

RETIREMENT BENEFITS FACT SHEET FIRE TIER 1 Classic*

Contributions	
Employee	15.09% of Base Salary (Pension: 11.09% VEBA: 4.00%) as of 7/1/2018
City	Pension: 98.49% as of 7/1/2018
Service Required to Leave Contributions in Retirement Plan	10 years
VEBA	
VEBA Contributions	<p>All Fire Tier 1 Classic employees are mandated to contribute 4.00% of base salary to the VEBA. The funds in the VEBA may be used to reimburse post-retirement out-of-pocket health care costs incurred by you, your spouse, and qualified dependents on a pre-tax basis. There is no “vesting period” for the VEBA.</p> <ul style="list-style-type: none"> Contact VOYA Financial at (408) 881-0110 for more information about how to access your VEBA account and direct your investments. The Office of Retirement Services does not administer the VEBA. Visit www.sanjoseca.gov/VEBA or contact veba@sanjoseca.gov for additional information.
Service Retirement	
Age/Years of Service	50 with 25 years of service 55 with 20 years of service 30 yrs service at any age (with reciprocity, must be 50 yrs of age) Mandatory retirement at 70 years of age
Early Retirement	50-54 with 20 years of service (Discounted pension) Allowance reduced pursuant to Municipal Code Section 3.36.810
Deferred Vested Retirement	55 with 10 years' service only if 20 years have elapsed from date of membership. (You can begin receiving your benefits at age 50 if you have at least 25 years of service.)
Allowance	First 20 years of City Service: 50% of final compensation (2.5% per year) Beginning of 21 st year of City service: 3% per year of service X Final Compensation (90% max) – All years convert to 3% after 20 years of service.
Disability Retirement (Service Connected)	
Minimum Service	NONE
Allowance	<20 years of service: 50% of Final Compensation Beginning of 21 st year of service: 3% per year of service X Final Compensation (90% max)
Disability Retirement (Non-Service Connected)	
Minimum Service	2 years
Allowance	<20 years of service: 32% of Final Compensation plus 1% for each full year in excess of 2. (50% max) Beginning of 21 st year of service: 3% per year of service X Final Compensation (90% max)
Reciprocity	
Reciprocity	As of September 30, 1994, the City of San José adopted a reciprocal agreement with CalPERS. This may result in improved benefits for members who transfer between CalPERS and this retirement plan. Please call the Retirement Department or CalPERS for more information. 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 February. There is no proration of COLA.

*Employees with “Classic” membership from a CalPERS or reciprocal agency. A CalPERS “Classic” member is a member who previously worked for a CalPERS or other reciprocal agency and meets the following criteria: 1. First established CalPERS membership or membership in a CalPERS reciprocal agency prior to January 1, 2013, 2. AND is hired by the City of San Jose after a break in service of less than six months 3. AND did not have concurrent (overlapping) service with the other agency. City of San Jose *Reciprocity Election Form* must be submitted within thirty (30) days of the first day of employment with the City. **Employees in Tier 1 Classic are not eligible for the defined benefit retiree healthcare plan.**

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SURVIVORSHIP BENEFITS

Death Before Retirement							
Non-Service Connected Death with less than 2 years of service	Return of contributions, plus interest, to surviving spouse/domestic partner, surviving children, or estate or \$1,000, whichever is greater [SJMC 3.36.1250(C-E)]						
Non-Service Connected Death with more than 2 years of Service, but <u>not</u> eligible for a service retirement	<p><u>To surviving spouse/domestic partner:</u> 24% +.75% for each year in excess of 2 x Final Compensation (45% maximum) [SJMC 3.36.1210(F), 1280(B)(D)]</p> <p><u>and</u> to surviving children:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">1 Child: Final Comp x 25%</td> <td>[SJMC 3.36.1210(G), 1300(B)]</td> </tr> <tr> <td>2 Children: Final Comp x 37.5%</td> <td>[SJMC 3.36.1210(G), 1300(D1)]</td> </tr> <tr> <td>3 Children: Final Comp x 50%</td> <td>[SJMC 3.36.1210(G), 1300(F1)]</td> </tr> </table> <p>If no surviving spouse/domestic partner nor surviving children: Return of contributions, plus interest, to estate or \$1,000, whichever is greater [SJMC 3.36.1200 (E), 1200(I)]</p>	1 Child: Final Comp x 25%	[SJMC 3.36.1210(G), 1300(B)]	2 Children: Final Comp x 37.5%	[SJMC 3.36.1210(G), 1300(D1)]	3 Children: Final Comp x 50%	[SJMC 3.36.1210(G), 1300(F1)]
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2 Children: Final Comp x 37.5%	[SJMC 3.36.1210(G), 1300(D1)]						
3 Children: Final Comp x 50%	[SJMC 3.36.1210(G), 1300(F1)]						
Non-Service Connected Death before retirement, but while eligible for service retirement	<p><u>To surviving spouse/domestic partner:</u> 37.5% to 45% of member's Final Compensation depending on the years of service [SJMC3.36.1200(A),(F),1270(B)]</p> <p>For example: Member's benefit = 81% Survivorship benefit = 40.5% of Final Compensation Member's benefit = 84% Survivorship benefit = 42% of Final Compensation Member's benefit = 87% Survivorship benefit = 43.5% of Final Compensation Member's benefit = 90% Survivorship benefit = 45% of Final Compensation</p> <p><u>and</u> to surviving children:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">1 Child: Final Comp x 25%</td> <td>[SJMC 3.36.1200 (G), 1300(B)]</td> </tr> <tr> <td>2 Children: Final Comp x 37.5%</td> <td>[SJMC 3.36.1200(G), 1300(D1)]</td> </tr> <tr> <td>3 Children: Final Comp x 50%</td> <td>[SJMC 3.36.1200(G), 1300(F1)]</td> </tr> </table> <p>If no surviving spouse/domestic partner nor surviving children: Return of contributions, plus interest, to estate or \$1,000, whichever is greater [SJMC 3.36.1200 (E), 1200(I)]</p>	1 Child: Final Comp x 25%	[SJMC 3.36.1200 (G), 1300(B)]	2 Children: Final Comp x 37.5%	[SJMC 3.36.1200(G), 1300(D1)]	3 Children: Final Comp x 50%	[SJMC 3.36.1200(G), 1300(F1)]
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Service Connected Death regardless of years of service	<p><u>To surviving spouse/domestic partner</u> 37.5% to 45% of member's Final Compensation depending on the years of service [SJMC3.36.1200(F),1270(B)]</p> <p><u>and</u> to surviving children :</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">1 Child: Final Comp x 25%</td> <td>[SJMC 3.36.1200(G), 1300(B)]</td> </tr> <tr> <td>2 Children: Final Comp x 50%</td> <td>[SJMC 3.36.1200(G) , 1300(D2)]</td> </tr> <tr> <td>3 Children: Final Comp x 75%</td> <td>[SJMC 3.36.1200(G) , 1300(F2)]</td> </tr> </table> <p>If no surviving spouse/domestic partner nor surviving children: Return of contributions, plus interest, to estate or \$1,000, whichever is greater [SJMC 3.36.1200 (E), 1200(I)]</p>	1 Child: Final Comp x 25%	[SJMC 3.36.1200(G), 1300(B)]	2 Children: Final Comp x 50%	[SJMC 3.36.1200(G) , 1300(D2)]	3 Children: Final Comp x 75%	[SJMC 3.36.1200(G) , 1300(F2)]
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2 Children: Final Comp x 50%	[SJMC 3.36.1200(G) , 1300(D2)]						
3 Children: Final Comp x 75%	[SJMC 3.36.1200(G) , 1300(F2)]						

