



# POPULAR ANNUAL

# FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2021

## SBCERS

SANTA BARBARA COUNTY  
EMPLOYEES' RETIREMENT SYSTEM

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# ABOUT US

The Santa Barbara County Employees' Retirement System ("SBCERS") was established on January 1, 1944 to provide service retirement, disability, death, and survivor benefits for all permanent full- and part-time employees of the County of Santa Barbara, Santa Barbara Superior Court, and ten other contracting employers (also called "Plan Sponsors").

As set forth by the Board of Retirement, SBCERS provides:

- » Care, skill, and prudence in the administration of the retirement plan.
- » Investment of the assets of the plan in a diversified manner which will minimize the risk of loss and maximize the rate of return.
- » Hold the assets of the plan in trust for the exclusive purpose of providing benefits to plan participants and beneficiaries, minimizing employer contributions, and defraying reasonable expenses of administration.
- » Provide benefit information and retirement consultations for all active and retired members prior and subsequent to retirement.

SBCERS also administers an Other Post-Employment Benefits Trust ("OPEB"), or 401(h) Retiree Health Medical Trust, that was established in September 2008.

Plan Sponsors as of June 30, 2021	# Active Members	# Retirees & Beneficiaries
County of Santa Barbara	3,995	4,553
Santa Barbara County Superior Court	211	191
Carpinteria-Summerland Fire Protection District	36	51
Santa Barbara County Air Pollution Control District (APCD)	34	72
Santa Barbara County Association of Governments (SBCAG)	19	17
Santa Maria Cemetery District	6	9
Mosquito & Vector Management District of Santa Barbara County*	6	2
Goleta Cemetery District	4	6
Summerland Sanitary District	4	2
Oak Hill Cemetery District*	3	1
Carpinteria Cemetery District	2	2
Local Agency Formation Commission (LAFCO)	1	0

\*These districts do not participate in the Other Post-Employment Benefits Plan.

**THE SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM IS COMMITTED TO FULFILLING ITS FIDUCIARY RESPONSIBILITY BY PROVIDING THE HIGHEST QUALITY OF SERVICE TO ALL MEMBERS AND PLAN SPONSORS, AND PROTECTING PROMISED BENEFITS THROUGH PRUDENT INVESTING, WHILE ENSURING REASONABLE EXPENSES OF ADMINISTRATION.**

**QUICK FACTS**

**\$4.04 B**

**NET POSITION**

**25.20%**

**PENSION FUND NET INVESTMENT RETURN**

**25.55%**

**OPEB FUND NET INVESTMENT RETURN**

**10,921**

**TOTAL PENSION PLAN MEMBERS**

**7,833**

**OPEB PLAN MEMBERS**



# A MESSAGE FROM THE CEO

## DEAR MEMBERS,

Your SBCERS team is pleased to present this annual report for the fiscal year ended on June 30, 2021. The report is designed to provide you with information about the Santa Barbara County Employees' Retirement System and its financial health.

Over the past year, our team has focused on service delivery to our members during the COVID-19 pandemic. We continued to host virtual member counseling sessions, and when conditions permitted, held in-person pop-up events. These events have been well-received and we plan to continue them in 2022. Operationally, our focus remains on providing the highest quality service to our members.

The fiscal year ended June 30, 2021 was very positive financially. The investment portfolio generated a 25.2% annual return, its highest absolute annual return in over 30 years. This return significantly improved our funded ratio (System assets divided by liabilities) by over 15%, to 89.5% of our actuarial liabilities. All asset classes performed strongly as financial markets recovered from losses suffered at the onset of the pandemic.

In evaluating our success, it is important to note that the funded ratio is derived from the assumptions we use to estimate the cost of the benefits provided by the System. Currently, SBCERS assumes it will earn a 7.0% annual investment return. The higher the investment return assumption, the higher the funded ratio

will be and vice versa. Over the past two decades, there has been a general industry trend toward lower investment return assumptions, and several large state pension plans now have investment return assumptions that are well below 7.0%. Lowering the investment assumption of the plan is a more conservative approach to funding the Plan's obligations to its members. In the fall of 2022, the Board of Retirement is set to consider the earnings assumption as part of its triennial experience study.

During the past year, SBCERS has continued to make progress on the construction of its new offices in Goleta, CA. The offices will feature new member counseling areas and, for the first time, a dedicated Board of Retirement meeting room. We are excited to open the facility this year and look forward to hosting member events using both the Board conference room and outdoor spaces.

We hope you will take some time to review the report and learn more about the operating results and the benefits you earn as a member of SBCERS.

Sincerely,



Greg Levin, CPA  
Chief Executive Officer



This report does not replace the Annual Comprehensive Financial Report (ACFR). Detailed information on the subjects included here and other important aspects of SBCERS' Administration can be found in the June 30, 2021 ACFR at: [www.sbcers.org/financial-reports](http://www.sbcers.org/financial-reports).

## 10-YEAR SNAPSHOT

SBCERS' net position represents assets available to pay pension benefits. The fund reached an all-time high of \$4.04 billion in the fiscal year ending June 30, 2021.

