

Supplemental Benefit Allowance

Fact sheet for active, deferred and retired members



SDCERA currently offers a Supplemental Benefit Allowance (SBA), which is available to a select group of members. If you retired as a (or are currently working as an active) General, Tier A member, or a Safety member covered by the 3% at age 50 benefit formula, you are eligible for the SBA as long as you had (or will have) at least 10 years of SDCERA service credit when you retire. If your retirement is based on a disability, the SBA may be available to you regardless of your years of service credit.

Overview

The SBA is an amount you may receive (if eligible) each month in addition to your monthly retirement benefit. The amount you receive is based on your total SDCERA service credit as shown in this chart.

YEARS OF SDCERA SERVICE CREDIT	MONTHLY ALLOWANCE (PRE-TAX)
Less than 10	0
10	\$200
11	\$220
12	\$240
13	\$260
14	\$280
15	\$300
16	\$320
17	\$340
18	\$360
19	\$380
20 or more	\$400

Eligibility

You are eligible for an SBA if you retired (or will retire) as a General, Tier A member or a Safety member covered by the SDCERA 3% at age 50 benefit formula and have at least 10 years of SDCERA service credit at the time of your retirement. Reciprocal service credit and purchased service credit from work in a prior public agency do not count toward the total service credit used to determine your SBA.

Members who were granted a disability retirement and determined to be totally disabled are eligible for the maximum SBA. Members with less than 10 years of service credit who were granted a disability retirement and determined to be partially disabled are eligible for the minimum SBA. (If you have more than 10 years of service credit, use the chart to determine the amount.)

The SBA is an amount you will receive each month in addition to your monthly retirement benefit and can be used toward health insurance costs, or however you choose.

Payment of the SBA

If you are eligible for an SBA, the amount will be included with your monthly retirement benefit payment. SDCERA retirement benefits are paid via electronic deposit, and your SBA will be included with the monthly deposit amount. The monthly earnings statement you receive will highlight the SBA as being separate from your monthly benefit amount. The SBA is taxable as ordinary retirement income and will be reported as taxable income on the IRS Form 1099-R retired members receive annually from SDCERA.

Funding for the SBA

The SBA is funded from existing reserves and a portion of possible future excess earnings from the SDCERA fund (to the extent there are available excess earnings allocable to the SBA).

The Board of Retirement periodically determines whether to continue the SBA. The SBA is not a vested SDCERA benefit and is not guaranteed. The SBA may be reduced or discontinued at any time.

The SDCERA Supplemental Benefit Allowance is not a vested or guaranteed benefit of SDCERA. The County Employees Retirement Law permits SDCERA to use excess earnings to pay supplemental benefits; however, the Retirement Law does not require SDCERA to provide any post-retirement supplemental payments. Pursuant to the authority granted under the Retirement Law, the Board of Retirement has authorized payment of a Supplemental Benefit Allowance as an unvested benefit, which can be canceled, reduced or amended at any time for any reason.
Rev. 11/2007

SDCERA library of publications

Booklets

Disability Retirement
Dividing Community
Property
Health Insurance Plans
for Retired Members
Now that You are Retired
Retirement Plan
Survivor and Beneficiary
Information

Fact sheets

Considerations after
Termination
Considerations before
Purchasing Service Credit
Deferred Membership
Disability Retirement
Earning Service Credit
Health Insurance Allowance
Health Insurance Plans
Medicare Information for
SDCERA Health Plans
Purchasing Service Credit
Reciprocity
Refunds
Retirement Benefit Options
Retirement Plan Summary
Rollover/Transfer for
Purchasing Service Credit
Supplemental Benefit
Allowance