

Pension Benefits

updated 6/1/16

Steve Ponder

Classification & Compensation Director



Pension Plans and Associated Unions

- **Miscellaneous**
 - SEIU, Miscellaneous; SEIU, Nurses
 - IFPTE, Local 21; Municipal Attorneys' Association (MAA); UAPD
 - Municipal Executives Association (MEA) Miscellaneous
 - Crafts (e.g., Craft Coalition; Plumbers; Stat. Eng.; Electricians; Laborers)

- **Police / Fire / Sheriff**
 - Police Officers' Association (POA); MEA Police
 - Firefighters' Associations; MEA Fire
 - Deputy Sheriffs' Association (DSA); Sheriffs Mgt. and Sup. Association (MSA)

- **Miscellaneous Safety**
 - District Attorney Investigators' Association (DAIA)
 - Deputy Probation Officers' Association (DPOA)
 - Supervising Probation Officers (SPO) – *excluding 2966 and 2967*

Maximum Age Factors

Pension Plans	Hired <u>before</u> 1/7/12	Hired <u>on or after</u> 1/7/12
Miscellaneous	2.3% @ 62	2.3% @ 65
Police / Fire / Sheriff	3% @ 55	3% @ 58
Miscellaneous Safety	2.0% @ 50	1.8% @ 50

Example: A miscellaneous employee hired before 1/7/12 that retires at age 62 with 20 years of service will receive a pension based upon 46% (2.3% x 20 years) of his/her final compensation.

Age Factors At Age of Retirement - Hired Before 1/7/12



Service Retirement Benefit

- Service Formula: Service Credit x Age Factor x Final Compensation = Monthly Service Retirement Benefit
- Service Credit: Members earn one year of service credit for every 10 months worked and paid (generally 1,740 hours) in a fiscal year.
 - Note: Employees cannot earn more than one year of service credit in a fiscal year.

Example: A safety employee hired before 1/7/12 that retires at age 55 with 20 years of service will receive a pension based upon 60% (3% x 20 years) of his/her final compensation.

Final Compensation Calculation

- An employee's final compensation for service retirement calculations depends upon when the employee was hired:
 - Hired before 7/1/10: Highest average earned in any fiscal year or earned in the 12 consecutive months prior to retirement.
 - Hired on or after 7/1/10, but before 1/7/12: Highest average earned in any two consecutive fiscal years or average earned in the 24 consecutive months prior to retirement.
 - Hired on or after 1/7/12: Highest average earned in any three consecutive fiscal years or average earned in the 36 consecutive months prior to retirement.

Service Retirement Eligibility

- **Miscellaneous:**
 - **Eligibility:**
 - Age 50 with 20 or more years of service
 - Age 60 with 10 or more years of service
 - Age 65 regardless of service
 - Maximum annual benefit is 75% of average final compensation

- **Safety / Miscellaneous Safety:**
 - **Eligibility:**
 - Age 50 with 5 or more years of service
 - Maximum annual benefit is 90% of average final compensation

Vested Retirement Benefit & Eligibility

- If a member terminates employment with at least 5 years of credited service, they may elect to keep contributing to their account and they will receive a vesting retirement benefit equal to the actuarial equivalent of their member contribution account plus an amount paid by the City equal to a percent of the member contribution account paid as an annuity (beginning no earlier than age 50):
 - Hired before 1/7/12: 100% of the member contribution
 - Hired on or after 1/7/12: 50% of the member contribution

Employee Pension Contributions

- Employees make the following *fixed* pension contributions:
 - Miscellaneous:
 - 7.5%
 - Police / Fire:
 - Pre-7/1/10 Hires: 7.5%
 - 7/1/10 or Later Hires: 9%
 - Sheriff
 - Pre-1/7/12 Hires: 7.5%
 - 1/7/12 or Later Hires: 9%
 - Miscellaneous Safety
 - 9%

Employee Pension Contributions

- Further, employees make the following *additional* pension contributions in addition to their fixed contributions based upon the employer's contribution rate.

