San Luis Obispo County Pension Trust

Retirement 201
Members within about 5 years of retirement

SLO County Pension Trust
805/781-5465
1000 Mill St. San Luis Obispo, CA 93408
SLOPensionTrust.org
Retirement Income Needed

• Rule-of-thumb for needed income
  70% to 80% of pre-retirement income

• Spending in retirement not steady –
  • Early years – higher spending due to
    • More active lifestyle
    • Healthcare costs if pre-Medicare
  • Middle years – lower and steadier
  • Later years – lower spending, but may increase due to medical costs
How Long Will I be Retired?

• Latest Mortality data on Public Sector
  • Tend to live longer than typical
  • Steady retirement income helps longer lifespan
  • Access to healthcare adds to lifespan

• Life Expectancy at age 65 –
  • Miscellaneous Men ~85.5,  Women ~88.8
  • Public Safety Men ~85.3,  Women ~87.7

• See  http://www.LongevityIllustrator.org/
Retirement Income Needed

• But – Everyone is different

• No more work paycheck = no more Pension & Social Security contributions to pay!

• Housing costs – steady? paid-off? increasing?

• Medical costs (!) –
  • Higher pre-65 and Medicare eligibility
  • Increase with age (e.g., assisted living)

• Other financial obligations, dependents

• Lifestyle choices (e.g., travel)

• Inflation

• Employment post-retirement
How will you pay for retirement?

• **Social Security**

• **Pension Plans**
  • Defined **Benefit** Retirement Plan(s)
    • County, State, City and/or other employers

• **Savings Plans – Tax-Deferred**
  • Defined **Contribution** Savings Plans
    • Deferred Compensation Plans (457 for governmental)
    • 401(k) or similar plans from other employers

• **Savings – non tax-deferred**

• **Other Assets – (e.g., real estate)**

• **Other income in retirement / part-time work**
Social Security - Costs

• SLO County participates in Social Security
  • Not all public sector employers are in SS
    • Teachers, some Public Safety, etc.
  • Beware of your past SS non-participation years

• Social Security costs
  • 6.2% of pay from you
  • 6.2% of pay from your employer

• “Paying now for a better retirement later”
Social Security - Benefits

- SS benefits a foundation – but not adequate
- Can start at age 62, but benefits higher at full eligibility age or age 70
- Lifetime income – no matter how long you live
- Social Security may replace 20% to 40% of your pay depending on many factors (but everyone is different…)
- Possible SS offsets for other Govt. pensions
  - WEP and GPO reductions - vary depending on your case
  - Related to periods you did not pay into SS
  - Check with SSA for detailed estimate

- Get your personal estimate at www.SSA.gov
- Attend class on Social Security
What are Pensions?

**Defined Benefit** (e.g., the SLOCPT)
- Traditional pension
- Retirement benefit paid monthly for life –
  - No matter how long you live – age 74, age 87, age 105…
- Benefits going OUT set by a formula
  - \( \text{years of service} \times \text{pay} \times \text{a retirement factor} = \text{benefit} \)
- Paid by employer & employee contributions and investments

**Defined Contribution** (e.g., the Deferred Comp. Plan)
- A savings plan – a way to accumulate assets tax deferred
- Funds going IN are defined
- Invested by participant
- Contributed by employee, sometimes with employer “match”
What Pensions might I have?

- **SLO County DB pension plan**
  - Mandatory participation

- **Another public sector DB pension?**
  - Before or after working in SLO County
  - Could be “reciprocal” with SLOCPT if another Calif. system (more on this later)

- **Corporate DB pension?**
- **Union pension?**
Other retirement accounts?

