

If you could retire today...



CITY OF FOUNTAIN VALLEY
RETIREMENT INFORMATION
FOR CITY EMPLOYEES

Overview:

The City of Fountain Valley contracts with the California Public Employee's Retirement system (hereinafter referred to as CalPERS) to provide retirement benefits for City employees.

Eligibility For Retirement:

1. Employees must be at least 50 years of age by the date of his/her retirement.
2. Employee must have a minimum of 5 full years of CalPERS service credit. There is no minimum years of City employment required.

Retirement Benefit:

Retirement benefits are calculated based on a formula using a benefit factor, age at retirement and years of service.

Tier 1 Miscellaneous Employees are covered by the 2.5% at 55 retirement formula.

For Example:

- Employee currently earns \$3,000 per month.
- Employee is 55 years of age at retirement.
- The benefit factor for employees retiring at age 55 is 2.5%.
- The employee has 20 years of CalPERS service.
- In this example, an employee would receive 50% (2.5% benefit factor multiplied times 20 years of CalPERS service) of his/her compensation (including base salary, uniform and boot allowance if applicable) at retirement or \$1,500 per month (50% of his/her current compensation).

Tier 2 Miscellaneous Employees are covered by the 2% at 60 retirement formula.

Tier 3 Miscellaneous Employees are covered by the 2% at 62 retirement formula.

Tier 2 and Tier 3 employees receive the same retirement benefits but at a different retirement age.

For Example:

- Employee currently earns \$3,000 per month.
- Tier 2 employee is 60 years of age at retirement or Tier 3 employee is 62 years of age at retirement.
- The benefit factor for employees retiring at age 60 for Tier 2 or age 62 for Tier 3 is 2%.
- The employee has 20 years of CalPERS service.

- In this example, an employee would receive 40% (2% benefit factor multiplied times 20 years of CalPERS service) of his/her compensation (including base salary, uniform and boot allowance if applicable) at retirement or \$1,200 per month (40% of his/her current compensation).

Tier 1 Sworn Police and Fire Employees are covered by the 3% at 50 retirement formula.

For Example:

- Employee currently earns \$3,000 per month.
- Employee is 50 years of age at retirement.
- The benefit factor for employees retiring at age 50 is 3%.
- The employee has 20 years of CalPERS service.
- In this example, an employee would receive 60% (3% benefit factor multiplied times 20 years of CalPERS service) of his/her compensation (including base salary, certification pays, special pays, and uniform allowance if applicable) at retirement or \$1,800 per month (60% of his/her current compensation).

Tier 2 Sworn Police Employees are covered by the 3% at 55 retirement formula.

For Example:

- Employee currently earns \$3,000 per month.
- Employee is 55 years of age at retirement.
- The benefit factor for employees retiring at age 55 is 3%.
- The employee has 20 years of CalPERS service.
- In this example, an employee would receive 60% (3% benefit factor multiplied times 20 years of CalPERS service) of his/her compensation (including base salary, certification pays, special pays, and uniform allowance if applicable) at retirement or \$1,800 per month (60% of his/her current compensation).

Tier 2 Sworn Fire Employees are covered by the 2% at 50 retirement formula.

For Example:

- Employee currently earns \$3,000 per month.
- Employee is 50 years of age at retirement.

- The benefit factor for employees retiring at age 50 is 2%.
- The employee has 20 years of CalPERS service.
- In this example, an employee would receive 40% (2% benefit factor multiplied times 20 years of CalPERS service) of his/her compensation (including base salary, certification pays, special pays, and uniform allowance if applicable) at retirement or \$1,200 per month (40% of his/her current compensation).

Tier 3 Sworn Police and Fire Employees are covered by the 2.7% at 57 retirement formula.

For Example:

- Employee currently earns \$3,000 per month.
- Employee is 57 years of age at retirement.
- The benefit factor for employees retiring at age 57 is 2.7%.
- The employee has 20 years of CalPERS service.
- In this example, an employee would receive 54% (2.7% benefit factor multiplied times 20 years of CalPERS service) of his/her compensation (including base salary, certification pays, special pays, and uniform allowance if applicable) at retirement or \$1,620 per month (54% of his/her current compensation).

