

# SBCERS

Santa Barbara County Employees' Retirement System

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## Summary Plan Description

### Safety Members

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Santa Barbara County Employees' Retirement System

Gregory E. Levin, CPA  
Chief Executive Officer

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Dear Member:

Your retirement plan is a major benefit of your employment with Santa Barbara County Santa Barbara County Superior Courts, and the nine Special Districts, all of which participate in SBCERS. This booklet summarizes certain provisions of that plan. We recommend that you read this booklet carefully and keep it with your other important personal records for future reference.

This summary plan document is designed to help you understand your retirement benefits, but it does not describe every plan provision in complete detail. Nothing in this booklet should be considered a legally binding interpretation or amendment of the County Employees' Retirement Law of 1937 (CERL). Benefits under this plan are determined and governed by the CERL and the rules and regulations of the Board of Retirement.

If you have questions about your retirement benefits, or wish to make an appointment for a private consultation, contact the Retirement Office. We encourage you to visit our website at [www.sbcers.org](http://www.sbcers.org). There you will find helpful news and information about the Retirement System along with retirement planning tools, forms, and the name and office location of your Retirement Benefits Specialist.

Respectfully,



Gregory E. Levin, CPA  
Chief Executive Officer

# TABLE OF CONTENTS

## GENERAL INFORMATION

Highlights of the Safety Member Retirement Plan.....	1
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## MEMBERSHIP

Safety Plan Membership.....	2
Contributions.....	2
Member Statements.....	3
Beneficiary Designation .....	3
Domestic Partnerships.....	4
Dissolution of Marriage or Domestic Partnership.....	4
Dissolution Prior to Retirement .....	4
Dissolution After Retirement.....	5
Disposition Of Contributions After Termination.....	5
Withdrawal of Contributions.....	5
Deferred Retirement.....	6

## SERVICE CREDIT

Purchasing Credit for "Lost" Service .....	6
Purchasing Credit for Prior Public Service .....	7
Purchasing Additional Retirement Credit.....	7
Credit for Reciprocal Service.....	7

<b>RECIPROCAL SERVICE .....</b>	<b>8</b>
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## CLAIMING RETIREMENT BENEFITS

Qualifications for Service Retirement.....	9
Application for Service Retirement.....	9

## RETIREMENT BENEFITS

Final Average Salary.....	10
Payment Options .....	11
Unmodified Option.....	11
Computing Your Retirement Allowance – Safety Plan 4 .....	11
Computing Your Retirement Allowance – Safety Plan 6 .....	12
Modified Options.....	14
Option 1 — Cash Refund.....	14
Option 2 — 100% Joint and Survivor .....	14
Option 3 — 50% Joint & Survivor.....	15
Option 4 — Named Beneficiary.....	16
Disability Retirement.....	17

Service-Connected Disability Retirement .....	16
Non-Service-Connected Disability Retirement.....	16
Cost-of-Living Adjustments.....	17
<b>COUNTY WORK AFTER RETIREMENT .....</b>	<b>17</b>
<b>SURVIVOR BENEFITS</b>	
Death Before Retirement.....	18
Death Before Retirement of Non-Vested Member.....	188
Death Before Retirement Of Vested Member.....	18
Service-Connected Death Before Retirement .....	18
Death of Deferred Vested member.....	19
Death after Retirement.....	19
<b>OTHER IMPORTANT POST-RETIREMENT INFORMATION</b>	
Mailing Address.....	20
Direct Deposit of allowance to your bank account .....	20
Income Tax Status .....	20
<b>ABOUT SBCERS</b>	
Board of Retirement.....	21
Annual Reports .....	21

## GENERAL INFORMATION

### Highlights of the Safety Member Retirement Plan

Regardless of your age, it is never too early to begin thinking about your financial security after retirement. Your retirement plan is administered by the Santa Barbara County Employees' Retirement System (SBCERS). It is designed to provide you a reliable source of income throughout your retirement years. It can also provide benefits to your eligible survivors after your death. Here are some of the key features of the plan:

- Both you and your employer make contributions to the Retirement System during your career. Contributions are a percentage of your salary based on your plan, your age at entry into the Retirement System, and the date you became a member of the System.
- The amount of your retirement allowance is based on your age at retirement, your final average monthly salary, your years of service credit, and the payment option you select.
- You are fully vested (that is, have a right to receive a retirement allowance once you meet other eligibility criteria) after you have earned five years of County and/or reciprocal service credit.
- If you leave employment before you are vested, your own contributions and accumulated interest are refunded to you.
- As an active member, you or your family may receive benefits from the plan if you become disabled or die before you retire.
- You are eligible to retire when you have:
  - Attained age 50 and have at least 5 years of County/reciprocal service credit (excluding prior public service and additional retirement credit) and 10 years have elapsed since your date of membership, OR
  - Earned retirement credit of 20 years of County/reciprocal service (excluding prior public service and additional retirement credit), regardless of age.
- If you become permanently disabled while you are an active member, you may be eligible for disability retirement benefits.
- You have a variety of payment options available when you retire.