• **SLO Deferred Compensation Plan?**
  • Voluntary participation

• **A previous job’s 401(k) or 457 Plan?**
  • Can be a rollover to an IRA or the DC Plan
  • Don’t forget about ‘em!!! Lost accounts happen – so keep your address current

• **Individual Retirement Accounts?**
  • Regular IRA or Roth
  • Funded by you or inherited

• **Other investment and savings accounts**
The Pension Trust

SLOCPT is a “Trust”
– Independent entity administering the Retirement Plan

2,725 Active Members
2,868 Retired Members (retirees, survivors, beneficiaries, disabilities)
489 Deferred Members
6,082 Total Members (at 1/1/19)

Total Assets = $1.4 billion

Active Employees (at 1/1/19)
Avg. Active Employee Age = 44.7         Avg. Age at Hire = 35.6
Avg. Service = 9.1 years
Tier 1 = 1,250 (46%)       Tier 2 = 311 (11%)       Tier 3 = 1,164 (43%)

Current Monthly Retiree Payroll: $8.0 million
Avg. Retiree Benefit approx. = $34,300/yr
Avg. Retiree Age = 68.9
Avg. Age at Retirement = 58.5  (2018 new retirees avg. 60.4)

80% of Retiree benefits paid in SLO County
Typical pension benefit ~ 1.5x spending in the area
Who sets the pension benefit levels?

• Pension benefits, like all employee compensation, are determined by the Board of Supervisors
  • Subject to the collective bargaining processes

• Pension benefits can be limited by IRS rules or State regulations

• Pension Trust Board of Trustees
  • Administers the Retirement Plan
  • Sets the overall contribution rates to fund the Plan
  • Governs the investment of the Plan’s assets
  • 7 Trustees: 3 appointed by Board of Supervisors, 3 elected from employees at large, County Treasurer
Who Pays for the Benefits?

• **Investment earnings** on the pension assets

• **Employer** Contributions

• **Employee** Contributions – based on age at hire
  • Employee paid – pre tax payroll deduction
  • Employee contribution paid by employer “pick-up”
    • Depends on bargaining unit and Tier

• County policy of splitting any **increases in required pension contributions** is 50/50 with employees
## Pension Costs

(2019 Actuarial Valuation – rates as of 1/1/19)

### Average pension contribution rates (as % of pay)

<table>
<thead>
<tr>
<th></th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Misc. Employee</td>
<td>19% *</td>
<td>12% *</td>
<td>11%</td>
<td>15%</td>
</tr>
<tr>
<td>Misc. Employer</td>
<td></td>
<td></td>
<td></td>
<td>27%</td>
</tr>
<tr>
<td>Misc. Total</td>
<td></td>
<td></td>
<td></td>
<td>42%</td>
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<tr>
<td>Probation</td>
<td>22% *</td>
<td>NA</td>
<td>13%</td>
<td>19%</td>
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<tr>
<td>Probation</td>
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<td></td>
<td></td>
<td>26%</td>
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<tr>
<td>Probation</td>
<td></td>
<td></td>
<td></td>
<td>45%</td>
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<tr>
<td>Safety</td>
<td>24% *</td>
<td>18% *</td>
<td>17%</td>
<td>20%</td>
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<td>Safety</td>
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<td>39%</td>
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<td></td>
<td></td>
<td>59%</td>
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<tr>
<td>Combined</td>
<td>20% *</td>
<td>13% *</td>
<td>12%</td>
<td>16%</td>
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<tr>
<td>Combined</td>
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<td></td>
<td></td>
<td>29%</td>
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<tr>
<td>Combined</td>
<td></td>
<td></td>
<td></td>
<td>45%</td>
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</tbody>
</table>

* Some bargaining units in Tiers 1 & 2 have an Employer Paid Member Contribution (the “pick-up”) for a portion of employee cost
What causes Pension cost increases?

- **Benefit formula changes**
- **Demographic changes**
  - Mortality – increasing lifespan significantly increases pension costs – *good news / bad news kind of thing*…
- **Funding Assumptions**
  - Expected Investment Return – decreasing - now 7.00%
  - Paying down the projected Unfunded Liability (UAAL) – full funding targeted for 2040
- **Investments**
  - 2001 & 2008 market losses – factored in over time
  - SLOCPT invests in a diverse portfolio of stocks, bonds, real estate and other assets
SLOCPT Assets and Liabilities - 2019 Baseline

- Market Value of Assets
- Actuarial Value of Assets
- Accrued Liability

Historical vs. Forecast

UAAL
The Pension!
Pension Benefit Formula

• Pension Benefit depends on:
  • Class
    • Miscellaneous, Probation, Safety (sworn and non-sworn)
  • **Tier** - When you were hired (approx. dates)
    • Tier 1: Hired before 2011
    • Tier 2: Hired 2011-2012 and some reciprocal
    • Tier 3: Hired 2013 and later (PEPRA tier)
  • **Years of Service** (Pension Trust Service Credit or PTSCs)
  • **Pensionable Compensation** (highest 1 year or 3 years)
  • **Age at retirement**
  • Some benefit caps (e.g., 90% of final pay for Tier 2)
Why 3 Classes and 3 Tiers?