To Apply for Retirement:

Obtain a Retirement Allowance Estimate request from CalPERS to determine what your retirement benefit will be.

We recommend that you submit your Retirement Allowance Estimate Request to CalPERS as soon as possible.

You may also calculate your own Retirement Allowance Estimate on the CalPERS website at www.calpers.ca.gov. See attached instructions for completing your estimate online.

Note that estimates can take 4-5 weeks to be completed and returned to you. Therefore, it is recommended that you submit your request form as soon as possible.

CalPERS contact information:

- Telephone Number: (888) 225-7377.
- Website: www.calpers.ca.gov.
- CalPERS Orange Office: 500 North State College Blvd., Suite 750.

- CalPERS Glendale Office: Glendale Plaza, 655 North Central Avenue, Suite 1400.
- CalPERS San Bernardino Office: 650 East Hospitality Lane, Suite 330.

Notification to the City

Submit the following documents to the Human Resources Department:

1. Notification of Retirement form specifying your last day on payroll and your retirement date. Note that your retirement date cannot be the same date as your last day on payroll. Your retirement date must be at least 1 calendar day after your last day on payroll.
2. Sick Leave Payoff Designation at Retirement form.

Application with CalPERS

To apply for retirement, you will need to submit the following to CalPERS 90 days before your retirement date:

- **Service Retirement Election Application (PERS-BSD-369-S) form.** Note that this form must be notarized; therefore, it is recommended that you submit your Application in person at your local CalPERS office so you don't have to pay for the document to be notarized elsewhere and to minimize any delays in you receiving your retirement benefit.
 - ✓ Section 7 Employer Certification: This section needs to be completed by the Personnel Analyst in order to complete your Service Retirement Election Application before you submit it to CalPERS. To complete this section, you will need to provide Karyn with the following:
 - Your last day of work.
 - The date your retirement will be effective (must be at least one day after your last day of work).
 - Complete the Sick Leave Payoff Designation at Retirement form and submit the completed and signed form to Karyn. On that form, specify if you want to be paid out for your accrued sick leave if you meet the criteria as specified in your Memorandum of Understanding or if you want to forego a cash payout of a portion of your accrued sick leave and instead apply all your sick leave to CalPERS service credit.
 - Provide Human Resources with 3-5 work days from the date you submit the form to her, for her to complete your calculation.
- Depending upon which option you choose for payment of your retirement benefits, you may be required to provide additional documentation. Be sure to provide copies and not originals because CalPERS will not return any of these documents to you. Documents will be required:

- ✓ If you choose Option 2, 2W, 3, 3W or Option 4, you will be required to provide a photocopy of your beneficiary's birth certificate with your social security number written on the copy of your beneficiary's birth certificate.
- ✓ If you choose the Survivor Continuance benefit, you will be required to provide a photocopy of your marriage certificate or certificate of domestic partnership or a birth certificate for each eligible survivor with your social security number written on each certificate you provide.
- **Justification for Absence of Spouse's or Domestic Partner's Signature (PERS-BSD-800A) form.** This form is only required if you are married or have a domestic partner but cannot have your spouse or domestic partner sign your Service Retirement Election Application. If you are unable to have your spouse or domestic partner sign your Service Retirement Election Application, complete this form and submit it to CalPERS with your other retirement documents.
- **Direct Deposit Authorization (PERS-BSD-1199P) form.** CalPERS does not require you to be on direct deposit. This form is optional and can be completed at any time before or after your retirement. If you want your retirement payment directly deposited in your checking or savings account, complete this form and submit it to CalPERS with your retirement documents. If you will be having your payment deposited into your checking account, you will need to attach a copy of your voided, pre-printed check to Section 2 of the form. If you choose to deposit your payment into your savings account, you should have your financial institution complete Section 2 of this form.

The required CalPERS forms are included in the attached "A Guide to Completing Your CalPERS Service Retirement Election Application."

Though you may mail your completed application to CalPERS, to minimize any delay in your receiving your retirement payments, it is recommended that you submit your application in person to your local CalPERS office. You may make an appointment with CalPERS by calling them at (888) 225-7377.