**Note:** In this Summary Plan Description, "years of service" refers to years of retirement service credit unless otherwise stated.

## MEMBERSHIP

### Safety Plan Membership

You become a member of the Retirement System when you are appointed to a full-time position or to a permanent part-time position of at least 20 hours a week. Only elected officials and persons first employed at age 60 or older may waive membership in the Retirement System. Certain contract employees also participate in the Retirement System. Extra help employees are not eligible for membership.

There are two types of SBCERS members:

#### Safety members

Employees whose principal duty is active law enforcement or active fire suppression. This summary plan document is for Safety Members.

#### General members

All other employees eligible for membership.

There are two plans in which Safety members are enrolled: Safety Plan 4 (for Fire and Probation employees), and Safety Plan 6 (for Sheriff and District Attorney Investigator (DAI) employees). Within each plan there are tiers (designated by A, B, or C) based on your membership date and/or bargaining unit:

PLAN 4    3% at Age 55 Formula		Member Contributions
4A	Fire employees who became members prior to 10/10/94 (& all Carp/Summerland Fire employees regardless of membership date)	Half-Rates
4B	Employees in Probation management/executive classifications or in the classification of Fire Chief who became members on or after 10/10/94	Full-Rates
4C	All Probation employees represented by the Probation Peace Officers Association (regardless of membership date), and Fire employees who became members on or after 10/10/94 (except Fire Chief)	Half-Rates
PLAN 6    3% at Age 50 Formula		
6A	Sheriff/DAI employees who became members prior to 10/10/94	Half-Rates
6B	Sheriff/DAI employees who became members on or after 10/10/94	Half-Rates

### Contributions

The Retirement System's funds come from three sources: member contributions, employer contributions, and investment earnings.

- **Member contribution rates** are actuarially determined on the basis of plan and age on entry into the Retirement System. The appropriate rate is applied to your

biweekly pensionable compensation and is deducted from your pay before taxes are withheld. Safety member contributions cease after thirty years of continuous service credit

- **Employer contribution rates** are actuarially determined based on total payroll and are considerably higher than member contribution rates.

Interest is credited to members' accounts every June 30 and December 31 (GC 31591). After separation from service, no further interest is credited to a member's account unless the member is eligible for deferred retirement or is employed by another agency covered by reciprocity within six months of the member's separation date. Active members cannot borrow against or receive a refund of any portion of their account.

The Retirement Board has exclusive control of the investment of these funds (GC 31595). The funds are managed for the exclusive purposes of providing benefits to participants and their beneficiaries, minimizing employer contributions and defraying reasonable expenses of administering the system. The Board manages these funds with prudence and diligence, and diversifies investments to minimize risk and maximize return when prudent.

### **Membership Statements**

Member statements are mailed annually to each active and deferred member. Statements contain information on contribution totals, service credit, and other personal information. To keep your records current, you must inform the payroll clerk in your department if you have a change of address.

Members with access to the County's Employee Self-Service website can view current account information online. You may also request your current retirement account balance by sending a signed written request to the Retirement Office.

### **Beneficiary Designation**

Your beneficiary is the person or people who receive any benefits payable from the Retirement Plan in the event of your death. You must designate a beneficiary when you become a Retirement System member. If you are married or have an eligible registered domestic partner, your spouse or partner is automatically your beneficiary unless you present their written, notarized consent to designate someone else.

To designate a beneficiary, obtain a beneficiary designation form from the Retirement Office or from the website at [www.countyofsb.org/sbcers](http://www.countyofsb.org/sbcers). Fill it out, make a photocopy for your records, and return the original to the Retirement Office.

You may change your beneficiary designation at any time before you retire by submitting a new beneficiary designation form to the Retirement Office. If your spouse,

domestic partner, or other beneficiary dies before you begin receiving payments, you should name a new beneficiary.

It is important that you keep your beneficiary designation up to date. If you die and have no surviving spouse, domestic partner, minor children, or other designated beneficiary, any available benefit is paid to your estate.

