

## **Member Sworn Statement and Beneficiary Designation: What's the difference?**



As an active member, it is important to understand the difference between a *Member Sworn Statement* and a *Beneficiary Designation* form, so that you can be sure you have named the correct beneficiary for your SDCERA contribution account.

Active SDCERA members are required to name a beneficiary, which is the person that SDCERA would pay eligible survivor benefits to in the event you should die prior to retirement. This could be

your spouse/domestic partner, eligible minor children or another eligible person you select. Read the information below to help understand how to update your beneficiary.

### **Member Sworn Statement**

You initially designated a beneficiary on your *Member Sworn Statement*, which you received from your payroll department when you were hired. This document is routed to SDCERA and kept on file to verify initial entry into membership and as the original designation of your beneficiary. You will only fill out your *Member Sworn Statement* one time.

### **Beneficiary Designation form**

If you would like to change the beneficiary you originally named on your *Member Sworn Statement*, you will make this change on a *Beneficiary Designation* form, available from SDCERA. Remember, you will only fill out the *Member Sworn Statement* one time, so any changes after your initial designation will always be done on the *Beneficiary Designation* form.

Because members designate their beneficiary when they are hired, many do not recall who they named. If this is the case for you, the easiest thing to do is to simply complete a

*Beneficiary Designation* form, make a copy for your records and mail the original form to SDCERA (County mail stop A-35). SDCERA is unable to release the name of your beneficiary over the phone (for security purposes), so simply completing the *Beneficiary Designation* form assures you have the correct beneficiary on file (even if you name the same person you initially named when you were hired).

The form is available at [www.sdcera.org](http://www.sdcera.org), or you may click the link below to access the form now:

**Beneficiary Designation  
form**

### **Keep all information up to date**

The beneficiary information you provide to the County of San Diego for your health and/or life insurance benefits is not connected to SDCERA record keeping. Therefore, any beneficiary information you update with the benefits office must be updated separately with SDCERA. You may find it helpful to use the County's annual open enrollment period as your reminder to keep personal information up to date with all of your financial accounts such as SDCERA, your bank, investments, mutual funds, deferred compensation plans, etc.

### **SDCERA move date getting closer**

As we've been reminding members, SDCERA's offices will be moving from downtown San Diego to Mission Valley. The move date will take place this fall; keep your eye out for a postcard coming to your home, announcing the official date, along with address information and a directional map to our new building.

SDCERA will continue to offer excellent customer service to all members, and is working hard to ensure a smooth move with little disruption. Look for the upcoming announcement in your mailbox.

# Understanding “final compensation”

As you plan for your retirement, it is important to understand the components that go into your retirement benefit calculation -- age factor, service credit and final compensation.

The retirement benefit for General Tier A members is calculated based on the 3% at 60 formula; Safety members' benefits are calculated based on the 3% at 50 formula. Your own percentage factor is determined by your age at retirement, and your service credit is a calculation of how many total years of service you have at the time of retirement.

The third component is called final compensation. Upon retirement, SDCERA will use your highest one year average compensation (26 consecutive pay periods) for the calculation.

For most members, final compensation is represented by their last year of service (last 26 consecutive pay periods), because most members earn their highest rate at the end of their career. However, this is not always the case. SDCERA will always use a member's highest one year average, whenever that one year may have occurred. So, if a member earns at a higher rate toward the middle of their career, their final compensation may actually have occurred many years before their retirement date.

In addition to base pay, many pay categories count toward a member's final compensation. For example, amounts received for Quality First, bilingual pay and uniform allowance pay codes count toward final compensation. One category that does not count toward final compensation, however, is overtime.

For a list of the more than 50 pay categories that are included in final compensation; click the link here:

[Earnings categories](#)

## Example of average monthly compensation calculation

Assume your biweekly pay rate for the last six months (13 pay periods) prior to your retirement date was \$2,500 a month. For the six months prior to that, your biweekly pay rate was \$2,200. Your average monthly compensation would be calculated by adding your monthly compensation for your last 12 months of service and dividing the sum by 12:

<u>Biweekly pay rate</u>	<u>X</u>	<u>Number of pay periods</u>	<u>Total</u>
\$2,500	X	13	\$32,500
\$2,200	X	13	<u>\$28,600</u>
			\$61,100

**Average monthly compensation = \$61,100 ÷ 12 = \$5,092**

## Only SDCERA

SDCERA's web site is the only place you can find a retirement benefit calculator that will provide you with an estimate of your SDCERA retirement benefit.

The estimate is based on specific information you must provide, such as your projected age at retirement, how much service credit you will have at retirement, and what your estimated final compensation will be (see the article on this page to help determine final compensation).

Click the link below to go to the Retirement Benefit Calculator. It's never too early to plan!

**Retirement Benefit Calculator**

## SDCERA Definitions

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A survivor's continuance is the term used by SDCERA to refer to a monthly, lifetime benefit paid to the surviving beneficiary of a deceased SDCERA member. The method used for calculating a continuance, as well as who is eligible for that continuance, varies depending on whether the member dies before or after retirement. For example, if an active member dies before retirement, only a surviving spouse/registered domestic partner or eligible children qualify for a monthly benefit.

Additionally, if a member dies after retirement, a monthly continuance is not available to a designated beneficiary

other than a surviving spouse/registered domestic partner or eligible children, unless the retired member has elected an applicable optional form of benefit. However, a one-time, lump-sum death benefit is available to any beneficiary designated by the member. For more information, click here to read the SDCERA *Survivor and Beneficiary Information* booklet.

**Survivor and Beneficiary Information booklet**

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