\$1.97B

\$4.04B

\$2.07B

SIZE OF FUND IN 2011

SIZE OF FUND IN 2021

OVERALL 10-YEAR INCREASE



# FINANCIAL RESULTS

## THE STATEMENT OF FIDUCIARY NET POSITION\*

*Dollars in thousands*

Similar to a balance sheet, the Statement of Fiduciary Net Position summarizes total Fund assets and liabilities, with the difference reported as Net Position Restricted for Benefits. The difference represents funds available for future payments to retirees and their beneficiaries.

For the Fiscal Year Ended	June 30, 2021	June 30, 2020	% Change
<b>Assets</b>			
Investments	\$4,016,793	\$3,219,864	24.8%
Treasury Cash	19,177	21,015	-8.7%
Prepays & Receivables	43,103	24,038	79.3%
<b>Total Assets</b>	<b>\$4,079,073</b>	<b>\$3,264,917</b>	<b>24.9%</b>
<b>Liabilities</b>			
Securities Lent	\$13,609	\$15,387	-11.6%
Other Liabilities	28,096	22,762	23.4%
<b>Total Deductions</b>	<b>\$41,705</b>	<b>\$38,149</b>	<b>9.3%</b>
<b>Net Position Restricted for Benefits</b>	<b>\$4,037,368</b>	<b>\$3,226,768</b>	<b>25.1%</b>

\* Includes OPEB Trust

SBCERS' Net Position changes during the fiscal year are summarized in the chart below. Total contributions increased by \$12.7 million, as a result of the phase-in of previous actuarial assumption changes, as well as an increase in salaries paid to employees. Investment income increased substantially due to continued strength in investment markets driven by the economic recovery from COVID-19, along with supportive fiscal and monetary policy. The increase in pension benefit payments is the result of an increasing number of members receiving benefits, demographics of plan sponsors that have a large population of employees near retirement age, increased salaries upon which benefits are based, and annual COLA increases approved by the Board of Retirement.



**INCREASED RETIREMENT SECURITY BENEFITS OUR  
COMMUNITY BY ENCOURAGING PUBLIC SERVICE AND  
HELPING OUR PLAN SPONSORS ATTRACT AND RETAIN  
HIGH-QUALITY TALENT.**

## THE STATEMENT OF CHANGES IN FIDUCIARY NET POSITION\*

*Dollars in thousands*

<b>For the Fiscal Year Ended</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>% Change</b>
<b>Additions</b>			
Contributions	\$200,281	\$187,591	6.8%
Net Investment Income	830,368	26,400	3,045.3%
Net Securities Income	179	202	-11.4%
Other	600	580	3.4%
<b>Total Additions</b>	<b>\$1,031,428</b>	<b>\$214,773</b>	<b>380.2%</b>
<b>Deductions</b>			
Benefits Paid	\$213,331	\$203,060	5.1%
Member Withdrawals	1,578	1,837	-14.1%
Administrative Expense	5,919	7,095	-16.6%
<b>Total Deductions</b>	<b>\$220,828</b>	<b>\$211,992</b>	<b>4.2%</b>
<b>Net Increase</b>	<b>\$810,600</b>	<b>\$2,781</b>	<b>29,047.8%</b>

\* Includes OPEB Trust



# PENSION FUND INVESTMENT RESULTS

## PENSION FUND PERFORMANCE

SBCERS' investment performance is driven by the underlying financial markets for the period, asset allocation, and individual investment manager performance. An investment policy adopted by the Board of Retirement provides structure and guidance for the management of the investment portfolio, level of risk taken, and type of investments acquired.

SBCERS' total Pension portfolio gained 25.20% (net of fees) over the twelve-month period ended June 30, 2021. The fair value of investments in the Pension Fund, including short-term investments, increased by \$775.8 million from June 30, 2020.

### 25.20%

PENSION FUND RETURN  
(NET OF FEES)

### \$776M

GENERATED FOR OUR  
BENEFICIARIES

### 223 BPS

OVER THE SBCERS  
POLICY BENCHMARK



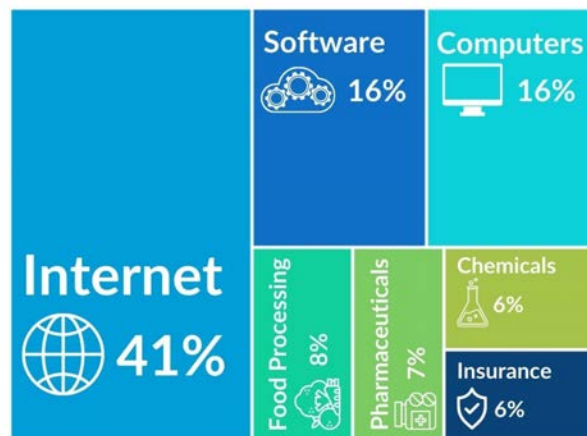
The System's long-term return assumption is 7.0%, also called the actuarial assumed rate of return. Over the past three-, five-, and ten-year periods, SBCERS has generated 10.45%, 9.93%, and 7.58%, respectively. SBCERS has averaged a 8.45% return since January 1987.