### **Domestic Partnerships**

In accordance with the California Domestic Partner Rights and Responsibilities Act of 2003, registered domestic partners will be granted the same rights and retirement benefits as are offered to married members of the Retirement System.

Eligible domestic partners must meet the following requirements:

- Both persons have a common residence,
- Both persons are at least 18 years of age, and
- Both persons are members of the same sex, or at least one of the persons is over the age of 62 and meets the Social Security Act criteria.

In this Summary Plan Description, any reference to benefits related to the spouse of a married member of SBCERS is applicable to an eligible domestic partner as well.

### **Dissolution of Marriage Or Domestic Partnership**

Under California law, retirement benefits accrued during a marriage or domestic partnership can be considered community property. The division of this property as the result of a dissolution of marriage or domestic partnership must conform to the County Employees Retirement Law and be agreed to by the Retirement System. In order for the Retirement System to respond to a domestic relations order issued in connection with a dissolution, it must be joined as a party to the proceedings. The Retirement System developed guidelines to assist members undergoing dissolution of a marriage or domestic partnership. Contact the Retirement Office for a copy of the guidelines.

#### Dissolution Prior To Retirement

Typically an active member's account is divided into two separate accounts as agreed in a court-approved marital settlement agreement. After the account is split, each party gains control over his/her separate account and the non-member (ex-spouse or partner) is eligible to:

- Receive a refund of the accumulated contributions and interest in the non-member account; or

- Receive a monthly retirement allowance on the earlier of the member's eligibility or the non-member's eligibility for retirement; and
- Name a beneficiary for refund prior to retirement or any unpaid allowance payable at the time of the non-member's death.

### Dissolution After Retirement

The non-member spouse or domestic partner maintains residual rights to future benefits and receives a percentage of the member's retirement allowance based on a court-approved domestic relations order.

## **Disposition of Contributions After Termination**

### Withdrawal of Contributions

If you terminate with less than five years of vested service, you are not entitled to a retirement benefit unless you enter employment with another California public agency covered by a reciprocity agreement with SBCERS (see section on "Reciprocal Service"). If you are not entering a reciprocal system, you are entitled to a refund of your contributions and interest, or you may leave your contributions on deposit in anticipation of a return to County service (*GC 31629.5*). Retirement accounts of non-vested, non-reciprocal members do not earn interest.

You may request a refund of your contributions and any accumulated interest when you terminate regular employment and you are no longer eligible for membership in the Retirement System. A refund is made after receipt of:

- A Separation Form or notice of discontinuance of membership, and
- A completed Disposition of Retirement Contributions document.

Because your SBCERS retirement plan is a qualified retirement plan, the untaxed part of your refund is subject to income tax. Before September 2, 2002, member contributions were made on an after-tax basis. However, any regular member contributions made by payroll deduction on or after that date and any interest credited to your account were not taxed and are therefore taxable upon refund.

If you receive a refund before age 59-1/2, you will owe excise taxes for early withdrawal in addition to any ordinary income taxes. You may avoid excise taxes and defer income taxes by rolling the untaxed portion of your account over into an IRA or other eligible retirement plan.

## Deferred Retirement

If you terminate County service with more than five years of service credit, you may leave your contributions on deposit and take a Deferred Retirement upon reaching eligibility. To receive a deferred retirement, you must be vested and:

- Leave your contributions in the system until you could have been retired had you remained in service in a full-time position, and
- Apply to the Retirement Office to begin payment of benefits at least 6 months before your desired retirement date IF you intend to elect an optional benefit payment method, OR
- Begin receiving a retirement allowance by April 1 of the year following the year in which you attain age 70-1/2.

You may cancel your deferred retirement election and withdraw your contributions at any time before age 70-1/2. The accounts of deferred vested members continue to be credited with interest semi-annually.

## **SERVICE CREDIT**

Service credit is computed on a biweekly basis, and 2,088 paid hours equals one year of service. You cannot earn more than one year of service credit in any 12-month period. Under the circumstances described below, you may be eligible to increase your retirement allowance by purchasing service credit by rolling over funds from an eligible retirement plan such as deferred compensation or by payroll deduction on a pretax or post-tax basis (within IRS limits).

You will receive up to one year of service credit for your accumulated unused sick leave at the date of retirement (*GC 31641.03*). Shift personnel of the fire department shall have their balances adjusted to reflect a forty-hour work week equivalent.

In addition to the service credit you earn by working, under certain circumstances you can purchase service credit as described below.

