

RECIPROCITY GUIDE

Changing Public Employers and Coordinating Your Retirement Benefits



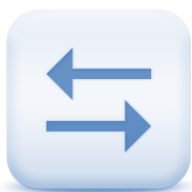
Your SamCERA benefits are governed by the County Employees Retirement Law of 1937, and the California Public Employees' Pension Reform Act of 2013; therefore, any discrepancies between the law and the information in this booklet will be resolved in accordance with the law.

The material contained in this guide is for informational purposes only and does not constitute legal advice.

Introduction

If you **have worked** or are **planning to work for another public agency in California**, this guide is to help you understand the options that may be available to you regarding “**reciprocal**” retirement benefits. SamCERA has reciprocal benefits with most, but not all, California public retirement systems. For a list of these systems see pages 8-9.

Reciprocity can affect your SamCERA benefit if you worked for a reciprocal system before coming to SamCERA, or after leaving SamCERA.



Reciprocity Works Both Ways

Reciprocity applies to members entering membership in SamCERA from a reciprocal system.

Reciprocity also applies to members leaving a SamCERA employer to enter service with an employer in a reciprocal system.

How Reciprocity Works

Reciprocity allows members who transfer from one public employer to another to preserve and enhance their total retirement benefits and in some situations, reduce contribution costs as well. When you establish reciprocity, you retain your membership in the first system and become a member in the second system (and any subsequent systems). You'll then be a member of each retirement system.

When you retire, you will retire concurrently from each system and will receive a separate retirement allowance from each system based upon your highest final compensation that you received from any of the systems. While you cannot transfer your retirement funds or service credit from one system to another, you can coordinate your retirement benefits.

Different Retirement Systems May Have Different Rules for Reciprocity

It is **important** to note reciprocal retirement systems may have different requirements for qualification and payment of benefits. You are subject to the membership and benefit obligations and rights of each system (for example, minimum retirement age), except as modified by the reciprocity agreement.

This guide is based upon the laws and regulations that are applicable to SamCERA, which may differ from reciprocal systems. Questions relating to rights, benefits and obligations under any other public retirement system should be addressed directly to the appropriate system.

Eligibility Requirements to Establish Reciprocity

There are four requirements you must meet to be eligible to establish reciprocity.

1. **Keep your funds on deposit.** You must have your funds on deposit with your prior system and keep your funds on deposit with all subsequent systems.
2. **Have a break in service no more than 180 days.** You must have a break in service between your other public agency employer and your SamCERA employer of 180 days or less.
3. **Submit reciprocity forms.** You must complete and turn in reciprocity forms.
4. **Retire from all systems on the same date.** You must retire from all your reciprocal retirement systems on the same date.

Here are more details on each of the requirements.

Keep Your Funds on Deposit

You must have your funds on deposit with your prior system and keep your funds on deposit with all subsequent systems.

If you are coming to a SamCERA employer from another public employer, you must continue membership in the first retirement system by leaving your contributions on deposit.

- If you withdrew your contributions from your prior system, contact that system—they may let you redeposit those funds.
- If you were in a non-contributory plan, then your service credit must be on deposit.

If you are leaving a SamCERA employer for another public employer, you must keep your contributions on deposit.

- Only active SamCERA members can redeposit withdrawn SamCERA funds. So, if you are leaving a SamCERA employer and want to establish reciprocity with your future employer's retirement system, you must keep your funds on deposit with SamCERA.

- If you were in a non-contributory plan, your service credit must be on deposit.

After you establish reciprocity, you cannot withdraw your funds from SamCERA unless you first terminate membership in all reciprocal systems by withdrawing your funds from those systems. Once SamCERA has confirmed that you have withdrawn your funds from all other reciprocal systems, you would be eligible to withdraw your funds from SamCERA.

Have a Break in Service No More Than 180 Days

You must have a break in service between your other public agency employer and your SamCERA employer of 180 days or less.

You must begin your membership with the reciprocal system **within 180 days** of ending employment as a member of the prior system.

You cannot have overlapping service credit. If you think that you may have overlapping service in each system, contact SamCERA. Note that for the purpose of establishing reciprocity with another public retirement system:

- Members coming into SamCERA may delay the effective start date of their membership with SamCERA up to twelve weeks after the date of employment.
- Members leaving a SamCERA employer may terminate the accrual of service credit with SamCERA up to twelve weeks prior to termination of employment with a SamCERA employer.

Submit Reciprocity Forms

You must complete and turn in reciprocity forms.

- If SamCERA is not your first retirement system, submit a completed *“Request to Establish Reciprocity Form.”*
- If you are leaving a SamCERA employer and are going to be a member of reciprocal retirement system, indicate this on your *“Disposition of Retirement Contributions”* form and complete all forms required by your next retirement system.

Request SamCERA to send you the correct form or download it yourself at www.samcera.org.

Retire From All Systems on the Same Date

You must retire from all your reciprocal retirement systems on the same date.

- You must have the same effective date of retirement for all reciprocal systems.
- You must submit a separate retirement application for each reciprocal system. Make sure to inform each system that you are a reciprocal member and are retiring from all systems with the same effective date.
- If you are applying for a disability retirement in your current system, you must inform all reciprocal systems.

Advantages of Establishing Reciprocity

Lower Age of Entry

For “age of entry” contribution plans—reciprocity will give you a lower age of entry for contributions.