## PORTFOLIO DIVERSIFICATION

Portfolio diversification is an important element of risk control. Investments are allocated across a broad range of asset classes in order to reduce volatility.

A diversified stock portfolio will also hold stocks across different industry sectors. Diversification across sectors helps to mitigate risks caused by factors affecting specific industries or companies within an industry.

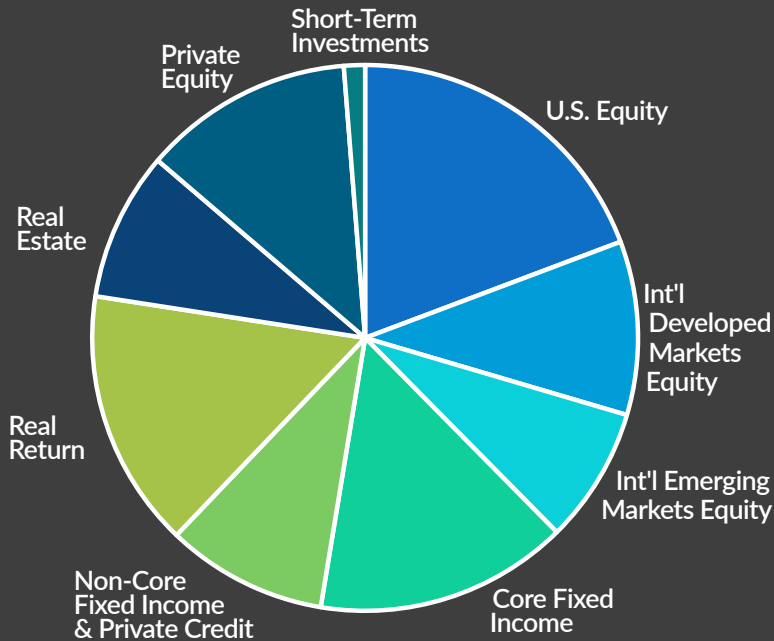
The chart to the right illustrates the different sectors that make up the top ten U.S. equities securities SBCERS has investments in.





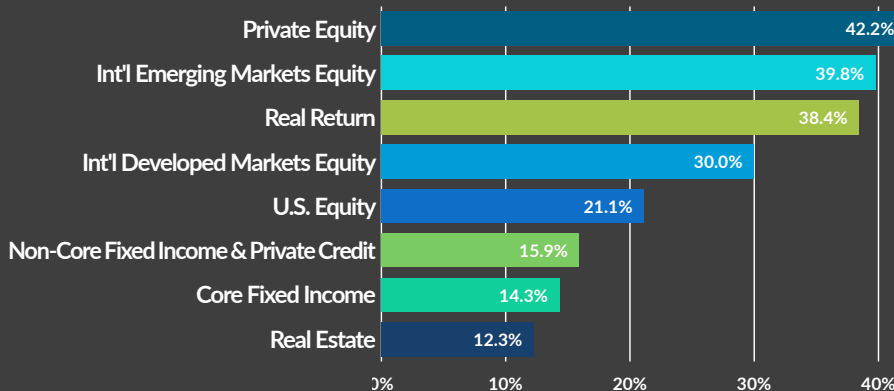
# ASSET ALLOCATION OF PENSION FUND PORTFOLIO

Dollars in thousands



Asset Class	Amount	Allocation
U.S. Equity	\$ 761,791	19.3%
Int'l Developed Markets Equity	406,768	10.3%
Int'l Emerging Markets Equity	318,037	8.1%
Core Fixed Income	592,979	15.0%
Non-Core Fixed Income & Private Credit	377,131	9.5%
Real Return	604,896	15.3%
Real Estate	348,687	8.8%
Private Equity	493,546	12.5%
Short-Term Investments	49,391	1.2%
<b>Total</b>	<b>\$3,953,226</b>	<b>100.0%</b>

## ASSET CLASS PERFORMANCE



## ASSET ALLOCATION

The Board of Retirement's Investment Policy Statement establishes target asset allocation ranges designed to satisfy SBCERS' long-term objective of funding the benefits promised to members and beneficiaries. At the end of fiscal year 2021, all of the Fund's asset classes were within their target ranges.

## POLICY BENCHMARK

SBCERS' policy benchmark is a method of assessing the Fund's performance relative to a "custom benchmark" that weights the returns of available market indices on the basis of SBCERS' target investment structure. This allows comparisons of SBCERS' fund performance to the broader market.

## POSITIVE DRIVERS OF PERFORMANCE

Positive performance during the fiscal year was driven by allocations to Private Equity, International Emerging Markets Equity, and Private Real Return, which returned 42.2%, 39.8%, and 38.4%, respectively.