### **Purchasing Credit for “Lost” Service**

You may purchase credit for lost service if:

- You were employed by the County before you became a SBCERS member (as “extra help,” for example), and you did not receive credit for that service. You may purchase credit for all or part of that service.
- You were on leave of absence without pay for medical reasons. You may purchase up to one year of service for your period of medical incapacity when you return to work.
- You left employment with the County and withdrew your contributions from the plan, and then you were subsequently rehired. You may reacquire the lost service

credit by repaying the withdrawn amount with interest. This type of purchase is called a "redeposit."

### **Purchasing Credit for Prior Public Service**

If you were a member of the Retirement System before July 15, 1977, you may purchase credit for periods of prior public service for which you did not receive service credit under any publicly funded retirement system. Public service is defined as service as an officer or an employee of:

- Any federal or state agency or department,
- Any city or county in the state of California, or
- Any public corporation, municipal corporation, or public district that is either in whole or in part within Santa Barbara County, or
- Any local agency formation commission.

### **Purchasing Additional Retirement Credit**

Pursuant to Government Code Section 7522.46. (a) A public retirement system shall not allow the purchase of nonqualified service credit, as defined by Section 415(n)(3)(C) of the Internal Revenue Code of 1986 (26 U.S.C. Sec. 415(n)(3)(C)).

(b) Subdivision (a) shall not apply to an official application to purchase nonqualified service credit that is received by the public retirement system prior to January 1, 2013, that is subsequently approved by the system.

### **Credit for Reciprocal Service**

See "Reciprocal Service" section for information on receiving credit for service within reciprocal systems.

## RECIPROCAL SERVICE

Reciprocal retirement benefits are available to you if you either (a) enter service with Santa Barbara County within 180 days of leaving employment with a California public agency covered by a reciprocal retirement system, or (b) leave County service and within 180 days begin regular employment with a public agency covered by a reciprocal system. Reciprocal systems include:

- Another county that is subject to the County Employees Retirement Law of 1937 (CERL);
- The 1937 Act counties are:

Alameda	Mendocino	San Mateo
Contra Costa	Merced	Santa Barbara
Fresno	Orange	Sonoma
Imperial	Sacramento	Stanislaus
Kern	San Bernardino	Tulare
Los Angeles	San Diego	Ventura
Marin	San Joaquin	

- California Public Employees Retirement System (CalPERS), which covers employees of the State of California and contracting counties, cities and special districts;
  - California State Teachers' Retirement System (CalSTRS);
  - Judges' Retirement System;
  - Independent public retirement systems by virtue of their reciprocity agreements with CalPERS, including those operated by the County of San Luis Obispo, and the Cities of Los Angeles and San Diego.
- If you enter a reciprocal retirement system within six months, you may elect to establish reciprocity regardless of your length of service. To receive the benefits of a deferred retirement with reciprocity, you must elect to do so in writing. There are several advantages to establishing reciprocity:
    - Service under both systems is used in determining eligibility for service retirement.
    - In the new system, your age for retirement purposes is the same as your age when you entered the original system.
    - Your highest final average salary under either system is used when calculating benefits.

Contributions cannot be withdrawn under reciprocity. Extension of membership continues your right to service and disability retirement, and you must retire under both systems concurrently.

## **CLAIMING RETIREMENT BENEFITS**

### **Qualifications For Service Retirement**

You may file for service retirement if you:

- Are age 50 or older and have at least 5 years of County/reciprocal service (excluding prior public service and additional retirement credit), and 10 years have elapsed since your date of membership, or
- Have retirement credit of 20 years of County/reciprocal service (excluding prior public service and additional retirement credit), regardless of age.

### **Application For Service Retirement**

If you are thinking about retiring, you can request an estimate by contacting the Retirement Office and providing your estimated retirement date. Once you decide on a retirement date, you must file an application for service retirement to begin receiving your retirement allowance. You cannot file your application more than 60 days before the effective date of your retirement. However, it's a good idea to notify the Retirement Office of your intentions before applying in order to receive counseling and information to help you plan for your retirement and obtain the documents that must accompany your application.

You may choose from several retirement allowance payment options. All of them guarantee you a lifetime benefit, but the payment option that is best for you depends on your personal circumstances. Once you begin receiving your retirement allowance you cannot change your payment option.

## RETIREMENT BENEFITS

The amount of your monthly retirement allowance is based on four factors:

- Your age at retirement (to the nearest completed quarter year),
- Your total service credit,
- Your final average monthly salary, and
- The payment option you select.

