

FEDERATED RETIREMENT BENEFITS FACT SHEET FEDERATED TIER 1*

Contributions	
Employee	14.84% of Base Salary (Pension: 7.34%**; Retiree Health: 7.50%) as of 6/25/2023
City	Pension: 20.16% (Normal Cost) + flat dollar amount (UAL); Retiree Health: flat dollar amount as of 6/25/2023
Service Required to Leave Contributions in Retirement System	5 years
Service Retirement	
Age/Years of Service	55 with 5 years service 30 yrs service at any age
"Deferred Vested" Retirement	55 with 5 years service (This applies to members who separate from City service before retirement and leave their contributions in the retirement system.)
Allowance	2.5% x Years of Service x Final Compensation (75% max) <ul style="list-style-type: none"> Final Compensation is the highest average monthly earnable pensionable salary during 12 consecutive months, capped at 108% of the second highest 12 consecutive months. If separation takes place prior to July 1, 2001, Final Compensation is highest average monthly salary during 36 consecutive months
Disability Retirement – (Service Connected)	
Minimum Service	NONE
Allowance	40% of Final Compensation plus 2.5% x Years of Service in excess of 16 years x Final Compensation (Maximum 75% of final compensation)
Disability Retirement - (Non-Service Connected)	
Minimum Service	5 years
Allowance	20% of Final Compensation for up to 6 years of service. Add 2% for each year of service in excess of 6 years but less than 16 years. Add 2.5% for each year of service in excess of 16 years of service. (Maximum 75% of final compensation) **For those who entered the System 8/31/98 or before, the calculation is as follows: 40% of Final Compensation plus 2.5% x Years of Service in excess of 16 years x Final Compensation (Maximum 75% of final compensation) If under 55 years old, subtract 0.5% for every year under age 55.
Medical Benefits***	
Eligibility	Retired for disability or service with 15 years service or receive allowance that is at least 37.5% of final compensation. ("Deferred Vested" members are eligible.)
Premiums	Retirement System pays 100% of lowest cost plan that is available to active City employees. If retiree does not choose the lowest cost plan, retiree pays the difference between that premium and the premium for the lowest cost plan.
Medicare Eligibility	At age 65, Members of FCERS will be required to enroll in Medicare Parts A & B. If a Member does not meet this requirement within 3 months of the date Member turns 65, health care benefits will cease until such requirements are met.
Dental Benefits***	
Eligibility	Must be enrolled at retirement with 5 years service or receive retirement allowance of at least 37.5% of final compensation. In addition, the employee <u>must</u> retire directly from City service. ("Deferred Vested" members are not eligible.)
Premiums	Fully paid by retirement fund
Reciprocity	
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 Office of Retirement Services or CalPERS for more information. Final eligibility for reciprocity is determined at the time of retirement.
Cost-of-Living Adjustments (COLA)	
COLA	Retirees are eligible for a 3% annual cost-of-living adjustment (COLA). Regular COLA's are compounded and paid each April. There is no prorating of COLA.

*Federated Tier 1 applies to employees hired on or before September 29, 2012.

**Federated Rehires (hired between September 30, 2012 and June 18, 2017) will have an additional contribution rate (3.00% in FY23-24) for the cost of the retroactive benefit.

***Federated Tier 1 Employees who opted-in to the VEBA are not eligible for the Defined Benefit Retiree Healthcare Plan (Medical or Dental Benefits). For more information about the VEBA, visit www.sanjoseca.gov/VEBA or email veba@sanjoseca.gov.



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SURVIVORSHIP BENEFITS

Death Before Retirement	
Non-Service Connected Death with less than 5 years of service	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.)
Greater than 5 years of service or Service Connected death	<p>To surviving spouse/domestic partner: Years of Service x 2.5% x Final Compensation (40% minimum, 75% maximum, except that "Deferred Vested" members not eligible for 40% minimum)</p> <p>If no surviving spouse/domestic partner, to surviving children: 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 no surviving spouse/domestic partner or 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>
Death After Retirement	
Standard allowance to surviving spouse/domestic partner or children (Minimum 5 years of service)	<p>To surviving spouse/domestic partner: 50% of Retiree's Allowance</p> <p>If no surviving spouse/domestic partner, to surviving children: 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 no surviving spouse/domestic partner or 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	
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.
Special Death Benefit	
Special Death Benefit	\$500 death benefit paid to estate or designated beneficiary in addition to benefits above.

Note: For death before retirement, the survivorship allowance to surviving spouse/domestic partner lasts until death or remarriage. However, it will last until death if member was at least 55 with at least 20 years of service at the time of death, or 30 years of service regardless of age. For death after retirement, the survivorship allowance to surviving spouse/domestic partner lasts until death. If there is an allowance payable to a surviving spouse/domestic partner, no allowance will be paid to surviving children. Surviving children receive a monthly survivorship allowance only when there is no surviving spouse/domestic partner.

The information contained on this Fact Sheet is a summary for the Tier 1 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.

For questions regarding the VEBA, visit www.sanjoseca.gov/VEBA or contact veba@sanjoseca.gov.