# FUNDED STATUS

**SBCERS HIRES AN ACTUARIAL CONSULTANT, CHEIRON, INC., TO CONDUCT ANNUAL ACTUARIAL VALUATIONS OF THE PENSION ASSETS AND EXPENSES. THE LIABILITIES ARE REVIEWED TO DETERMINE THE ANNUAL CONTRIBUTION RATES REQUIRED TO MEET PENSION OBLIGATIONS.**

# CALCULATING ACTUARIAL LIABILITY & FUNDED STATUS

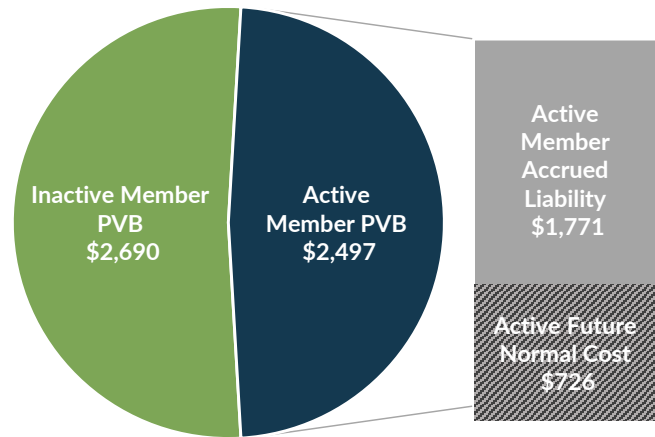
## PRESENT VALUE OF BENEFITS (PVB)

The Present Value of Benefits (PVB) is the value of all pension benefits expected to be paid to inactive members (current retirees and other members no longer working) and active members (current employees).

*Dollars in Millions*

Inactive Member PVB	\$2,690
Active Member Accrued Liability	1,771
Active Member Future Normal Cost	726
Active Member PVB	\$2,497
<b>Total Present Value of Benefits (PVB)</b>	<b>\$5,187</b>

*Dollars in Millions*



## ACTUARIAL LIABILITY

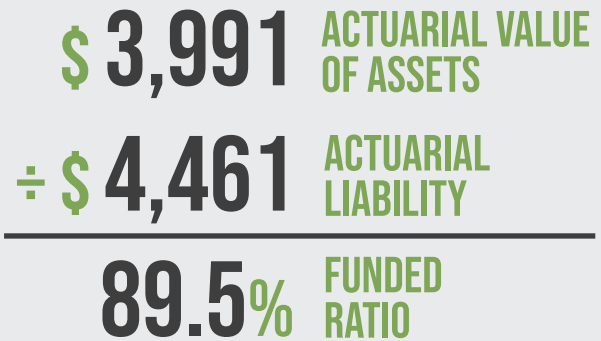
The Actuarial Liability is calculated by removing the normal cost of active member benefits from total Present Value of Benefits. Normal costs are paid in contributions from members and plan sponsors throughout employees' careers.

*Dollars in Millions*

Total Present Value of Benefits (PVB)	\$5,187
– Active Member Future Normal Cost	– 726
<b>Actuarial Liability</b>	<b>\$4,461</b>

## FUNDED RATIO FOR FYE JUNE 30, 2021

*Dollars in Millions*



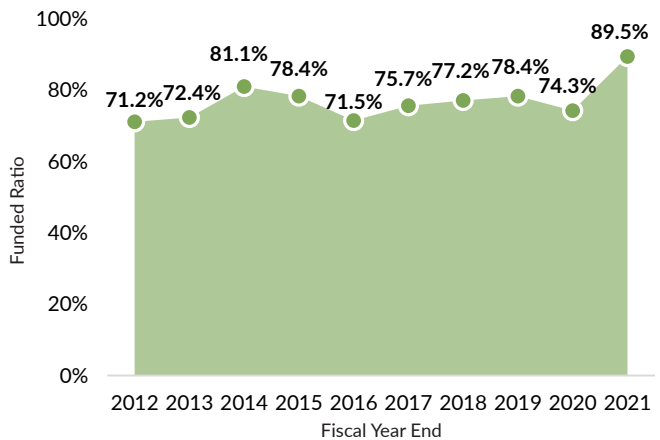
## FUNDED STATUS

The Funded Status of the Plan compares the liabilities to the assets. The Unfunded Actuarial Liability (UAL) is calculated by subtracting the Actuarial Value of Assets from the Actuarial Liability. The Funded Ratio is calculated as the assets divided by the liabilities.

*Dollars in Millions*

Actuarial Liability	\$4,461
– Plan Assets at Market Value	– 3,991
<b>Unfunded Actuarial Liability</b>	<b>\$470</b>

## HISTORICAL FUNDED RATIO



**“OUR INVESTMENT HORIZON IS VERY LONG, AND WE EVALUATE OUR PERFORMANCE OVER DECADES RATHER THAN YEARS. SBCERS TRUSTEES AND STAFF WORK HARD IN ORDER TO ENSURE A STRONG AND SUSTAINABLE PLAN FOR OUR BENEFICIARIES AND LOCAL TAXPAYERS.”** – Greg Levin, SBCERS CEO