No restrictions or conditions are applied to SBCERS' benefits regarding other income, Social Security benefits, place of residence, etc. However, there are limits on the amount of County work you can be paid for while receiving a retirement allowance. See "County Work after Retirement" for details.

Retirement and survivor allowances are generally paid for life. An exception is for survivor benefits paid to minor children. See details under "Survivor Benefits" section.

### Final Average Salary

Your retirement allowance is based in part on your final average monthly salary. When computing final average salary (FAS), the Retirement System relies on the salary amounts on which your contributions were based. It is your employer's responsibility to report the correct salary amounts to the Retirement System.

Final average salary figures are calculated on two different bases depending on your plan and full/part-time status, as either the highest average over twelve consecutive months of employment (one-year FAS) or over thirty-six consecutive months of employment (three-year FAS). For full-time employees, the applicable final average salary basis by plan is as follows:

- **Plans 4A, 4B and 6A – one-year final average salary**
- **Plans 4C and 6B – three-year final average salary**

The final average salary calculation for part-time employees is always based on the highest average over thirty-six consecutive months of employment, regardless of plan.

Note: Annual retirement benefits that you may receive are subject to the limitations of Sections 401(a)(17) and 415 of the Internal Revenue Code. These limitations apply to very few SBCERS' members, and the Retirement Office will notify you if these limitations affect you.

## **PAYMENT OPTIONS**

### **Unmodified Option**

The unmodified option provides you with the largest monthly allowance for life after retirement and a continuing benefit for your eligible spouse after you die. Your surviving spouse (or eligible minor children as a group) will receive an allowance of 60% of your monthly allowance. If upon your death there is no eligible spouse or children, any excess of contributions over the total amount that has paid to you is paid to your designated beneficiary. Note that after approximately three years of payments there is usually no excess remaining.

To be eligible, your spouse must have (a) been married to you for at least one year before your retirement date, or (b) if not married to you before your retirement, he or she:

- Was designated in writing as a beneficiary,
- Was married to you for two years or more, and
- Has attained age 55 on your date of death.

If you do not have an eligible spouse, but you have an eligible child or children, the continuing benefit is paid to them. To be eligible, a child must be unmarried and under the age of 18, or unmarried and under the age of 22 and a full-time student at an accredited school.

### **Computing Your Retirement Allowance – Safety Plan 4**

Your monthly retirement allowance is computed as follows:

1. Multiply your final average salary by 3%.
2. Use your age at retirement (to the nearest completed quarter year) to find your retirement factor on the following page.
3. Multiply the result of step 1 by the retirement factor.
4. Multiply the result of step 3 by your total years of service (years and fractions of years). The result is your monthly allowance.

Note that your initial retirement allowance cannot be larger than your final average monthly salary.

AGE	FACTOR
41.00	0.4777
41.25	0.4848
41.50	0.4918
41.75	0.4987
42.00	0.5058
42.25	0.5130
42.50	0.5202
42.75	0.5274
43.00	0.5347
43.25	0.5422
43.50	0.5497
43.75	0.5572
44.00	0.5647
44.25	0.5725
44.50	0.5803
44.75	0.5881
45.00	0.5958
45.25	0.6039
45.50	0.6120
45.75	0.6200

AGE	FACTOR
46.00	0.6280
46.25	0.6366
46.50	0.6452
46.75	0.6555
47.00	0.6625
47.25	0.6703
47.50	0.6781
47.75	0.6858
48.00	0.6936
48.25	0.7019
48.50	0.7103
48.75	0.7186
49.00	0.7269
49.25	0.7360
49.50	0.7452
49.75	0.7543
50.00	0.7634
50.25	0.7733
50.50	0.7832
50.75	0.7930

AGE	FACTOR
51.00	0.8028
51.25	0.8135
51.50	0.8242
51.75	0.8349
52.00	0.8457
52.25	0.8574
52.50	0.8691
52.75	0.8808
53.00	0.8926
53.25	0.9053
53.50	0.9182
53.75	0.9310
54.00	0.9418
54.25	0.9579
54.50	0.9718
54.75	0.9860
55.00	1.0000

#### **Plan 4 Benefit Calculation Example: Unmodified Option**

This example shows the calculation of the monthly retirement allowance for an employee retiring from Plan 4 at age 55 with a \$5,000 monthly average salary and 20 years of service credit.

1. Final average monthly salary of \$5,000 multiplied by 3% = \$150
2. Retirement factor at retirement age 55 = 1.0000
3. \$150 multiplied by 1.0000 = \$150
4. \$150 multiplied by 20 total years of service credit = \$3,000/month

#### **Computing Your Retirement Allowance – Safety Plan 6**

Your monthly retirement allowance is computed as follows:

1. Multiply your final average salary by 3%.
2. Use your age at retirement (to the nearest completed quarter year) to find your retirement factor on the following page.
3. Multiply the result of step 1 by the retirement factor.