- **Pension Benefit** – collectively bargained
- **Classes** (Miscellaneous, Probation, Safety)
  - Higher benefits for Probation and Safety – shorter careers
- **Tiers**
  - Tier 1 – Highest benefit
    - Enhanced ~2000-2004, expensive, (e.g., 2.0% @ 55 Misc.)
  - Tier 2 – SLO County Pension Reform ~2010
    - Collectively bargained, (e.g., 2.0% @ 60 Misc.)
  - Tier 3 – Statewide mandate –
    - Public Employees Pension Reform Act of 2012 (PEPRA)
    - Lower benefit, but reasonable (e.g., 2.0% @ 62 Misc.)
    - Sustainable cost
Pension Benefit Formula

Basic (Unmodified) Benefit – the highest benefit amount (includes 50% survivor continuance)

Three components:

- **PTSC** (years of paid work & leave)
- **x Final Average Compensation** (highest 12 mth or 36 mth avg.)
- **x Retirement Factor** - depends on
  - Class of Member (Misc., Probation, Safety)
  - Tier 1, Tier 2, or Tier 3
  - Age at retirement (higher factors with older age)

= **Basic (Unmodified) Benefit**

May be reduced for various survivor continuance benefit options (e.g., “Option 2” is a 100% survivor continuance)
What are the Retirement Factors?

Retirement Factors by age - Miscellaneous

Age at Retirement

Retirement Factor

- Misc. Tier 1
- Misc. Tier 2
- Misc. Tier 3
Example – Tier 1

- Elizabeth is ready to retire, someday…
  - Tier 1, Miscellaneous category, bargaining unit 01
  - 10 years of service
  - Age 52
  - Highest 12 month average salary = $5,000/month or $60,000/year
  - Married – spouse age 51, no prior divorces

<table>
<thead>
<tr>
<th>Retire at -</th>
<th>Age 52</th>
<th>Age 62</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10 years</td>
<td>20 years</td>
</tr>
<tr>
<td>Years of Service - PTSCs</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Retirement Factor at ages 52 and 62</td>
<td>1.656%</td>
<td>2.816%</td>
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<tr>
<td>Pension as % of pay (PTSC x Factor)</td>
<td>16.56%</td>
<td>56.32%</td>
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<tr>
<td>Pensionable Compensation – monthly</td>
<td>$5,000</td>
<td>$5,000</td>
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<tr>
<td><strong>Basic Pension Benefit (unmodified)</strong></td>
<td><strong>$828</strong></td>
<td><strong>$2,816</strong></td>
</tr>
<tr>
<td>Surviving spouse/RDP continuance</td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>
Example – Tier 3

- **Sally is ready to retire, someday…**
  - **Tier 3**, Miscellaneous category, bargaining unit 01
  - 10 years of service
  - **Age 52**
  - Highest 36 month average salary = $5,000/month or $60,000/year
  - Married – spouse age 53, no prior divorces

<table>
<thead>
<tr>
<th>Retire at -</th>
<th>Age 52</th>
<th>Age 62</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years of Service - PTSCs</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Retirement Factor at ages 52 and 62</td>
<td>1.000%</td>
<td>2.000%</td>
</tr>
<tr>
<td>Pension as % of pay (PTSC x Factor)</td>
<td>10.00%</td>
<td>40.00%</td>
</tr>
<tr>
<td>Pensionable Compensation – monthly</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>Basic Pension Benefit (unmodified)</strong></td>
<td>$500</td>
<td>$2,000</td>
</tr>
<tr>
<td>Surviving spouse/RDP continuance</td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>
Illustration of Pension Benefit

Illustrative Retirement Benefit - Miscellaneous Emp.