Next Steps

- Submit a Retirement Allowance Estimate Request to CalPERS as soon as possible.
- Review the information in this package carefully and consult with your tax advisor and/or financial planner and attorney as you feel you need to.
- Attend a CalPERS Retirement workshop. Visit the CalPERS website for training dates and locations.
- Submit the completed and signed Notification of Retirement and Sick Leave Payoff Designation at Retirement form to Personnel.

- Submit your completed Service Retirement Election Application, Justification for Absence of Spouse's or Domestic Partner's Signature if applicable and Direct Deposit Authorization if applicable to CalPERS 90 days your retirement. Be sure to include all required attachments.

Important Notice

The City of Fountain Valley cannot provide legal, tax or financial advice. It is strongly recommended that you review all aspects of this program with your attorney, tax advisor or financial planner.

Frequently Asked Questions

- ***Can I work for another CalPERS employer after retirement?*** If you return to work in a full-time capacity with another CalPERS employer after you retire, you will be required to reinstate from retirement. If you work for another CalPERS employer part-time as a retired annuitant, you should contact CalPERS directly to determine the impact to your retirement benefit.
- ***What happens to my accrued sick leave?*** If you meet the criteria specified in the Memorandum of Understanding that covers your position, you will be eligible for a sick leave payout. The remaining accrued sick leave will be reported by the City to CalPERS as service credit. You also have the option to have all of your sick leave credited to service credit and forego the cash out. By completing the Sick Leave Payoff Designation at Retirement, Personnel will know how to distribute your sick leave.
- ***What happens to my accrued vacation and my earned compensatory leave time (if applicable)?*** You will be paid for your accrued vacation and earned compensatory leave time in your final paycheck.
- ***What happens to my medical and dental insurance?*** As a retiree, you may be eligible to continue on the City's medical and dental insurance and in some cases may be eligible for City contributions. Please review the Memorandum of Understanding that covers your position and determine your eligibility which is based on your hire date and years of service.
- ***What happens to my life insurance, long-term disability insurance and coverage under the employee's assistance program?*** Your coverage will end effective with your retirement date.
- ***What if I change my mind and decide not to retire?*** Once you submit your Notification of Retirement form and it is received and accepted as irrevocable, your separation from City employment is final and irrevocable.
- ***How can I estimate what my retirement benefit will be?*** Requesting an estimate from CalPERS will provide you with pretty accurate information as to the benefits you can

expect to receive at retirement depending on the payment option you choose. You may also complete the calculation on-line at www.calpers.ca.gov.

- ***How can I determine what the impact will be to me?*** You are strongly encouraged to consult with your tax advisor, financial planner and attorney to ensure that you thoroughly understand the ramifications of electing to take this benefit. If you cannot afford one, the employee assistance program can provide some legal and financial services to you. You simply need to call Standard/ Bensinger DuPont and Associates at (877) 851-1631.

Important Documents

- Notification of Retirement form.
- Sick Leave Payoff Designation at Retirement form.
- CalPERS “A Guide to Completing Your CalPERS Service Retirement Election Application.”
- CalPERS “Your CalPERS Benefits Planning Your Service Retirement.”
- CalPERS “What You Need to Know About Your CalPERS Local Miscellaneous Benefits.”
- Instructions on how to calculate your service credit at www.calpers.ca.gov.
- Standard’s Employee Assistance Program flyer.

Important Contact Information

CalPERS contact information:

- Telephone Number: (888) 225-7377.
- Website: www.calpers.ca.gov.
- CalPERS Orange Office: 500 North State College Blvd., Suite 750.
- CalPERS Glendale Office: Glendale Plaza, 655 North Central Avenue, Suite 1400.
- CalPERS San Bernardino Office: 650 East Hospitality Lane, Suite 330.

Financial and legal assistance through the Employee Assistance Program:

- Standard's telephone number: (877) 851-1631.
- Website: www.eapbda.com
 - ✓ Login ID: standard6
 - ✓ Password: eap4u6

Human Resources Department: extension 506.