- Multiply the result of step 3 by your total years of service (years and fractions of years). The result is your monthly allowance.

Note that your initial retirement allowance cannot be larger than your final average monthly salary.

AGE	FACTOR
41.00	0.6258
41.25	0.6350
41.50	0.6442
41.75	0.6533
42.00	0.6625
42.25	0.6720
42.50	0.6814
42.75	0.6909
43.00	0.7004
43.25	0.7102
43.50	0.7200
43.75	0.7299
44.00	0.7397
44.25	0.7499
44.50	0.7601
44.75	0.7703
45.00	0.7805
45.25	0.7910
45.50	0.8016
45.75	0.8121

AGE	FACTOR
46.00	0.8226
46.25	0.8339
46.50	0.8452
46.75	0.8586
47.00	0.8678
47.25	0.8780
47.50	0.8882
47.75	0.8983
48.00	0.9085
48.25	0.9194
48.50	0.9304
48.75	0.9413
49.00	0.9522
49.25	0.9641
49.50	0.9761
49.75	0.9880
50.00	1.0000

### Plan 6 Benefit Calculation Example: Unmodified Option

This example shows the calculation of the monthly retirement allowance for an employee retiring from Plan 4 at age 50 with a \$5,000 monthly average salary and 20 years of service credit.

- Final average monthly salary of \$5,000 multiplied by 3% = \$150
- Retirement factor at retirement age 50 = 1.0000
- \$150 multiplied by 1.0000 = \$150
- \$150 multiplied by 20 total years of service credit = \$3,000/month

## Modified Options

Modified options provide alternative benefits in exchange for a reduction in your retirement allowance. The size of the reduction in your allowance under each option depends on your age (and, in some cases, the age of your beneficiary) when you retire. The reductions are computed at the time of your retirement and you will be informed of these amounts to help you select the plan best suited to your needs.

Note that under options 2, 3, and 4, benefit payments are made to the beneficiary named at the time of your retirement. You may not elect a new beneficiary after you retire, even in the event of your beneficiary's death.

The option you select may not be changed after the first benefit payment is made.

### Option 1 — Cash Refund

Option 1 gives you a reduced monthly allowance in exchange for the possibility of a lump sum death benefit for your named beneficiary. The reduction is based on the amount of your accumulated contributions and interest. After you die, any excess contributions over the total benefit payments are paid to your beneficiary as a lump sum. Note that after approximately 12 years of retirement there are usually no excess contributions remaining.

### Option 2 — 100% Joint and Survivor

Option 2 gives you a reduced monthly allowance and, after you die, your beneficiary receives the same allowance you were receiving until his/her death. All payments stop after you and your beneficiary die. You may not select a new beneficiary after retirement, even if your beneficiary predeceases you.

The amount of the reduced allowance depends on your and your beneficiary's ages at the time of your retirement, as illustrated in the table below.

Monthly allowance for each \$100 of monthly allowance under the unmodified option

<i>Age of Beneficiary at Member's Retirement</i>	<i>Age of Member at Retirement</i>			
	50	55	60	65
Member's age minus 10 years	\$92.65	\$90.01	\$86.49	\$82.14
Member's age minus 5 years	\$93.54	\$91.28	\$88.31	\$84.69
Same as member's age	\$94.52	\$92.71	\$90.36	\$87.55
Member's age plus 5 years	\$95.56	\$94.21	\$92.48	\$90.46

Note that the ages listed in this table are for the purpose of an example only. Actual benefits are based on the member's and beneficiary's actual ages, to the last completed quarter year.

Example

A member who retires at age 50 is eligible to receive an allowance of \$100 each month under the unmodified option. If the member designates a beneficiary who is also age 50 and elects Option 2, the member's allowance is reduced to \$94.52 per month. When the member dies, the beneficiary receives the same allowance for the remainder of his/her life.

**Option 3 — 50% Joint & Survivor**

Option 3 gives you a reduced monthly allowance and, after you die, your beneficiary receives an allowance equal to half of the allowance you were receiving until his/her death. All payments stop after you and your beneficiary die. You may not select a new beneficiary after retirement, even if your beneficiary predeceases you.

The amount of the reduced allowance depends on your and your beneficiary's ages at the time of your retirement, as shown in the table below.