* Assumes -
- Hire at age 40 (10 yrs at age 50)
- Salary at age 50 = $60,000
- Raises = 0.0%/yr for simplicity
- Cap on max. benefit varies by group - assumed at 80% of final average compensation

Unmodified Retirement Benefit - Annual *

<table>
<thead>
<tr>
<th>Age at Retirement</th>
<th>Misc. Tier 1 - Unmodified</th>
<th>Misc. Tier 3 - Unmodified</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>52</td>
<td>$12,000</td>
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<td>56</td>
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<td>58</td>
<td>$18,000</td>
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<td>64</td>
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<tr>
<td>66</td>
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<tr>
<td>68</td>
<td>$28,000</td>
<td>$28,000</td>
</tr>
<tr>
<td>70</td>
<td>$30,000</td>
<td>$30,000</td>
</tr>
</tbody>
</table>

Note: The benefit is illustrated for the age range 50 to 70.
Am I eligible to retire?

Eligibility
• Must be vested (accumulation of 5 PTSCs)
• Minimum retirement age of 50 (52 for Tier 3), there is no maximum retirement age

What happens if I leave County employment before I’m eligible?
• Leave before vested:
  • Refund of your employee contributions and accumulated interest
  • Or – may be eligible for reciprocity if you go to work for another California public agency within 6 months

• Leave after vested but before retirement age eligibility:
  • Refund of your employee contributions and accumulated interest
  • Or - Leave funds in Plan – retire when age eligible (may be eligible for reciprocity)
What if I came from another public agency?

• **Incoming Reciprocity**

• **You must apply to be eligible!**

• **If you worked for a CalPERS State agency or some Counties** –
  • If there is less than a 6 month gap in service with no overlap
  • If you apply with the new employer
  • If you leave your funds with the prior employer’s Plan

• **There can be significant advantages to your total retirement income if you establish reciprocity**
What if I leave for another public agency?

• **Outgoing Reciprocity**

• You may be eligible for reciprocal service if you hire on with a CalPERS State agency or some Counties – You must apply to be eligible!
  • If there is less than a 6 month gap in service with no overlap
  • If you apply with the new employer
  • If you leave your funds with the SLOCPT Plan

• Not guaranteed – lengthy process between plans

• Reciprocity may shorten your time to become vested in the new employer’s plan, it may get you a lower age-at-entry contribution rate, and it may allow both retirements to be based on your final pay at the new employer

• **ASK YOUR NEW EMPLOYER**
Other Pension Benefits

- **Disability**
  - A lifetime benefit if you are disabled and can’t perform the duties of your job
  - Must apply before separating employment!

- **Death benefits**
  - *Keep your Beneficiary form up to date!*

- **Survivor Benefit after you are retired**
  - More on this later
  - Continues some % of your pension benefit to a surviving spouse or RDP or to a beneficiary you name
Disability Benefits

• Two types of Disability
  • **Ordinary Disability** – for any reason
  • **Industrial Disability** – only for Public Safety and Probation – higher level of benefit for Service-Connected disability. No “heart presumption” like some other systems.

• Disability Eligibility
  • Vested in the Plan for ordinary disability
  • Vesting not required for industrial disability
  • Permanently unable to perform your job duties
  • Burden of proof is on the Member
  • All Retirement Options are available for Disability Retirement

• **MUST APPLY FOR DISABILITY BEFORE QUITTING OR RETIRING**
Death Benefits

• **NOT YET ELIGIBLE TO RETIRE** Active member
  • **Basic Death Benefit**
    • Return of all contributions and interest **PLUS** 1 ½ months salary for each accumulated PTSC up to 12
    • Payable to your beneficiary or your estate

• **ELIGIBLE TO RETIRE** Active member
  • Eligible Survivor has choice of:
    • Basic Death Benefit
    • Option 2 - Monthly Allowance

• **AFTER RETIREMENT**
  • $1,000 Death Benefit
  • Monthly Surviving Spouse or Beneficiary Continuance Allowance based on the Option selected at retirement
Survivor Benefits (in retirement)

Eligible Survivor:

- Spouse or Registered Domestic Partner (RDP)
- Married/registered for at least 1 year at retirement
- If no Spouse or RDP, a Beneficiary can be named for all Options but the basic unmodified allowance or Option 1 continuance

Options (irrevocable choice at point of retirement):

- **Basic (Unmodified) Allowance** – provides for a 50% continuance benefit to Eligible Survivor – This is the highest benefit option
Survivor Benefits (in retirement)

Other Options:

• **Option 1** – reduced monthly allowance for your lifetime and either:
  - Eligible Survivor: 50% continuance of reduced benefit, + return of any contributions remaining (start with ½ employee accrual balance at retirement, reduced with each of your monthly benefit payments). - OR -
  - Beneficiary: return of any contributions remaining (start with entire employee accrual balance at retirement, reduced with each of your monthly benefit payments).

• **Option 2** – reduced monthly allowance for your lifetime and continuing 100% continuance benefit to Eligible Survivor or Beneficiary. A popular option.

• **Option 3** – reduced monthly allowance for your lifetime and a monthly allowance to your Eligible Survivor or Beneficiary of 1/2 to approximately 2/3 of your allowance.

• **Options to coordinate with SS** – pre-age 62
Deferred Retirement Option Program (DROP)

• Available only to Tier 1 Members (certain BUs excluded)
• An alternative way of taking pension benefit while still working
• Irrevocable commitment to retire
  • 6 month minimum, 5 year maximum
• Monthly Pension Benefit paid into a separate investment account while still working
  • You choose investments just like the Deferred Comp Plan
  • No access to funds accumulated until official retirement
• Payroll pension contribution deductions cease when you enter DROP
• Once retired, must withdraw accumulated DROP balance in lump sum or elect a monthly annuity for no less than 10 years
Does DROP Make sense for me?

- Must intend to retire within 5 years
- Must be in an eligible Tier 1 benefit formula
- Locks in your pension at current level – future raises don’t count…

- **DROP designed for –**
  - Long-term Members nearing the maximum pension benefit – e.g., 80% of final pay
  - But who want to keep working a bit longer
- **DROP sometimes used by Members who –**
  - Are satisfied with “locking in” their pension benefit at some level less than the maximum
  - Want to accumulate a lump sum to use after they retire (e.g., pay off the house, buy that RV, etc.)
Post Retirement Cost of Living Adjustments

• Depends on the Tier from which you retired

  • Tier 1
    • COLA based on CPI inflation with 3% max and a carryover if inflation is over 3%

  • Tiers 2 & 3
    • COLA based on CPI inflation with 2% max, no carryover

  • Pension COLAs based on 2 year avg. of SF and LA Consumer Price Index (CPI) annual average change

• COLA effective April 1st if retired on or before January 1st of current year
Marriage and Divorce

• Community Property
  
  • Retirement Benefits and Contribution Balances are Community Property in California
    
    • Contact the SLOCPT if you get married to update your beneficiary designation (you need verified spousal consent to name someone other than your spouse)
    
    • If you are contemplating or going through a divorce you MUST address the disposition of any retirement benefits which were accrued while you were married

• DON’T WAIT UNTIL THE WEEK BEFORE YOU RETIRE TO ADDRESS THIS MATTER…it WILL delay your retirement
How do I Retire?

- Make an appointment with SLOCPT
  - 3+ years in advance
  - Anytime you want a check-up
- If divorced – DRO must address pension
- Plan your retirement!
  - When to retire?
  - How much pension will I get? Enough?
  - DC Plan and other savings? Enough?
- Plan Survivor Options
  - How much surviving spouse pension benefit is needed? 50%? 100%?
- Tell your Department!
What do I Need to Retire?

• **Confer** – Make an appointment with SLOCPT 6+ months prior to planned date

• **Apply** 1-3 months prior to planned date
  • But, if urgent – as soon as possible

• **Healthcare** – if electing employer health plan
  • Must enroll within 120 days after retirement

• **DC Plan** – coordinate “last paycheck“?
  • Accrued leave payout – 1x bump to DC Plan
What do I Need to Retire?