# MEMBERSHIP

# FACTS &

# FIGURES

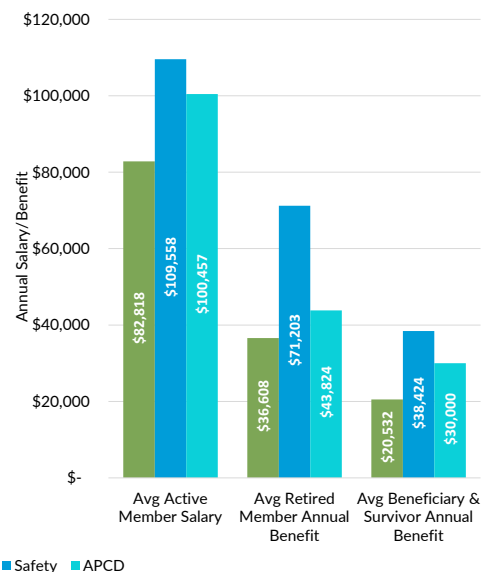
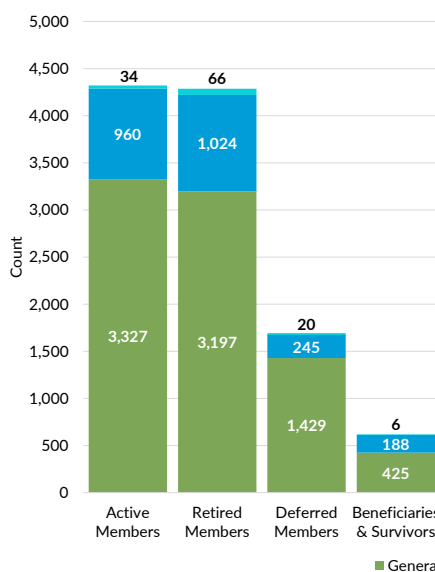
**Active Members** are current General or Safety employees of an SBCERS Plan Sponsor. The average Active Member is 44.5 years old and has 11.8 years of service. The average annual salary for active members is \$88,898, a 3.09% increase from the prior fiscal year.

**Retired Members** are General or Safety employees who retired from an SBCERS Plan Sponsor and are currently receiving benefits. The average age at retirement is 58.8. The average annual benefit payment for retired members is \$44,920, a 2.35% increase from the prior fiscal year.

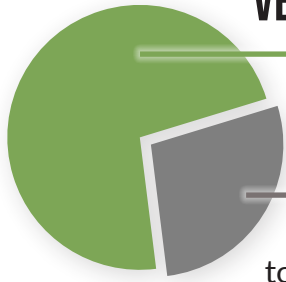
**Beneficiaries & Surviving Spouses** are people who receive benefits payable from the retirement plan in the event of a retired member's death. The average annual benefit payment for beneficiaries and surviving spouses is \$25,030.

**Deferred Members** are people who no longer work for an SBCERS Plan Sponsor but have established reciprocity or vested their benefit. Deferred Members are on average 45.9 years old.

## MEMBERSHIP STATISTICS AS OF JUNE 30, 2021



## VESTING STATUS OF ACTIVE MEMBERSHIP

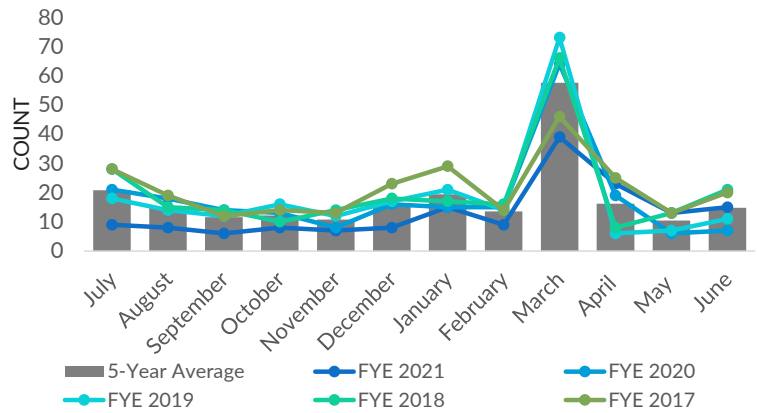


**72.3% of Active Members are vested**, meaning they have at least five years of service and are entitled to a future retirement benefit upon reaching eligibility.

**27.7% of Active Members are non-vested**, meaning they have less than five years of service and are not entitled to their employer's contributions to their retirement account.

## RETIREMENTS BY MONTH

The chart to the right shows the number of retirements by month for the last five fiscal years, as well as a five-year average. The number of retirements increases in March because the annual Cost-of-Living Adjustment takes place on April 1. A member must be retired no later than March 31 in order to receive the approved COLA. A retiree's COLA is dependent on the Plan they are in and their retirement date.



## 126 MEMBERS ESTABLISHED RECIPROCITY

A new employee can establish reciprocity if they begin service with an SBCERS Plan Sponsor within 180 days of leaving employment with a California public agency covered by a reciprocal retirement system, or leave service with an SBCERS Plan Sponsor and begin regular employment with another public agency covered by a reciprocal system within 180 days.

## 153 MEMBERS RETIRED

The number of retirements decreased by 33% from the previous fiscal year. Retirement eligibility depends on the member's plan. Retirement eligibility criteria are listed in SBCERS' Summary Plan Documents, available online at [www.sbcers.org](http://www.sbcers.org).