Allowance payable to a member for each \$100 of allowance under the unmodified option

<i>Age of Beneficiary at Member's Retirement</i>	<i>Age of Member at Retirement</i>			
	50	55	60	65
Member's age minus 10 years	\$96.19	\$94.74	\$92.76	\$90.19
Member's age minus 5 years	\$96.66	\$95.44	\$93.79	\$91.71
Same as member's age	\$97.19	\$96.22	\$94.94	\$93.36
Member's age plus 5 years	\$97.73	\$97.02	\$96.09	\$94.99

Note that the ages listed in this table are for the purpose of an example only. Actual benefits are based on the member's and beneficiary's actual ages, to the last completed quarter year.

### Example

A member who retires at age 50 is eligible to receive an allowance of \$100 each month under the unmodified option. If the member designates a beneficiary who is also age 50 and elects Option 3, the member's allowance is reduced to \$97.19 per month. When the member dies, the beneficiary receives 50% of the allowance — \$48.60 — for the remainder of his/her life.

### **Option 4 — Named Beneficiary**

Option 4 gives you a reduced monthly allowance and, after you die, your designated beneficiary or beneficiaries receive benefits for life. The amount of the survivor benefit is determined by an actuary based on the ages of the member and the beneficiary or beneficiaries. After you and your beneficiary die, all payments stop. You may not select a new beneficiary after retirement, even if your beneficiaries predecease you.

### **Disability Retirement**

If you become permanently disabled and are unable to perform the usual duties of your position, you may be eligible for disability retirement. Applications for disability retirement are processed pursuant to Article 10 of the CERL and judicial case law, and according to Board of Retirement bylaws. The process may include retrieval of all medical records, job analysis, investigation of alternative assignments and/or reasonable accommodations within your job class and department, independent medical examinations, and an evidentiary hearing.

### Service-Connected Disability Retirement

If you are deemed to be permanently unable to perform the duties of your job as a result of a disease or injury arising from employment, you are eligible for a service-connected disability retirement regardless of your age or length of service. After retirement for a service-connected disability, you receive a monthly allowance equal to 50% of your final average salary or your regular service retirement allowance, whichever is greater.

### Non-Service-Connected Disability Retirement

If you have at least five years of vested service and are deemed to be permanently unable to perform the duties of your job due to medical incapacity, you are eligible for a non-service-connected disability retirement regardless of age. The monthly non-service-connected disability benefit is generally 1/3 of your final average salary, but may be more or less depending on your age and years of service. Please contact SBCERS directly for a personalized benefit estimate.

### **Cost-of-Living Adjustments**

On April 1 of each year, all retirement allowances are adjusted in accordance with changes in the cost of living as reflected in the Consumer Price Index (CPI). The maximum increase or decrease in the allowance each year is 3%. Any change in the CPI in excess of 3% is accumulated and applied in a future year when the CPI change is less than 3%. Your allowance will never be decreased below the amount of your allowance at the time of your retirement.

Periodically, upon review, the Board of Retirement may grant additional cost-of-living adjustments to members who have lost more than 20% of the purchasing power of their original benefit.

### **County Work After Retirement**

After you retire, you may not be paid for services performed for the County except:

- As a juror
- As an elections officer
- As an elected county official
- As a member of the Retirement Board
- Under an independent contract with the County
- In a temporary capacity not to exceed 120 days or 960 hours in a fiscal year.

If after you retire you wish to work for the County on a regular basis, you must rescind your retirement and your retirement allowance is discontinued until your period of reemployment ends.

## **SURVIVOR BENEFITS**

### **Death Before Retirement**

#### Death Before Retirement of Non-Vested Member

If you are not vested and die while employed, and if your death is not the result of a service-connected injury or disease, your designated beneficiary is entitled to receive a basic lump-sum death benefit consisting of:

- A refund of your contributions and accumulated interest, and
- One month's final average salary for each year of your completed service, up to a maximum of six months' salary.

#### Death Before Retirement Of Vested Member

If you are vested and die while employed, and if your death is not the result of a service-connected injury or disease, in lieu of the basic lump-sum death benefit described above, your eligible surviving spouse may elect to receive an optional death allowance consisting of:

- A monthly allowance for life equal to 60% of what you would have received if you retired with a non-service-connected disability or service retirement, whichever is greater, or
- A reduced monthly allowance, plus a lump-sum payment of one month's final average salary for each year of your service up to a maximum of six months' salary.