- **Documents needed**
  - Birth certificates – for you, your spouse, or beneficiary
  - Marriage certificate / Domestic Partnership
  - Name changed from birth certificate – marriage certificate or other proof of name change
  - Widowed – death certificate
  - Divorce – Complete copy of Final Judgment with settlement agreement / Domestic Relations Order
  - Social Security – printout of SS est. with age 62 benefit
  - Blank, voided check for direct deposit
  - Age 65 – Copy of Medicare card with Parts A & B
SLO County Retired Employees Associations - SLOCREA

• Retiree Association – membership encouraged
• Newsletter, events, keep in touch

• Contact –
  • [www.SLOCREA.org](http://www.SLOCREA.org)
  • slocrea@slocreea.org
Post Retirement Health Benefits

• Retirees are eligible to participate in employer sponsored medical, dental & vision plans
  • Note: must not have more than 120 days between termination date and retirement date to participate in medical coverage

• Actual premiums paid depend on the plan chosen and Medicare eligibility

• Employer covered costs:
  • $139/month paid towards your medical premium for Management members (2019 rate)
  • $136/month paid towards your medical premium for represented members (2019 rate)

• Watch for Human Resources class on retirement health
So, what else can I do to improve my retirement?

- Strong social connections
- Family relations
- Having a purpose
- Volunteering
- Staying fit and active
- Good healthcare

- Save more money now
Deferred Compensation Plan

• Voluntary

• Tax-Deferred savings
  • “457 Plan” - similar to a 401(k)

• Defined Contribution plan
  • Participant chooses investment funds

• IRS limits on annual contributions

• Withdrawals available post-employment
  • Taxable at that point

• No employer “match” generally
  • July 2019 – small match for unrepresented employees
Deferred Compensation Plan

• SLO County Deferred Compensation Plan also open to Courts, APCD, LAFCO

• Nationwide
  • Administers the DC Plan
  • Provides investment funds
  • Representatives on-site 100 days/year
  • www.sanluisobispo457.com
  • 877/677-3678
Deferred Compensation Resources

- **Nationwide representatives**
  - On site 2\textsuperscript{nd} and 4\textsuperscript{th} weeks of the month
  - Call at any time
    - Rochelle Davis  
      davir19@nationwide.com  
      323/823-4282
    - Loren Farfan  
      farfana@nationwide.com  
      818/642-8191

- [www.sanluisobispo457.com](http://www.sanluisobispo457.com)  
  Tools & Calculators
  - Interactive Financial Planner
  - Health Care Estimator
  - Investment Planning
  - Paycheck Impact Calculator
  - Payout Illustrator
Deferred Compensation Plan

• **Post-Employment you can** –
  • Leave your DC account with Nationwide
  • Rollover your DC account to –
    • Another 457 Plan at a future employer
    • A Rollover IRA - institution of your choice

• **Account Distributions**
  • Taxable income (but no 10% penalty)
  • Or Rollover to an IRA or other plan
  • “Don’t blow it all at once” is good advice
Maximizing your DC Plan

• **Annual Contribution Limits (IRS)**
  - Under age 50 $19,500/year
  - Over age 50 $19,500 + $6,500 = $26,000

• **Special Catch-up**
  - In last 3 years prior to retirement
  - Higher limit of up to $39,000/year
  - Limited by the amount you did not contribute up to the maximums in prior years at this job
  - See Nationwide representative to coordinate
Maximizing your DC Plan

• “Last paycheck maximized deferral”
  • If you are not contributing to the DC Plan up to the maximum already
  • If you have an accrued leave lump sum payout expected on your last paycheck
  • You can increase your DC Plan deferral on that last paycheck – sometimes by a lot!
  • Tax deferred status on a large payout saves you $
  • Must set up month prior to last paycheck – timing is critical!
  • See Nationwide representative and Payroll Coordinator
Questions
Reference Items
Information on Your Pension Account

- **General Information**
  - [www.SLOPensionTrust.org](http://www.SLOPensionTrust.org)
  - *2020 - new Member Portal online – watch for your PIN letter to set up your access*
  - Email at SLOCPT@co.slo.ca.us
  - 805/781-5465
  - Call to request a retirement estimate and counseling
  - Call to request new beneficiary forms, etc.
  - Change of address – please change in payroll (ESS for the County) system

- **Keep your beneficiaries up to date!**
Can I work for SLO County as a Retiree?

