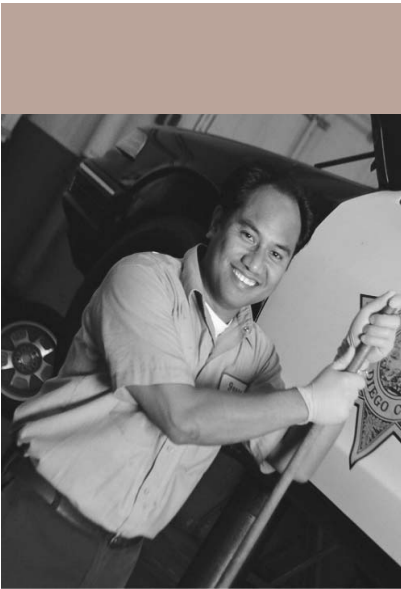


Reciprocity

Fact sheet for active and deferred members



Reciprocity allows your highest eligible average earnings to be used when calculating your retirement benefit under any reciprocal system.

Reciprocity links benefits together when you change employment between many public employers who offer retirement benefits through public pension systems. With reciprocity, you preserve your retirement benefits although you may move from one retirement system to another. Reciprocity exists between SDCERA and many public agencies in California. Use this fact sheet to help you determine whether reciprocity applies to you now, or if it may apply to you in the future.

As you read this information, please note that SDCERA's authority extends only to applying and implementing the County Employees Retirement Law of 1937. It does not extend to laws and regulations under which other public retirement systems are administered. Questions relating to rights, benefits and obligations under any other public retirement system should be addressed directly to the appropriate system.

Establishing reciprocity

It does not cost anything to establish reciprocity; however, reciprocity is not established automatically. You are eligible as long as you leave your accumulated contributions on deposit with your former system, and enter your new employer's retirement system within six months of your termination date from your previous system. Obtain the appropriate forms to request reciprocity from your former employer. (Contact SDCERA if you need help or have questions.) After processing, you will receive a confirmation letter that explains reciprocity has been established for you.

Although reciprocity is an agreement between public agency retirement systems, actual retirement benefit provisions vary among systems. Be certain you know the potential advantages and disadvantages of requesting reciprocity before you change employers. Reciprocity benefits are governed by the plan documents of the various retirement systems. The plan documents are subject to change. If there are any discrepancies between those governing authorities and the information in this fact sheet, the governing authorities have precedence in all cases.

Members may establish incoming or outgoing reciprocity. In fact, some members have both incoming and outgoing reciprocity because they continue to move from one public employer to another and each time they move, they link retirement benefits together. As a reciprocal member, there are several benefits available to you.

Reciprocal benefits

Entry age

Some retirement systems base the amount of your member contribution on your age. If you leave active SDCERA membership and establish outgoing reciprocity (or move to SDCERA with incoming reciprocity), your contribution rate will be based on your age when you entered your first system. For example, if you entered the first system at age 28 and entered SDCERA at age 35, SDCERA will use age 28 as your entry age. In some systems (including SDCERA), this means your required contribution will be less.

Service credit

When you establish reciprocity, the service credit you earn in each system does not transfer from one system to another and service credit years are not combined, except to meet vesting or eligibility requirements. For example, if you have three years of SDCERA service credit and nine years of reciprocal system service credit, your combined total service credit to meet vesting requirements is 12 years. SDCERA generally requires at least 10 years of service credit to retire; however, the combined 12 years of service credit in this example, qualifies a member to retire from SDCERA.

In the example above, SDCERA would pay a retirement benefit based on three years of service credit and the reciprocal system would pay a retirement benefit based on nine years. It is important to know that you must retire from all reciprocal systems on the same date and meet the minimum retirement age requirement.

Final compensation

Reciprocity allows your highest eligible average earnings to be used when calculating your retirement benefit under any reciprocal system. For example, if your highest eligible earnings are \$35,000 annually when you are an active SDCERA member, but are \$43,000 annually as a member of

a reciprocal system, SDCERA would use \$43,000 to determine your final average monthly compensation and your retirement benefit.

Disability retirement

If you retire from a reciprocal system because of a disability, you may also be eligible for a disability retirement from SDCERA. Your disability benefit from SDCERA will be based on your SDCERA service credit at the time of retirement. Your benefit will vary depending on whether retirement is due to a service-connected disability (arising out of and in the course of your employment) or a nonservice-connected disability.

With reciprocity, you preserve your retirement benefits although you may move from one retirement system to another.

Survivor benefits

If you have established reciprocity and you are in deferred membership status, upon your death your designated beneficiary will receive benefits in accordance with the active survivor benefits payable by SDCERA as explained in the *Survivor and Beneficiary Information* booklet available from SDCERA. If your death is a result of a job-related injury, illness or disease, your designated beneficiary will receive a one-time lump sum death benefit consisting of a return of your member contribution account. Contact SDCERA for information about applying for survivor benefits.

