, 2014 through January 31, 2015, your retirement allowance would remain \$5150.00 per month. On February 1, 2015, you would receive your second cost-of-living adjustment to be calculated as follows.

$3\% \times \$5,150.00 = \154.50 (cost-of-living increase, effective February 1, 2015).

Effective February 1, 2015, your retirement allowance would become \$5,304.50 per month ($\$5,150.00 + \$154.50 = \$5,304.50$ per month).

Supplemental Retiree Benefit Reserve (SRBR)

The Supplemental Retiree Benefit Reserve was a program which allowed for the distribution to eligible beneficiaries of the Police and Fire Retirement Fund's excess investment earnings.

However, effective June 24, 2011 City Council has suspended the distribution of funds from the Police and Fire Retirement Plan Supplemental Retiree Benefit Reserve (SRBR).

Chapter 18: Termination of Benefits

This chapter describes the grounds for suspension, cancellation or termination of retirement allowances.

Termination of Retirement Benefits for Treason or Conviction of a Felony

Any and all service or disability retirement allowances may be cancelled and terminated by the Retirement Board, in its sole discretion, if the recipient should commit treason or be convicted of a felony. Such cancellation may not affect survivor's benefits. If a retirement allowance is terminated, the Board may, in its sole discretion, pay to the spouse and/or minor children all or any portion of the retirement allowance while the retiree is alive.

[S]MC 3.36.830 & 3.36.1150]

Termination of Survivorship Benefits for Treason or Conviction of a Felony

Any and all benefits payable to any survivor may be cancelled and terminated by the Retirement Board, in its sole discretion, if the recipient should commit treason or be convicted of a felony.

[S]MC 3.36.1370]

Other Grounds for Termination of Allowances or Benefits

The Board may, in its discretion, permanently terminate or temporarily suspend all or a portion of any allowance or benefit. The Board may do so if the recipient of any allowance or benefit should willfully disobey any lawful order of the Board or willfully violate any provisions of the retirement plan.

[S]MC 3.36.070]

Chapter 19: IRS Limits

This chapter discusses limitations the Internal Revenue Service (IRS) has imposed on pension plan allowances and benefits that employers can pay to their employees under qualified plans such as the Police and Fire Department Retirement Plan. These limitations may reduce the allowance and benefits that you would otherwise receive from the City after you retire.

Internal Revenue Code (IRC) Section 401(a)(17)

Generally, IRC Section 401(a)(17) limits the amount of compensation that may be used to calculate a retirement benefit. The limit may be adjusted annually; the maximum compensation that can be used to calculate your retirement benefit for the current calendar year can be found on our website at www.sjretirement.com under fact sheets. If you earned more than the annual amount in your compensation, Retirement Services will not be able to include the excess in calculating your benefit.

This “compensation cap” applies to your benefits if you become a member of the plan on or after January 1, 1996.

Internal Revenue Code Section 415

Those retirement plans that are not in compliance with Section 415 of the Internal Revenue Code are subject to severe financial penalties, including the loss of tax-exempt status for the retirement plan and immediate annual taxability of each employee’s pretax contributions to the retirement benefits.

If you became a member of this retirement plan on or after January 1, 1990, your benefits are subject to all the limitations of Section 415 of the Internal Revenue Code (IRC). You can find the current year IRC 415(b) maximum on our website at www.sjretirement.com

Section 415 Benefit Limits for Persons Who Became Members Before January 1, 1990

If you were a member of this plan before January 1, 1990, your potential allowance in any given year will be one of the following:

1. Your benefit under the formula in effect as of the day you retire if your benefit is less than the 415 limit; or
2. The maximum allowed by IRC 415 if your benefit exceeds the 415 limit; or
3. No lower than your benefit under the formula in effect on October 14, 1987

IRC Section 415 Benefit Limits for Persons Who Became Members after January 1, 1990

If you were hired on or after January 1, 1990, your retirement allowance will be one of the following:

- Your benefit under the formula in effect as of the day you retire if less than your 415 limit; or
- Your dollar limit set by Section 415 if your benefit is higher.

The maximum benefit payable under Section 415 can be adjusted annually based on national cost-of-living changes.

Note: If you choose a survivorship option that is less than 50% of your benefit your 415(b) limit will be reduced. It is important to note that the current automatic continuance is less than 50% and if chosen, it may decrease your annual 415(B) limit.