If you will be in a retirement plan that calculates its member contributions based upon your age of entry (i.e. not a flat or fixed-rate plan such as SamCERA’s Plan 7, or a CalPERS plan), your age of entry at your first reciprocal system will be your age of entry for your second system and any subsequent systems.

This lower age of entry will keep your contribution cost lower than it would be using your age of entry at your second or subsequent reciprocal system.

If reciprocity is established and you are now an active SamCERA member, SamCERA will credit you with any overpaid contributions you made to SamCERA while your “*Request to Establish Reciprocity*” application was pending approval.

You May Qualify for a More Generous Retirement Plan

Depending upon when you became a member of your first reciprocal system, reciprocity could qualify you to be in a plan that has higher benefits than what would otherwise be available to you at your subsequent plan.

If you became a SamCERA general member after January 1, 2013, you would be placed in PEPRA Plan 7. (PEPRA is the California Public Employees' Pension Reform Act.) However, if you were a member of a reciprocal system prior to January 1, 2013, and are eligible for reciprocity, you would be placed in SamCERA Plan 5, which in general provides higher benefits than PEPRA Plan 7.

If you became a SamCERA member before January 1, 2013, and then left to another public retirement system, and are eligible for reciprocity, you may be eligible for that system's non-PEPRA plan.

You May Become Vested and Eligible for Benefits Faster

Service earned under each system may be used to meet each system's vesting and retirement eligibility requirements. Because your service credit in your first system will count towards vesting in the second system, you will become a vested member faster in the second system.

You May Use Your Highest Compensation Earnable or Pensionable Compensation

Your benefits may increase by using your highest average compensation earnable or pensionable compensation (PEPRA plans only) for your service credit in all your reciprocal systems.

When you retire concurrently from all your reciprocal systems, your retirement benefits will be calculated using your highest average compensation earnable or pensionable compensation that you received from your employer in any of your reciprocal systems.

For example, if your second job paid more than your first job, that higher amount would be applied to the years of service credit from your first job.

- **Different retirement systems may have different rules as to what compensation is counted toward your pension, so, the**

amount used to calculate your pension may not be the same amount as calculated by SamCERA.

- **Each system will use its own final compensation measuring period for its calculations.** So, even if you are in a SamCERA plan with a one-year highest final compensation, if the reciprocal system's plan is a three-year final compensation period (either consecutive or highest) the reciprocal system will use the three-year final compensation period for its calculation.

Disability Retirement

You must let the reciprocal system know that you have received a disability retirement.

You may not withdraw your funds from any of your reciprocal systems even if your disability retirement is not affected by your service credit in your reciprocal system.

Adjustment to Disability Retirement Amounts

During your employment, you may need to apply for a disability retirement. Please be aware that if you are a reciprocal member who is granted a disability retirement by SamCERA or by your reciprocal retirement system, you cannot receive a larger disability retirement benefit than what you would have received if all of your service had been with just one system. Accordingly, your disability retirement benefit may be subject to an offset in order to ensure that this does not occur.

Death Benefits

Your beneficiary may be entitled to death benefits from each retirement plan.

Public Retirement Systems with Reciprocity with SamCERA

A number of California public retirement systems have reciprocity with SamCERA.

Separate County Systems

The County of San Mateo, the Superior Court of San Mateo County, and the San Mateo County Mosquito and Vector Control District are all employers who participate in the San Mateo County Employees' Retirement Association (SamCERA). There are 19 other such county systems and each of these systems has reciprocity with SamCERA. Many of these county systems have several participating employers (such as the courts or special districts). The 19 other county systems are:

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

California Public Employees' Retirement System (CalPERS)

CalPERS participating employers include state agencies, county schools and many (but not all) cities, counties and special districts. For example, the cities located within the County of San Mateo (e.g. Redwood City, San Bruno, Burlingame, and Millbrae) are members of CalPERS but the City of San Jose is not a member. However, these agencies that are not members of CalPERS—like the city of San Jose—in general, have a contract with CalPERS regarding reciprocity. (See the following section for more information.)

Agencies That Have Established Reciprocity Through an Agreement With CalPERS

Some public agencies maintain their own retirement systems and have contracts with CalPERS to provide the benefits of reciprocity. Some of these agencies are:

- California Administrative Services Authority
- City of Concord
- City of Costa Mesa (safety employees only)
- City of Fresno
- City of Oakland (non-safety employees only)
- City of Pasadena (fire and police retirement)
- City of Sacramento
- City of San Clemente
- City of San Diego
- City and County of San Francisco
- City of San Jose
- Contra Costa Water District
- County of San Luis Obispo
- East Bay Municipal Utility District
- East Bay Regional Park District (safety employees only)
- Los Angeles County Metropolitan Transportation Authority (Formerly Southern California Rapid Transit District)
- City of Los Angeles

Note: New agencies/systems may have contracted for reciprocity since this booklet was published.

Other California Retirement Systems

These systems have some level of reciprocity with SamCERA; however, due to the unique nature of their plans, please contact both SamCERA and those agencies for more details.

- California State Teachers' Retirement System (CalSTRS)
- Judges Retirement System (JRS I and JRS II)
- Legislators' Retirement System (LRS)

Important: Because reciprocity is an agreement between retirement systems and retirement benefit provisions vary, you should make sure that you know the potential advantages and disadvantages of requesting reciprocity before you change employers. Reciprocity benefits are governed by the plan documents of and the laws applicable to the various retirement systems and are subject to change. If there are any discrepancies between those governing authorities and the information in this booklet, the governing authorities have precedence.

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