## 350 NEW ACTIVE MEMBERS AND REHIRS

New Active Members are new employees hired by an SBCERS plan sponsor. All regular employees working at least 50% of a full-time position for an SBCERS plan sponsor participate in an SBCERS Plan. If a Retired Member returns to work at least 50% of a full-time position at an SBCERS plan sponsor, the member will return to active SBCERS member status.

## 213 SERVICE CREDIT PURCHASES

Members may be able to purchase service credit if: (1) they were employed by the County before they became an SBCERS member, such as Extra Help, (2) they were on a leave of absence without pay for medical reasons, or (3) they left employment with the County, withdrew their contributions from the plan, and were later rehired.

## FREQUENTLY ASKED QUESTIONS

# DISABILITY RETIREMENT

Disability retirement benefits may be available to members who become permanently incapacitated and are unable to perform the usual duties of their job. There are two types of disability retirement:

### SERVICE-CONNECTED DISABILITY RETIREMENT

Permanent incapacity for the performance of duty resulting from an injury or disease arising out of and in the course of employment, where such employment contributes substantially to the incapacity. A member may apply for this benefit after completing any length of service if other eligibility criteria are met.

### NON-SERVICE CONNECTED DISABILITY RETIREMENT

Permanent incapacity resulting from an injury or illness not related to your employment. To apply for this benefit, the member must have five or more years of service credit (including reciprocal service).

## DISABILITY RETIREMENTS AS OF JUNE 30, 2021

	General Disability Retirees	Safety Disability Retirees	Total
Count	135	150	285
Avg Annual Benefit	\$30,048	\$56,076	\$43,747

The following resources are available online at [www.sbcers.org/disability-retirement](http://www.sbcers.org/disability-retirement) to help you understand the disability retirement benefits available:

- » [Disability Retirement Brochure](#)
- » [Disability Retirement Process Video](#)

### HOW LONG DOES THE DISABILITY RETIREMENT PROCESS TAKE?

The average time to bring an application to an initial Board hearing is seven to eleven months, however, time periods may vary depending on the complexities of the application. If a matter is referred to an evidentiary hearing, a resolution will typically take an additional six months.

### WHEN SHOULD I FILE A DISABILITY RETIREMENT APPLICATION?

You should generally file an application for disability retirement as soon as you are reasonably certain that your medical condition permanently prevents you from performing your usual duties. You may apply while still employed or within four months following discontinuance from service. If applying more than four months after discontinuing service, you must demonstrate that you have been continuously disabled since discontinuing from service. You may not apply if you have withdrawn your retirement contributions.

### IS WORKERS' COMPENSATION RELATED TO DISABILITY RETIREMENT?

No. Workers' Compensation is a separate process and governed by a different set of statutes and standards. Receipt of a Workers' Compensation award does not guarantee eligibility to receive a disability retirement.

# OPEB FUND RESULTS

The Other Post-Employment Benefits ("OPEB") Trust Fund is a separate fund used to invest current funds toward future obligations for retiree health benefits. Other Post-Employment Benefits are healthcare, vision, and dental benefits that a member may receive during retirement, in addition to pension benefits.

*Dollars in Thousands*

**For the Fiscal Year Ended June 30, 2021**

<b>Assets as of June 30, 2020</b>	<b>\$32,836</b>
<b>Additions</b>	
Employer Contributions	\$14,668
Interest & Investments Income	8,023
Misc. Income	416
<b>Total Additions</b>	<b>\$23,107</b>
<b>Deductions</b>	
Benefits Paid	9,250
Administrative Expense	224
<b>Total Deductions</b>	<b>\$9,474</b>
<b>Net Position Restricted for OPEB Benefits</b>	<b>\$46,469</b>

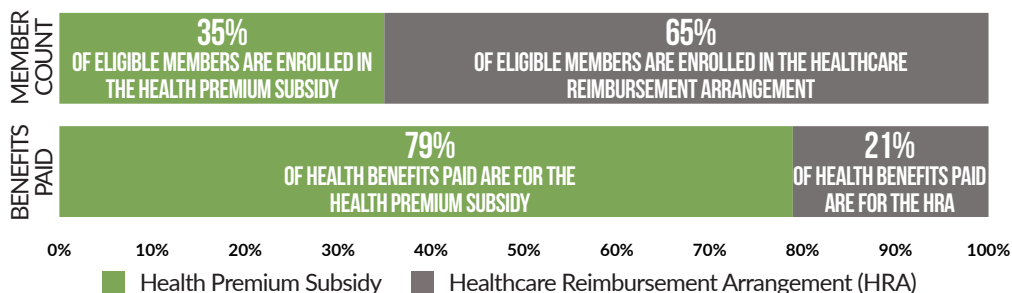
For the fiscal year ended June 30, 2021, the rate of return on OPEB Fund investments was 25.55%. SBCERS implements a strategy for the retiree health fund that reduces risk through diversification of 60% Domestic Equity and 40% Fixed Income asset classes. The OPEB Trust Fund saw a higher rate of return because the U.S. investment markets recovered quickly and generated very strong equity returns.

