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## FREQUENTLY ASKED QUESTIONS

**Audience:** Terminated Members of the Sacramento County Employees' Retirement System ("SCERS")

**Topic:** Retirement Benefits & Decisions

**1.Q. What happens to contributions on deposit with SCERS when members terminate employment with the County or another participating employer?**

A. When a SCERS member leaves employment with the County or another participating employer, the person has several options:

- The person can choose to leave their retirement contributions on deposit with SCERS. If they do so, the retirement service they have accrued in SCERS will remain intact and the contributions will continue to accrue interest.
  - If the person subsequently returns to permanent, regular employment with the County or another participating employer, the new service they accrue will be added to their prior service.
  - If the person is 'vested' in SCERS (meaning they have at least 5 years of eligible service with SCERS and/or a 'reciprocal' retirement system), they will be entitled to apply for a retirement benefit when they are eligible to retire.
  - If the person is not 'vested' in SCERS, the contributions (plus accrued interest) must be gradually refunded starting at age 70 ½.
- The person can choose to withdraw their retirement contributions at any time. If they do so, however, the retirement service they accrued in SCERS will be extinguished.
  - Both 'vested' and 'non-vested' members can elect to withdraw their retirement contributions, but vested members should keep in mind that withdrawing their contributions means they will no longer be entitled to a future SCERS retirement benefit.

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- If the person subsequently returns to permanent, regular employment with the County or another participating employer, they will begin to accrue new service but the prior service will not be added to the new service unless and until the prior service is reinstated by re-depositing the contributions that were withdrawn, plus interest.
- If a person chooses to withdraw their contributions, they can elect to:  
(1) Have them 'rolled over' to certain eligible retirement savings plans without having to pay any taxes at the time; or (2) Have the funds paid to them directly, in which case taxes will be withheld.

#### **2.Q. Do members need to notify SCERS when they terminate employment?**

- A. No, members do not need to notify SCERS when they terminate employment because SCERS is officially notified of changes in employment status via the payroll process. When SCERS receives this information, staff reviews the contribution history and service credit accrual for the affected individuals and provides them with a Distribution Request form. This form provides more detail on the options described above.

#### **3.Q. When is a vested member entitled to a retirement benefit from SCERS in the future?**

- A. Only vested members in SCERS are entitled to a retirement benefit in the future. In order to be vested, a member must have at least 5 years of service credit with SCERS and/or a reciprocal retirement system. A vested member becomes eligible for a retirement benefit when the member:
- Is age 50 or older and their retirement contributions have been on deposit with SCERS for at least 10 years; or
  - Is a Safety member with at least 20 years of service, regardless of age; or
  - Is a Miscellaneous member with at least 30 years of service, regardless of age; or
  - Is age 70, regardless of how long their retirement contributions have been on deposit with SCERS.

#### **4.Q. What happens if a terminated member is re-hired by the County or another participating employer?**

- A. Members who receive refunds while terminated and then return to permanent, regular employment will re-join SCERS as active members. As with other members, they will then earn new service credit for all periods in which they work and contribute to SCERS. Unless they choose to repay or "redeposit" the prior refund with interest, however, these members will not have their past service credit restored by SCERS.

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Members who do not receive refunds while terminated and later return to permanent, regular employment will re-join SCERS as active members. Because they did not elect to receive refunds while terminated, the service credit that they received for prior employment will be combined with the service credit that they earn for current employment and used to determine the total benefit payable for retirement.

**5.Q. If terminated members are not vested and do not return to work for the County or another participating employer, is it ever possible to receive a lifetime allowance from SCERS?**

- A. Yes. Under a plan feature known as “reciprocity,” members of SCERS can bridge benefits across multiple retirement systems in California by (1) becoming a member of a reciprocal retirement system within 180 days (six months) of terminating permanent, regular employment, (2) directing SCERS to share membership information with the new retirement system and, eventually, (3) retiring from all reciprocal systems on the same effective date.

For a listing of public retirement systems that have reciprocal arrangements with SCERS, please review the Retirement Handbook. For additional information regarding the terms, benefits and limitations of reciprocity, please reference other materials available at [www.scers.org](http://www.scers.org), including New Employee Orientation presentations, Retirement Planning presentations, and the Service Retirement Application Packet.

As a reminder, please note that reciprocity rules and requirements are the same for all members of SCERS, regardless of whether their benefits are vested or non-vested when they terminate employment.

**6.Q. What happens to service purchase or re-deposit agreements with SCERS when members terminate employment?**

- A. Service purchase or re-deposit agreements being paid via payroll deduction may be paid in full after termination of employment either by personal check or by a direct rollover from another eligible retirement plan. If a person elects not to pay the outstanding balance on a service purchase, the amount of service acquired will be prorated based on the amount paid. If a person elects not to pay the outstanding balance on a re-deposit agreement, the re-deposit will be cancelled and all payments will be returned.

**7.Q. Can members purchase service credit from SCERS once they are no longer employed by the County or another participating employer?**

- A. Members who are vested at the time of termination maintain the ability to purchase service credit from SCERS, up until the time that they request a refund or apply for service retirement. The only exception to this statement is the purchase Additional Retirement Credit (“ARC”), which is limited to active members by law and is unavailable to terminated members.

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- 8.Q. How much time is required for SCERS to process payments requested by terminated members?**
- A. SCERS targets a 45-day turn-around period for all payment requests. In the case of refund requests, this means distributions are generally paid within 45 days of staff receiving all completed paperwork.
- 9.Q. Can members attend one of SCERS' Retirement Planning Seminars if they are no longer employed by the County or another participating employer?**
- A. Yes, vested members of SCERS (active and deferred) are welcome to contact the SCERS office at (916) 874-9119 and enroll in any of the retirement planning seminars scheduled throughout the year.
- 10.Q. How can members obtain information about SCERS not addressed within these Frequently Asked Questions?**
- A. Plan updates, forms and publications (including the Retirement Handbook and the Service Retirement Application Packet) are available for review at the SCERS web site, [www.scers.org](http://www.scers.org). In addition, members who wish to receive information regarding their particular benefits and/or discuss their plan status can speak with our Benefits staff by calling or visiting the SCERS office:

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