Additional IRC Section 415 Limitations

The list below summarizes additional adjustments put into effect by Section 415. These adjustments include that:

- Survivorship benefits may be reduced; and
- Fewer than 10 years of membership in the retirement plan may reduce your 415 limit
- If you choose a survivorship option that is less than 50% of your benefit your 415 limit reduces. It is important to note that for Police employees, the automatic continuance is less than 50% of your benefit.

Chapter 20: Dissolution of Marriage or Domestic Partnership

This chapter explains several ways the community property interest in your pension can be addressed in the event of the dissolution or legal separation of a marriage or registered domestic partnership. You may reach an agreement which awards your pension to you as your sole and separate property or you may divide your pension by means of a Plan Approved Domestic Relations Order. In either case, you must provide the Retirement Services Department with copies of the legal documents which set forth you and your ex-spouse's community property interest in your pension. Retirement Services will need a filed Judgment of Dissolution with all attachments which may include a Marital Settlement Agreement. A filed Plan Approved Domestic Relations Order will be needed if the pension is to be divided.

Note: Under California's community property laws, retirement benefits earned during a marriage or State registered domestic partnership are community property assets. Any questions regarding the rights of your spouse or domestic partner to a community property interest in your retirement benefits must be resolved before your retirement benefits can be issued to you. The Police and Fire Department Retirement Plan is a governmental plan under federal law. It is not subject to the Employee Retirement Income Security Act (ERISA).

Plan Approved Domestic Relations Order (PADRO)

If your pension will be divided you must follow Chapter 3.36 Part 17, of the San Jose Municipal Code which sets forth the requirements for a Plan Approved Domestic Relations Order (PADRO). A PADRO is a court order that establishes the terms and conditions for the division of retirement benefits. These requirements can be found in our *Guidelines for Plan Approved Domestic Relations Orders* which we will provide to you and/or your attorney upon request. You can access the PADRO Guidelines on our website at www.sjretirement.com.

Dividing your pension can be a lengthy process, as there are several legal steps and processes that must be followed. Below is a general description of the necessary steps:

1. You or your attorney must join the Retirement Plan to the Divorce matter.
2. You or your attorney will create a draft Domestic Relations Order and submit it to Retirement Services' for review.
3. If there are no questions or requests for clarification from the Retirement Services' Legal Counsel regarding the draft Domestic Relations Order, your attorney will receive a letter from Retirement Services' Legal Counsel requesting a copy of the filed Domestic Relations Order and a copy of the filed Judgment of Dissolution for final review.

4. You or your attorney will need to submit the filed Domestic Relations Order and a copy of the filed Judgment of Dissolution to Retirement Services for final review.
5. If there are no corrections or clarifications from Retirement Services' Legal Counsel regarding the filed Domestic Relations Order and the filed Judgment of Dissolution, your attorney will receive a letter from Retirement Services' Legal Counsel advising that the Domestic Relations Order and Judgment of Dissolution are acceptable and Retirement Services Staff will be authorized to implement the order (divide the retirement account according to the order).

There are two types of divisions of a retirement account; a Separate Account and a Combined Account. Each type of account has its own set of rules and requirements. Below is a general description of each type of division. For more detailed information on the rules and requirements, and calculations of each type of division, for a copy of the Guidelines for Plan Approved Domestic Relations Orders please visit our website at www.sjretirement.com.

Combined Account Domestic Relations Order (CADRO)

In the Combined Account Domestic Relations Order (CADRO), the Retirement Plan maintains one account. When the member retires, the Plan pays a portion of the monthly benefit to each person. Typically, each person's share of the community property interest in the retirement benefit is calculated as a percentage. The calculation is done at the time of the participant's retirement, and the percentage is then applied to each monthly retirement benefit when the benefit is paid. If you are already retired or separated from City service, the only option available is the Combined Account Option.

Separate Account Domestic Relations Order (SADRO)

In the Separate Account Domestic Relations Order (SADRO), the member's retirement account is divided at the time of the marital dissolution and a separate account is established in the name of the ex-spouse. The member's service credit earned and the associated employee contributions (plus interest) accrued during the marriage or domestic partnership is divided between the member's account and the ex-spouse's account. The division is determined using the method specified in the SADRO. The Separate Account division is available only if the member is an active City Employee; members who have retired or separated from City service are not eligible.