## HEALTH PREMIUM SUBSIDY

Retirees who elect to purchase plan sponsor qualified health plans are eligible to receive \$15 per year of service for medical premiums funded by the County and other plan sponsors. If the monthly premium for the health plan selected is less than the member's subsidy, then the subsidy is limited to the amount of the health insurance premium.

## HEALTHCARE REIMBURSEMENT ARRANGEMENT

Retirees who choose not to participate in a plan sponsor qualified health plan receive a monthly benefit of \$4 per year of service. This benefit reimburses qualified healthcare expenses through a health reimbursement account (HRA).



As of June 30, 2021, 100% of eligible retirees participated in the OPEB program.

A photograph of an aloe vera plant with several tall, spiky red flowers against a clear blue sky. The plant is in the foreground, and the background shows a blurred residential area with houses and trees.

# THE DIFFERENCE BETWEEN SBCERS DEFINED BENEFIT AND DEFERRED COMPENSATION

Your SBCERS retirement is a meaningful benefit of your employment, but it can sometimes be confusing to note all the differences between your defined benefit from SBCERS and a Deferred Compensation 457(b) Plan.

While both are valuable components of your retirement planning, they operate very differently and offer different benefit structures. Together, they can form a robust and comprehensive strategy to achieve financial security in retirement.

Here we'll describe important provisions of your SBCERS plan and provide tips for best practices in retirement planning as it pertains to your SBCERS benefit.

## WHAT IS THE DIFFERENCE?

SBCERS provides a defined benefit to retirees. This is a monthly lifetime benefit using the formula provided by the plan in which you are enrolled. This benefit, paid every month on the first of the month, provides you with a percentage of your final average salary plus cost-of-living adjustments for the duration of your retired lifetime. Depending on the payment option selected at retirement and your life circumstances, a certain amount of your lifetime benefit is continued to your qualified beneficiary after you pass.

A 457(b) Deferred Compensation Plan is a non-qualified, tax-advantaged deferred compensation retirement plan offered by state and local governments and some nonprofit employers. A 457(b) plan will allow you to accumulate a lump sum retirement savings account on a pre-tax basis. Once the money in a 457(b) account is fully drawn down, the benefit ceases to exist for the retiree.

## HOW ARE THE PLANS FUNDED?

Your SBCERS benefit is funded by contributions from you and your participating employer. Depending on your plan, you pay a fixed percentage of your pay on a pre-tax basis. Contribution amounts are established based on a variety of factors, including the benefit plan tier and the assumptions used to determine the normal cost of the plan. The employer contributes the remainder of the normal cost of the plan and is responsible for any funding shortfalls thereafter.

The most commonly available 457(b) Plan for SBCERS members is funded exclusively by member contributions. You can contribute any amount of your salary up to the current year contribution limitation on a pre-tax basis. The current year contribution limitation for 457(b) plans is \$20,500. If you are over 50 years old, you can make catch-up contributions in the additional amount of \$6,500.



## HOW ARE THE BENEFITS PAID OUT?

Your SBCERS benefit is paid out on the first of each month after you are placed on the retirement payroll. Each year on May 1<sup>st</sup>, the cost-of-living adjustment is applied to your monthly payment.

In a 457(b) plan, you withdraw funds from your account as necessary.

## COMPARING DEFINED BENEFIT & DEFERRED COMPENSATION PLANS

The important takeaway is that your SBCERS benefit is a lifetime benefit, with options for continuation benefits to a qualified beneficiary.

SBCERS does not stop paying you once the contributions you and your employer have made to the System have been paid out to you. This differs from a 457(b) Deferred Compensation Plan, which is a finite amount of money based on your contributions and the investment earnings on those dollars.

<b>SBCERS DEFINED BENEFIT</b>	Mandatory participation for all regular employees.	Unable to increase or decrease employee contribution.
	Employer makes contributions.	Benefit amount is not finite.
<b>457(B) PLAN</b>	Calculated lifetime monthly benefit.	In-Service (during employment) loans are not available.
	Individual investment selections are not available.	Annual COLA to account for inflation.
	Contributions are pre-tax and reduce taxable income.	
	Participation is optional.	Able to increase or decrease employee contribution.
Employer does not make contributions.	Benefit amount is finite.	
Benefit is not a calculated lifetime monthly benefit.	In-Service (during employment) Loans are available with approved hardship application.	
Individual investment selections are available.	No COLA increases.	

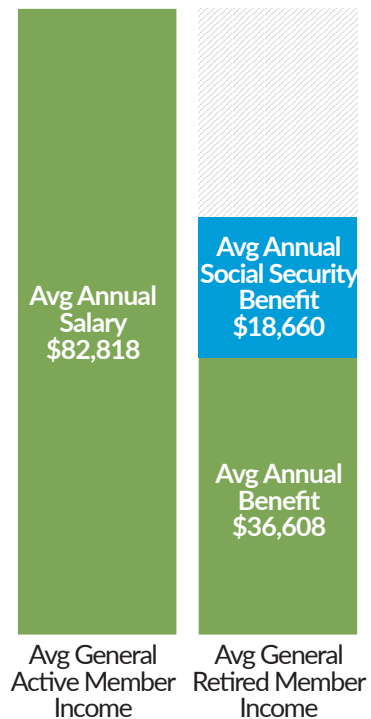


## DID YOU KNOW...

**Most people don't retire with 100% of their final average salary, meaning SBCERS doesn't replace all or even most of a retiree's pay in the final years of their career.**

A 457(b) plan is a helpful complement to a defined benefit plan to cover the large and unexpected expenses that sometimes result from changing life needs in retirement.