Maintaining reciprocity

Reciprocal members may not withdraw member contributions from either retirement system.

Reciprocal members must retire from each reciprocal system on the same date and begin the process of retirement with each system by completing and submitting the necessary forms that each system requires.

Eligibility to retire

Most members (General and Safety) are first eligible to retire at age 50 with 10 years of service credit, or age 70 regardless of service credit. You may also retire regardless of your age after 30 years of service credit (General members) or 20 years of service credit (Safety members). If you are a deferred member and do not have 10 years of service credit, you may retire when you would have had 10 years of service credit had you remained working, but usually not earlier than age 50.

Your retirement benefits do not automatically begin when you become eligible to retire. You must initiate your retirement benefit by contacting SDCERA within the 60-day period prior to your retirement date to request a service retirement application and packet. You must complete and submit the necessary forms to SDCERA before your retirement will be processed.

Inactive nonvested members

If you are not eligible for reciprocity, but you are an inactive nonvested SDCERA member (a member who terminates and has less than five years of service credit) and you become a member of a reciprocal retirement system, you may be able to use service credit you earn in both SDCERA and the reciprocal system to meet vesting requirements and become eligible for future retirement benefits. In this case your benefit from SDCERA would be based on service credit and final average monthly compensation earned as an SDCERA member. If this situation affects you, contact SDCERA for information.

SDCERA library of publications

Booklets

Disability Retirement
Dividing Community Property
Health Insurance Program 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

Reciprocal agencies

CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYESTEM (CalPERS) and all agencies whose employees are members of CalPERS including state agencies, county schools, various cities, counties and special districts—except the University of California Retirement System Note: Approximately 2,000 agencies have employees who are members of CalPERS. New agencies may have contracted with CalPERS for reciprocity since this fact sheet was printed. Contact CalPERS at 1.888.CALPERS to find out if your system offers this benefit.

STATE TEACHERS RETIREMENT SYSTEM (CALSTRS)

JUDGES' RETIREMENT SYSTEM (JRS)

JUDGES' RETIREMENT SYSTEM II (JRS II)

California counties that maintain retirement systems under the County Employees Retirement Law of 1937: ALAMEDA • CONTRA COSTA • FRESNO IMPERIAL • KERN • LOS ANGELES • MARIN • MENDOCINO • MERCED • ORANGE • SACRAMENTO • SAN BERNARDINO SAN DIEGO • SAN JOAQUIN • SAN MATEO • SANTA BARBARA • SONOMA • STANISLAUS • TULARE • VENTURA

The following independent public agency retirement systems (shown with effective dates):

CALIFORNIA ADMINISTRATIVE SERVICES AUTHORITY (7/1/00)
CITY OF CONCORD (11/27/70)
CITY OF COSTA MESA (safety employees only) (4/1/78)
CITY OF FRESNO (miscellaneous and safety systems) (2/18/02)
CITY OF OAKLAND (non-safety employees only) (4/1/71)
CITY OF PASADENA (Fire and Police Retirement System) (5/4/01)
CITY OF SACRAMENTO (11/4/74)
CITY OF SAN CLEMENTE (non-safety employees only) (1/1/85)

Note: Reciprocity is available for City of San Clemente safety employees through CalPERS

CITY OF SAN DIEGO (6/25/92)
CITY AND COUNTY OF SAN FRANCISCO (7/29/88)
CITY OF SAN JOSE (miscellaneous employees 12/9/94; safety 9/30/94)
CONTRA COSTA WATER DISTRICT (3/2/88)
COUNTY OF SAN LUIS OBISPO PENSION TRUST (4/19/84)
EAST BAY MUNICIPAL UTILITY DISTRICT (4/16/84)
EAST BAY REGIONAL PARK DISTRICT (safety employees only) (7/1/96)
LONG BEACH SCHOOLS BUSINESS MNGMNT AUTHORITY (7/1/98)
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (Non-Contract Employees Retirement Income Plan (5/12/71)
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (7/14/97)

This fact sheet provides disclosure of certain terms and conditions of SDCERA membership and benefits available to members. It is designed to give you this information as simply and accurately as possible as of the date of issuance of this fact sheet. SDCERA is governed by the County Employees Retirement Law of 1937 (Government Code Section 31450 et. seq.) as it has been adopted and implemented by the San Diego County Board of Supervisors and the SDCERA Board of Retirement. If there is any inconsistency between this fact sheet and the governing law, the law will govern. Decisions relating to the plan will be made after reference to the statutes and any resolutions, regulations and policies governing administration of SDCERA as they exist at the same time of the decisions.

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