If you are going through a divorce and/or will be dividing your retirement account, the Retirement Services Department cannot issue any retirement benefits until the community property interest in your pension is resolved and all of the legal

documents (Judgment of Dissolution and/or DROs) are received and approved by Retirement Services' Legal Counsel.

21: Other Retirement Benefits not Administered by Retirement Services

This chapter contains information on other retirement benefits not administered by the Retirement Services Department, including deferred compensation, sick leave payout, continuation of certain insurance policies through San Jose Police Officers' Association or International Association of Firefighters, and the opportunity for membership in the Association of Retired San Jose Police Officers and Firefighters.

Deferred Compensation Program

The City of San Jose's Deferred Compensation Plan is a governmental deferred compensation plan defined by Section 457(b) of the Internal Revenue Code, commonly called a 457 deferred compensation plan. Deferred compensation plans allow employees to supplement any existing retirement or pension benefits by saving and investing before-tax dollars (Traditional 457(b)) or after tax dollars (Roth 457 (b)) through voluntary salary deferral. For a Traditional 457(b) account, contributions and any earnings are tax-deferred until money is withdrawn, usually during retirement when the retiree is typically in a lower tax bracket than while working. Both options are a voluntary benefit and provide a convenient way for City employees to save money for retirement.

For more information about your Deferred Compensation Account please contact VOYA at (408) 881-0110. VOYA requests that you contact them regarding your Deferred Compensation Account at least 30 days prior to your retirement date.

Sick Leave Payout

Certain union members may receive a sick leave payout at the time of retirement or death if they have at least 20 years of service and meet other eligibility requirements. Please reference your union's current Memorandum of Agreement (MOA) for further details. You can locate your union's current MOA on the [Office of Employee Relations](#) website.

Note: If a retiree is granted a change in status from a Service Retirement to a Disability Retirement, they are required to pay back the difference between the Service Retirement and the Disability Retirement Sick Leave Payout. This repayment is due immediately in a lump sum payment to the City of San Jose.

The Payroll Division of the Finance Department issues the sick leave pay out. All questions regarding the sick leave payout should be addressed to Payroll in the Finance Department at (408) 535-7070.

San Jose Police Officers' Association (SJPOA)

If you are a member of the SJPOA you may be eligible to continue certain insurance policies (life insurance, accidental death insurance, etc.) that you had through the SJPOA. Please contact the SJPOA at (408) 298-1133 to find out more about continuing such benefits in retirement.

International Association of Fire Fighters (IAFF)

If you are a member of the IAFF you may be eligible to continue certain insurance policies (life insurance, accidental death insurance, etc.) that you had through the IAFF. Please contact the IAFF at (408) 286-8718 to find out more about continuing such benefits in retirement.

Association of Retired San Jose Police Officers and Firefighters

If you would like to be a member of the Association of Retired San Jose Police and Firefighters once you have retired please contact the Association for information on how to join.

Chapter 22: Glossary

Following is an explanation of the terms used in this handbook.

ACCUMULATED CONTRIBUTIONS

“Accumulated Contributions” means the sum of all contributions made by a member and standing to the credit of a member’s individual account. Accumulated contributions do not include contributions or interest the City makes to the plan on your behalf.

[S]MC 3.36.020.1]

ACTUARIAL EQUIVALENT

A benefit of equal value when computed based on mortality tables and interest. For example, if you choose an option that pays you a lower retirement allowance in return for your spouse or domestic partner receiving a higher survivorship allowance, the total benefit is an actuarial equivalent. In other words, the total payments to you and your spouse are calculated to be equal under any option that you may choose.

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ACTUARY

The Retirement Board’s actuary is a statistician who compares economic and demographic assumptions with the actual experience of the Retirement Plan. The actuary then determines the projected liabilities and makes recommendations for the City and Member contribution rates. The actuary is also responsible for analysis and cost estimates of any proposed plan changes.

COMPENSATION

Compensation includes your base salary, including all paid leaves (sick leave, paid holidays, paid vacation leave, and paid compensatory time). It also includes Federal Labor Standards Act (FLSA) premium pay, Emergency Medical Technician (EMT) pay, anti-terrorist pay and Police Officer Standards and Training (POST) pay. It does not include overtime, lump sum compensatory time payoffs, higher class pay, uniform allowances, travel allowances, or any other special pays.