For example, the average General Member's annual salary is \$82,818, while the average General Retired Member's annual SBCERS benefit is \$36,608. A General Retired Member may also receive Social Security, which averaged \$18,660 annually as of June 30, 2021\*. That leaves the General Retired Member with \$27,550 less than what they may have earned while working full-time. A 457(b) plan would help fill that income gap.



\*Source: Social Security Administration, "Social Security Basic Facts".

## HOW DO I SIGN UP FOR THE PLAN?

You are automatically enrolled in SBCERS by virtue of your position at a participating employer. All employees of our plan sponsors who work at least 20 hours per week in a permanent position become members of SBCERS.

If you are interested in participating in a 457(b) plan, we recommend that you consult with your employer's Human Resources department. Employees of Santa Barbara County can find out more about the County's Deferred Compensation Plan by visiting [www.empower-retirement.com](http://www.empower-retirement.com) directly.



# MAKING THE MOST OF YOUR PENSION BENEFIT

THERE ARE MANY BEST PRACTICES FOR MEMBERS TO CONSIDER WHEN PREPARING FOR FUTURE RETIREMENT FROM SBCERS. SPEAK WITH AN SBCERS MEMBER SERVICES REPRESENTATIVE TO REVIEW BENEFIT ESTIMATES AND DISCUSS ANY QUESTIONS OR CONCERNS YOU MAY HAVE.



## FINAL AVERAGE SALARY

- » Remember that step increases, promotions, and bargained special pay may increase your Final Average Salary.



## TIMING

- » Keep an eye on your age factor as you consider retirement dates: retiring at 51 years old vs. 51 years and 3 months old makes a difference in the computation of your benefit.
- » If you intend to COBRA your health insurance, you must be enrolled in it as an active employee the year you retire. This is an important reminder for the Open Enrollment season the fall before your year of retirement.
- » Consider retiring before April 1<sup>st</sup> of the year to receive the Retiree COLA (Cost-of-Living Adjustment) in your May 1<sup>st</sup> payment.

## STAY UP-TO-DATE & KNOW YOUR BENEFITS

- » Read your summary plan document online at [www.sbcers.org](http://www.sbcers.org).
- » Watch "Retirement Basics Workshop: Best Practices for Retirement Planning" online at [www.sbcers.org/retirementplanning](http://www.sbcers.org/retirementplanning).
- » Sign up for our secure member portal, MySBCERS, for secure access to your member statements and our Messaging Center, at <https://mysbcers.org>.
- » Sign up for our free monthly email newsletter for updates on the System, investments, and our monthly Cost-of-Living Adjustment tracker.



## SERVICE CREDIT & RECIPROACITY

- » Purchase any eligible missing work time for:
  - Extra Help service you worked before being hired into a regular position and becoming a member of SBCERS,
  - Medical Leave of Absence,
  - Redeposit of Contributions for prior service periods, and/or
  - Layoff service if you were rehired to the department from which you were laid off.
- » Remember that unused Sick Leave of up to 2,087 hours converts to a maximum of 1 year of additional retirement service credit.
- » Be sure you established reciprocity (if applicable) when you came to SBCERS. If you did not, call SBCERS for help.



## ACCOUNT HOUSEKEEPING

- » Divorce or Dissolution of CA Registered Domestic Partnership: Your pension benefit is generally community property subject to division. Ensure this benefit is addressed in your division of assets and provide documentation to SBCERS. Contact SBCERS if you are unsure if this was done correctly for a prior dissolution, or are currently in the process.
- » Beneficiaries: Keep your beneficiary up-to-date even during active membership, and consider who you will name as your beneficiary at the time of retirement. Reviewing the available payment options, either by reading the Summary Plan Document or discussing a benefit estimate with a Member Services Team Member, is an important part of your retirement preparation.

# SBCERS

SANTA BARBARA COUNTY  
EMPLOYEES' RETIREMENT SYSTEM

130 Robin Hill Road, Suite 100  
Goleta, CA 93117

P: 1-877-568-2940  
F: 805-695-2755

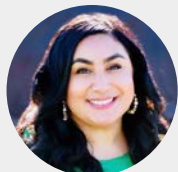
## SBCERS HAS NEW PHONE NUMBERS!

Our main line (1-877-568-2940) and fax number (805-695-2755) will remain the same, however, direct lines have changed.

### SOUTH COUNTY REPRESENTATIVES



**Barbara Gordon**  
P: 805-770-1254  
bgordon@sbcers.org



**Ruth Narez**  
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rnarez@sbcers.org

### NORTH COUNTY REPRESENTATIVES



**Scott Dunlap**  
P: 805-730-0055  
sdunlap@sbcers.org



**Jenny Labastida**  
P: 805-730-0727  
jlabastida@sbcers.org