• **Temporary employment post retirement**
  • 180 day waiting period except for Public Safety
  • Maximum of 960 hours/year

• **Permanent employee post retirement**
  • Reinstatement to be approved by the Board of Trustees
  • Cancels pension
  • New pension contribution rate will be higher due to new, reinstated age-at-entry
  • Tier 3 pension benefits in most cases for reinstated service
  • Subsequent re-retirement would be a blend of prior service (e.g., Tier 1) and reinstated service (e.g., Tier 3)
Can I work for another public sector employer as a Retiree?

- Yes
- Will not be eligible for reciprocity if already retired
- Will not change your SLO pension
- May start accruing another pension benefit with the new employer.
What are the Benefit Formulas?

**Miscellaneous Employees**

**Tier 1:** 2.0% at 55  
(age 50 = 1.426%, age 65 = 3.165%)

- Retirement Factor x earned PTSCs
- x highest consecutive 12 month average monthly compensation
- 80%, 90%, or 100% of final compensation cap depending on BU

**Tier 2:** 2.0% at 60  
(age 50 = 1.092%, age 65 = 2.500%)

- Retirement Factor x earned PTSCs
- x highest consecutive 36 month average monthly compensation
- 90% of final compensation cap

**Tier 3:** 2.0% at 62  
(age 52 = 1.000%, age 67 = 2.500%)

- Retirement Factor x earned PTSCs
- x highest consecutive 36 month average monthly compensation
- up to maximum state mandated compensation limit (about $117k for 2015)
Retirement Factors - Miscellaneous

Retirement Factors by age - Miscellaneous

Age at Retirement

Retirement Factor

- Misc. Tier 1
- Misc. Tier 2
- Misc. Tier 3
What are the Benefit Formulas?

Probation Employees

**Tier 1:** 2.3% at 50 (age 50 = 2.300%, age 55 = 3.000%)
Retirement Factor x earned PTSCs
x highest consecutive 12 month average monthly compensation
90% of final compensation cap

**Tier 2:** Not Implemented

**Tier 3:** 2.0% at 50 (age 55 = 2.500%, age 57 = 2.700%)
Retirement Factor x earned PTSCs
x highest consecutive 36 month average monthly compensation
up to maximum state mandated compensation limit (about $117k for 2015)
Retirement Factors - Probation

- Probation Tier 1
- Probation Tier 3
What are the Benefit Formulas?

Safety Employees (Sworn officers)

**Tier 1:** 3.0% at 50 (all ages = 3.000%)

Retirement Factor x earned PTSCs
x highest consecutive 12 month average monthly compensation
90% of final compensation cap

**Tier 2:** 2.3% at 50 (age 50 = 2.300%, age 55 = 3.000%)

Retirement Factor x earned PTSCs
x highest consecutive 36 month average monthly compensation
90% of final compensation cap

**Tier 3:** 2.0% at 50 (age 55 = 2.500%, age 57 = 2.700%)

Retirement Factor x earned PTSCs
x highest consecutive 36 month average monthly compensation
up to maximum state mandated compensation limit (about $117k for 2015)
What are the Benefit Formulas?

Safety Employees (Non-Sworn)

**Tier 1:**  2.3% at 50  
(age 50 = 2.300%, age 55 = 3.00%)
Retirement Factor x earned PTSCs
x highest consecutive 12 month average monthly compensation
90% of final compensation cap

**Tier 2:**  2.0% at 50  
(age 50 = 2.000%, age 55 = 2.700%)
Retirement Factor x earned PTSCs
x highest consecutive 36 month average monthly compensation
90% of final compensation cap

**Tier 3:**  2.0% at 50  
(age 55 = 2.500%, age 57 = 2.700%)
Retirement Factor x earned PTSCs
x highest consecutive 36 month average monthly compensation
up to maximum state mandated compensation limit (about $117k for 2015)
Retirement Factors - Safety (Non-Sworn)

Retirement Factors - Safety (Non-Sworn)

Age at Retirement

Retirement Factor

Safety Tier 1 (non sworn)  Safety Tier 2 (non-sworn)  Safety Tier 3 (non-sworn)