



**FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM (FCERS)  
BENEFITS FACT SHEET – TIER 2B\***

**\*Employees hired, rehired or reinstated after September 27, 2013, who have not met the City's eligibility previously for retiree healthcare, will NOT be eligible for retiree healthcare benefits.\*\***

<b>Pension Contributions</b>	
Employee	7.72% as of 6/18/2017
City	7.72% as of 6/18/2017
Service Required to Leave Contributions in Retirement System	5 years Federated City Service Years of service (Year of Service = 2080 hours worked in the applicable 12-month period)
<b>Service Retirement</b>	
Age/Years of Service	62 years with 5 years Federated City Service May retire on or after 55 years with 5 years Federated City Service. A reduction factor of 5% per year for each year between age fifty-five (55) and the Tier 2 member's age at retirement before age 62, prorated to the closest month.
"Deferred Vested" Retirement	May commence on or after 55 years with 5 years Federated City Service. (This applies to members who separate from City service before retirement and leave their contributions in the retirement system.) Can begin at age 55 with reduction fact of 5% per year for each year between age fifty-five and the Tier 2 member's age at retirement before age 62, prorated to the closest month.
Allowance	2.0% x Years of Federated City Service x Final Compensation (70% max) <ul style="list-style-type: none"> <li>• "Final Compensation" is the average monthly (or biweekly) base pay for the highest 3 consecutive Years of Federated City Service</li> <li>• Excludes premium pay or any other forms of additional compensation</li> </ul>
<b>Disability Retirement – (Service Connected)</b>	
Minimum Service	NONE
Allowance	2% x Years of Federated City Service x Final Compensation. (Minimum of 40% and maximum of 70% of Final Compensation)
<b>Disability Retirement - (Non-Service Connected)</b>	
Minimum Service	5 years Federated City Service
Allowance	2% x Years of Federated City Service x Final Compensation. (Minimum of 20% and maximum of 70% of Final Compensation)
<b>Reciprocity</b>	
Reciprocity	As of December 9, 1994, the City of San José Federated City Employees' Retirement System adopted a reciprocal agreement with CalPERS. This may result in improved benefits for members who transfer between this retirement system and CalPERS or certain other public agency retirement systems that also have reciprocal agreements with CalPERS. Please call the Retirement Department or CalPERS for more information.
<b>Cost-of-Living Adjustments (COLA)</b>	
Cost-of-Living Adjustments	Retirees are eligible for annual cost-of-living adjustment (COLA) limited to the lesser of the increase in the Consumer Price Index (San Jose-San Francisco-Oakland, U.S. Bureau of Labor Statistics index, CPI-U, December to December), or a back-loaded 2% COLA per fiscal year. The back-loaded COLA shall be calculated as follows: <ul style="list-style-type: none"> <li>i. Service at retirement of 1-10 years: 1.25% per year</li> <li>ii. Service at retirement of 1-10 years and hired before June 16, 2017: 1.5%</li> <li>iii. Service at retirement of 11-20 years: 1.5% per year</li> <li>iv. Service at retirement of 21-25 years: 1.75% per year</li> <li>v. Service at retirement of 26 years and above: 2.0% per year</li> </ul> The first COLA will be prorated based on the number of months retired.

**SURVIVORSHIP BENEFITS**

\*\*Spouses, domestic partners and dependents will also be ineligible for retiree healthcare benefits.



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Death Before Retirement		TIER 2	
Non-service-Connected Death Not Eligible for Retirement	Return of employee contributions, plus interest.		
Eligible for Retirement	<p>To surviving spouse/domestic partner: 2.0% x Years of Federated Service x Final Compensation (70% max)</p> <p>If <b>no</b> surviving spouse/domestic partner, to surviving children until age 18:            1 Child: 25% of spousal/domestic partnership allowance            2 Children: 50% of spousal/domestic partnership allowance            3 Children: 75% of spousal/domestic partnership allowance</p> <p>If <b>no</b> surviving spouse/domestic partner <b>or</b> surviving children: Return of employee contributions, plus death benefit: 1/12 of compensation in year prior to death x years of service (benefit may not exceed 50% of the salary earned in year prior to death.)</p> <p>Employees killed in the line of duty –            To surviving spouse/domestic partner:            Monthly benefit equivalent to 50% of Final Compensation.</p>		
Death After Retirement			
Survivorship allowance to surviving spouse/domestic partner or children that was elected by the member at retirement.  (Minimum 5 years of service)	<p>To surviving spouse/domestic partner: 50% of Retiree's Allowance</p> <p>If <b>no</b> surviving spouse/domestic partner, to surviving children until age 18:            1 Child: 25% of spousal/domestic partnership allowance            2 Children: 50% of spousal/domestic partnership allowance            3 Children: 75% of spousal/domestic partnership allowance</p> <p>If <b>no</b> surviving spouse/domestic partner <b>or</b> surviving children: estate or beneficiary will receive the difference between employee contributions (including interest) and the total paid to member by the retirement system at the time of death.</p>		
Optional Settlements	Retiree may choose an optional settlement at retirement that reduces the allowance to provide a survivorship allowance to a designated beneficiary or a higher survivorship allowance to their spouse/domestic partner.		

**Note: For death before retirement, the survivorship allowance to surviving spouse/domestic partner lasts until death, remarriage, or establishment of a domestic partnership if member was at least 62 with at least 20 years of service (or 55 with a reduction factor of 5%) at the time of death. For death after retirement, the survivorship allowance to surviving spouse/domestic partner lasts until death.**

The information contained on this Fact Sheet is a summary for the Tier 2B members of the Federated City Employees' Retirement System. Please consult the Municipal Code for complete information.

For more information please contact the Office of Retirement Services at  
(408) 794-1000 or 1 (800) 732-6477. Or, go online at [www.sjretirement.com](http://www.sjretirement.com)

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