[S]MC 3.36.020.3]

FINAL COMPENSATION

Final Compensation is your highest average monthly compensation during any 12 consecutive months of City service for which you are receiving credit in this retirement plan. It may not exceed 108% of your compensation paid or payable to you during the 12 months immediately preceding your last 12 months of City service. Your final compensation is used for the purpose of determining the amount of your monthly retirement allowance.

[S]MC 3.36.020.5(B)(2)]

HEARINGS

The Retirement Board has the discretion to hold a hearing to determine any question involving any right, benefit or obligation of the Retirement Plan. If the Board has not held a hearing with regard to such determination, anyone affected by the determination may petition the Board in writing for a hearing. The request for a hearing must be filed within 30 days of the Board's determination. After the hearing, the Board may affirm, reverse, or modify its prior determination.

[S]MC 3.36.450]

MEMBER

Any person included in the membership of this Retirement Plan. Appointment to a full-time, sworn position in the Police or Fire Department of the City of San José confers membership in this plan as of the date of appointment. Recruits are not members of this plan until they have finished the academy and have begun paying contributions.

[S]MC 3.36.150 – 3.36.280]

MORTALITY TABLE

A table detailing the expected life span and expected number of annual deaths of retirement system members. The tables used are noted in the Municipal Code under section 3.36.1466.

RECIPROCITY

An agreement effective on September 30, 1994, between the City of San José and the California Public Employees' Retirement System (CalPERS) that in certain situations results in improved retirement benefits for persons who move from one retirement system to the other.

[S]MC [3.36.3000-3.36.3070]

REGISTERED DOMESTIC PARTNERSHIP

A legal recognition of the committed, marriage like partnership of a couple. The Domestic Partnership must be registered with the California Secretary of State (documentation must include a Domestic Partnership Certificate & a Notarized Declaration of Domestic Partnership) and the Domestic Partnership must meet all Domestic Partnership eligibility requirements under California State law (example: for an opposite sex couple one person must be at least age 62).

RETIREMENT ALLOWANCE

The monthly service retirement allowance or disability allowance you receive after you retire. An allowance may also be called a pension.

[S]MC 3.36.020.10]

RETIREMENT BOARD

The Retirement Board is composed of the trustees responsible for managing the Retirement Fund. The Retirement Board consists of two City employees elected by members of the system, two Retired Plan members elected by the Retiree Associations, four public members, who are not connected with the City, and another public member, who is selected by the eight Board members and approved by the City Council. The Board is appointed by the City Council and serves in accordance with Section 2.08, Part 12 of the San Jose Municipal Code.

RETIREMENT SERVICE CREDIT

The period of time for which retirement plan members work as full-time, sworn employees of the City's Police or Fire Department and were enrolled in the Retirement Plan. It includes regular full-time service, eligible active military service, and absence from work with full compensation (paid administrative leave, paid compensatory time, paid disability leave, paid holidays, paid sick leave, paid vacation, etc.).

[S]MC 3.36.610]

You do not receive service credit for any period of time during which you are absent from City service without pay.

[S]MC 3.36.670]

Service credit does not include any service for which you receive any credit under any other retirement system or plan supported wholly or in part by any funds of the City of San Jose.

[S]MC 3.36.690]

You accrue retirement service credit for each hour worked, up to a maximum of 2,080 hours of credit per calendar year (2,080 hours equals one year of full-time employment).

SAN JOSÉ MUNICIPAL CODE

The body of laws governing the City of San José and the Police and Fire Retirement Plan.

SURVIVING CHILD/CHILDREN

Your natural or adopted children who meet all of the following requirements:

- The child survives your death;
- The child is neither married nor a member of a registered domestic partnership at the time of your death (and has never been married or a member of a registered domestic partnership);
- The child is under the age of 18 years at the time of your death; and
- If the child is adopted, the adoption was completed prior to your death.

If you have a child that is born after your death, the child will be entitled to benefits at birth.

[S]MC 3.36.1230(B)(3)]

SURVIVING SPOUSE OR SURVIVING DOMESTIC PARTNER

The person to whom you were married to or in a domestic partnership with both at the time of your death and at the time you were granted a retirement.

[S]MC 3.36.1230(B)(1)]