Employer Contrib.	Misc. <\$50K	Misc. \$50-\$100K	Misc. >\$100K	Safety
0.00%	0.00%	-4.00%	-5.00%	-6.00%
0.00% - 2.50%	0.00%	-3.75%	-4.25%	-4.75%
2.50% - 4.00%	0.00%	-3.50%	-4.00%	-4.50%
4.00% - 5.50%	0.00%	-2.50%	-3.00%	-3.50%
5.50% - 7.00%	0.00%	-2.00%	-2.50%	-3.00%
7.00% - 8.50%	0.00%	-1.50%	-2.00%	-2.00%
8.50% - 10.00%	0.00%	-1.00%	-1.50%	-1.50%
10.00% - 11.00%	0.00%	-0.50%	-0.50%	-0.50%
11.00% - 12.00%	0.00%	0.00%	0.00%	0.00%
12.00% - 13.00%	0.00%	0.50%	0.50%	0.50%
13.00% - 15.00%	0.00%	1.00%	1.50%	1.50%
15.00% - 17.50%	0.00%	1.50%	2.00%	2.00%
17.50% - 20.00%	0.00%	2.00%	2.50%	3.00%
20.00% - 22.50%	0.00%	2.50%	3.00%	3.50%
22.50% - 25.00%	0.00%	3.50%	4.00%	4.50%
25.00% - 27.50%	0.00%	3.50%	4.00%	4.50%
27.50% - 30.00%	0.00%	3.75%	4.25%	4.75%
30.00% - 32.50%	0.00%	3.75%	4.25%	4.75%
32.50% - 35.00%	0.00%	4.00%	4.50%	5.00%
35.00%+	0.00%	4.00%	5.00%	6.00%

Employee Pension Contributions

ADDITIONAL EMPLOYEE CONTRIBUTIONS PER PROPOSITION C BY EMPLOYEE GROUP					
Employee Group	Fixed Contrib.	Hourly Base Rate of Pay (FY16-17)	Range	Add. Contributions	
				FY15-16	FY16-17
Misc. < \$50,000	7.50%	< \$26.6592	N/A	N/A	N/A
Misc. \$50,000 - \$100,000	7.50%	\$26.6592 - \$53.3186	-4.00% to 4.00%	3.50%	2.50%
Misc. > \$100,000	7.50%	≥ \$53.3187	-5.00% to 5.00%	4.00%	3.00%
Police/Fire (pre-7/1/10 hires)	7.50%	All	-6.00% to 6.00%	4.50%	3.50%
Police/Fire < \$100,000 (post-7/1/10 hires)	9.00% ¹	< \$53.3187	-4.00% to 4.00%	3.50%	2.50%
Police/Fire > \$100,000 (post-7/1/10 hires)	9.00% ¹	≥ \$53.3187	-5.00% to 5.00%	4.00%	3.00%
Sheriff (pre-1/7/12 hires) PERS ³	7.50%	All	-6.00% to 6.00%	Neg.	Neg.
Sheriff < \$100,000 (post-1/7/12 hires) SFERS	9.00%	< \$53.3187	-4.00% to 4.00%	3.50%	2.50%
Sheriff > \$100,000 (post-1/7/12 hires) SFERS	9.00%	≥ \$53.3187	-5.00% to 5.00%	4.00%	3.00%
Misc. Safety < \$100,000 (pre-1/7/12 hires) PERS	9.00%	< \$53.3187	-4.00% to 4.00%	Neg.	Neg.
Misc. Safety > \$100,000 (pre-1/7/12 hires) PERS	9.00%	≥ \$53.3187	-5.00% to 5.00%	Neg.	Neg.
Misc. Safety < \$100,000 (post-1/7/12 hires) SFERS	9.00%	< \$53.3187	-4.00% to 4.00%	3.50%	2.50%
Misc. Safety > \$100,000 (post-1/7/12 hires) SFERS	9.00%	≥ \$53.3187	-5.00% to 5.00%	4.00%	3.00%
¹ Police/Fire with 9% member contribution to retirement					
² Add. contribution per terms of MOU in lieu of that provided by Prop. C					
³ Sheriff with 7.5% member contribution to retirement; there were no hires between 7/1/10 and 1/7/12					
Legend					
N/A - no additional contribution					
Neg. - negotiate cost savings equivalent to value of add. contrib.					