SDCERA
Strength. Service. Commitment.
Extra
education for members

Winter 2006

Understanding the Temporary Supplement benefit option

Whether you are nearing retirement, in the middle of your career or just starting out, it is important to understand the benefit options you will have when your retirement date arrives.

One way some members elect to receive their retirement benefit is by electing an option called the Temporary Supplement. In short, the Temporary Supplement is a way for members who retire before the age of 62 to increase their monthly retirement benefit from the time they retire until they turn age 62.

To elect the Temporary Supplement, you must retire before age 62 and you must be eligible to receive a Social Security benefit at age 62. Also, members must not have a disability application on file with SDCERA.

How the Temporary Supplement works

The Temporary Supplement is an optional benefit you can choose to provide additional monthly income that temporarily increases your pension until age 62. The temporary supplement stops at age 62 because it anticipates that you will apply for and begin receiving your Social Security benefit at that age. The benefit, however, is not free. It is funded by a lifetime reduction to your retirement benefit amount after age 62.

Below are some key factors about the Temporary Supplement:

- The amount of the increase—or supplement—is based on a percentage of your estimated Social Security benefit. You will receive this additional percentage from the time you retire until you turn age 62.
- At age 62, your benefit is decreased. The amount of the decrease is based on the full amount of your estimated Social Security benefit at age 62.
- Ideally, your reduced SDCERA benefit plus your Social Security benefit will approximate the income you had been receiving prior to age 62.
- Whether you choose to begin receiving your Social Security benefit at age 62 or not, your retirement benefit will decrease at age 62 if you choose the Temporary Supplement.
- Electing the Temporary Supplement does not affect your Social Security benefit in any way.

Weigh your options

The Temporary Supplement benefit may be a good option for some members, and for others it may not be a good fit. For example, you may find that it is to your advantage to receive a higher benefit prior to age 62, or you may find that this does not suit your own personal and/or financial situation. Whatever the case, it is important that you understand how the benefit works, and whether or not it is available to you based on the criteria we have mentioned.

For more information on the Temporary Supplement, click the *Retirement Plan* booklet, and review the Retirement Benefit Options section.

Retirement plan booklet

Preparing for early 2007 retirements

To accomodate the many members who retire at the beginning of each year, SDCERA has scheduled additional Service Retirement Meetings during January, February and March. These meetings are designed specifically for members to attend when they are within 60 days (or less) of their actual retirement date. To enroll in a meeting, click **Service Retirement Meetings** for a list of available meetings and the meeting enrollment form, or contact the SDCERA Call Center at 619.515.6800 to enroll directly over the phone.

On retiring prior to March 31

Each year, an increased number of members retire by March 31 so that they will be eligible to receive a Cost of Living Adjustment (COLA), effective April 1. However, it is important to remember that you do not have to retire in January, February or March to receive the COLA for that same year. No matter when you retire during the year, you will be eligible to receive the COLA the following April 1.

Should I attend a meeting?

It is not mandatory that you attend a Service Retirement Meeting; attendance is encouraged if you have questions about benefit options or need additional help with forms. However, if you have made your choices, completed your paperwork and gathered the necessary documentation, you may submit your retirement application directly to SDCERA without attending a meeting. If you have questions regarding your retirement application, you may contact the SDCERA Call Center for assistance.

Only SDCERA

Only SDCERA keeps a record of your total SDCERA member contribution account, including the breakdown of your member contributions and earned interest. You receive an Annual Statement each year, in the fall, which shows your contributions as of June 30 of that year. In addition, you may contact the SDCERA Call Center to confirm your contribution account balance to date.

SDCERA Definitions

Rec • i • pro c • i • ty

Establishing reciprocity is a way for SDCERA members to link their benefits in two or more “reciprocal” retirement systems together when they change employment within public employers. With reciprocity, if you leave your job and begin another job with a reciprocal public employer within six months, you preserve your retirement benefits even though you moved from one retirement system to another.

For example: if you left your position with the County of San Diego and, within six months, began working for Orange County, you would then become a member of OCERS (Orange County Employees Retirement System). Because SDCERA and OCERS are reciprocal retirement systems, you would be eligible to establish reciprocity, which provides certain valuable benefits. Reciprocity exists between SDCERA and many public agencies in the state of California, including 19 other counties.

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When you establish reciprocity, the service credit you earn in each system does not transfer from one system to another, but does count toward meeting vesting or eligiblity requirements. Reciprocity is also a way for you to maximize your retirement benefit, because your benefit may be based on your highest earnings, even if they were earned under a reciprocal system. For more details on how reciprocity works, click the *Reciprocity* fact sheet

Reciprocity Fact Sheet