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Death After Retirement							
Service Retirees and Service Connected Disability Retirees	<p>To surviving spouse/domestic partner: 37.5% to 45% of member's Final Compensation depending on the years of service [SJMC 3.36.1230, 1270(B)]</p> <p><u>and</u> to surviving children:</p> <table border="0"> <tr> <td>1 Child: Final Comp x 25%</td> <td>[SJMC 3.36.1230(D), 1300(B)]</td> </tr> <tr> <td>2 Children: Final Comp x 37.5%</td> <td>[SJMC 3.36.1230(D), 1300 (D1)]</td> </tr> <tr> <td>3 Children: Final Comp x 50%</td> <td>[SJMC 3.36.1230 (D),1300(F1)]</td> </tr> </table> <p>If no surviving spouse/domestic partner nor surviving children: \$1,000 death benefit to estate [SJMC 3.36.1230(E)]</p>	1 Child: Final Comp x 25%	[SJMC 3.36.1230(D), 1300(B)]	2 Children: Final Comp x 37.5%	[SJMC 3.36.1230(D), 1300 (D1)]	3 Children: Final Comp x 50%	[SJMC 3.36.1230 (D),1300(F1)]
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2 Children: Final Comp x 37.5%	[SJMC 3.36.1230(D), 1300 (D1)]						
3 Children: Final Comp x 50%	[SJMC 3.36.1230 (D),1300(F1)]						
Non-Service Connected Disability Retirees	<p>To surviving spouse/domestic partner: Final Comp x 24% + .75% for each year in excess of 2 (37.5% maximum) [SJMC 3.36.1240(C), 1280(B)]</p> <p><u>and</u> to surviving children:</p> <table border="0"> <tr> <td>1 Child: Final Comp x 25%</td> <td>[SJMC 3.36.1240(D), 1300(B)]</td> </tr> <tr> <td>2 Children: Final Comp x 37.5%</td> <td>[SJMC 3.36.1240(D), 1300(D1)]</td> </tr> <tr> <td>3 Children: Final Comp x 50%</td> <td>[SJMC 3.36.1240(D), 1300(F1)]</td> </tr> </table> <p>If no surviving spouse/domestic partner nor surviving children: \$1,000 death benefit to estate [SJMC 3.36.1240(E)]</p>	1 Child: Final Comp x 25%	[SJMC 3.36.1240(D), 1300(B)]	2 Children: Final Comp x 37.5%	[SJMC 3.36.1240(D), 1300(D1)]	3 Children: Final Comp x 50%	[SJMC 3.36.1240(D), 1300(F1)]
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3 Children: Final Comp x 50%	[SJMC 3.36.1240(D), 1300(F1)]						
Optional Settlements							
Optional Settlements	Retiree may choose an optional settlement at retirement that reduces their allowance to provide a higher survivorship allowance to their spouse/domestic partner.						
Post-Retirement Marriage							
Post-Retirement Marriage	If a retiree marries after retirement, the retiree can elect to take a reduction on their pension benefit in order to allow for a survivorship benefit to the surviving spouse/domestic partner.						

Note: The maximum total combined benefit payable to a surviving spouse/domestic partner and surviving children is 75% of final compensation. If necessary, the children's survivorship allowance will be reduced so that the total benefit does not exceed 75% of final compensation.

The information contained on this Fact Sheet is a summary for the Fire Tier 1 Classic members of the Police and Fire Department Retirement Plan. 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.