If you do not have an eligible surviving spouse, the guardian of your eligible surviving minor children (unmarried children under age 18 or under age 22 if full-time students at an accredited school) has the same choices described above. If you have no surviving eligible spouse or children, your designated beneficiary or estate receives only the basic lump-sum death benefit.

#### Service-Connected Death Before Retirement

If you die while employed as a result of a service-connected injury or disease, your eligible surviving spouse may elect a death allowance consisting of a monthly allowance for life equal to 50% of your final average salary (**or service retirement allowance, if more**). If you have no eligible surviving spouse, payment is made to the guardian of your eligible children (unmarried children under age 18 or under age 22 if full-time students at an accredited school). If you have no surviving eligible spouse or children, your designated beneficiary or estate receives only the basic lump-sum death benefit.

Eligible spouses and children of safety members who are killed in the performance of duty as the result of violence or physical force are eligible for additional benefits over and above the regular service-connected death allowance. For one eligible child, an

additional 25% is paid, for two children an additional 40% is paid, and for three or more eligible children, an additional 50% is paid. The eligible spouse also receives one year's pay based upon the safety member's salary on the date of death.

### **Death of Deferred Vested Member**

If you deferred with less than 10 years of service and die before the effective date of your retirement, your designated beneficiary is only eligible for a refund of your contributions and accumulated interest.

If you deferred with 10 or more years of service and have an eligible spouse, your spouse may elect to receive a refund of contributions and credited interest or elect to wait until you would have been eligible to retire and receive a lifetime monthly allowance under the same provisions as the surviving spouse of an active member (60% continuance of non-service-connected disability or service retirement allowance, whichever is greater).

### **Death After Retirement**

After retirement, a lump-sum benefit of \$5,000 is paid to your designated beneficiary or estate on your death, in addition to any benefits provided under the optional allowance you elected when you retired.

## **OTHER IMPORTANT POST-RETIREMENT INFORMATION**

### **Mailing Address**

The Retirement Office must have your and your beneficiary's current mailing address for the mailing of information and tax documents. If there is a change of address, the Retirement Office must be given written notice promptly, and this notice must be signed by the individual receiving the allowance (or otherwise verifiable).

### **Direct Deposit of Allowance To Your Bank Account**

Retirement allowances are deposited directly into a bank, savings and loan, or credit union. If there is a change in your account, please notify the Retirement Office and provide the full name and mailing address of the financial institution, as well as a voided check from the account to which the payment is to be deposited. When changing accounts, payment for your monthly allowance may be temporarily be paid by check while the change is being processed.

### **Income Status**

Your retirement benefits may be subject to federal and state income tax. Consult your tax advisor or the appropriate taxing agency for information about the tax status of your retirement allowance. You will receive a Form 1099-R from the Retirement Office each year to assist you in filing your taxes.

All retirement contributions made on or after September 2, 2002, were made with pre-tax dollars. Contributions made before this date were made after taxes were deducted from them. Therefore, refunds of pre-September 2, 2002, contributions, or the portion of your monthly allowance represented by those contributions is exempt from income taxes. Receipt of a lump-sum refund of untaxed contributions and interest could carry significant tax penalties. It is important that you check with a tax advisor before selecting an option that includes a cash refund.

## **ABOUT SBCERS**

The legal name of the Retirement System is:  
Santa Barbara County Employees' Retirement System

You may contact us at:

**Santa Barbara Office:**

3916 State Street, Suite 100  
Santa Barbara, CA 93105

Phone: (805) 568-2940

Fax: (805) 560-1086

E-mail: [sbcers1@sbcers.org](mailto:sbcers1@sbcers.org)

Website: [www.sbcers.org](http://www.sbcers.org)

**Santa Maria Office**

2400 Professional Parkway, Suite 150  
Santa Maria, CA 93455

Phone: (805) 739-8686

Fax: (805) 739-8689

### **Board of Retirement**

Governance of the Retirement System is the responsibility of the Board of Retirement, which consists of nine members and two alternates. They are:

- The County Treasurer
- Four members appointed by the Board of Supervisors (one of whom may be a County Supervisor)
- Two members elected by active General members
- Two members elected by retired members — one voting, one alternate
- Two members elected by active Safety members — one voting, one alternate

Board members (except the County Treasurer) serve staggered three-year terms. The Board holds regular monthly meetings that are open to the public and, when necessary, special meetings may be scheduled. The current meeting schedule and agendas are posted on our website.

### **Annual Reports**

An annual report of the Santa Barbara County Employees' Retirement System is placed on file in the Retirement Office after the close of each accounting year. The report provides statistical, financial, and general information concerning the Retirement System.