

Your SBCERA Contributions



All active SBCERA members and their employers contribute to SBCERA. These contributions are held in trust by SBCERA and invested for the long-term.

SBCERA is a defined benefit plan, which means you are promised a lifetime retirement benefit based on a formula and **not** by how much money you have contributed to the plan. Therefore, you **cannot** increase your contributions or add to them to increase your benefit. Instead, your SBCERA retirement benefit is based on four factors: your age at retirement, years of service credit, factors of the 1937 Act (e.g. your pension formula) and your highest 12-consecutive months of earnable compensation.

To provide benefits for all current and future SBCERA members, funds are managed and invested separately from any employer general funds. Approximately 30 percent of benefits are funded by employee and employer contributions, and the remaining 70 percent come from SBCERA's investment earnings.

All contributions are determined based on a percentage of your earnable compensation. Contribution rates are set annually in November and are determined by outside actuaries. They are effective at the beginning of each new fiscal year. Employee contributions are taken as payroll deductions. Your contribution rate is based on the following factors:

- Your entry age (age at the time you joined SBCERA, unless your birthday was in the next six months then you would use one year older. If you were able to establish reciprocity, it may be the age at which you joined the reciprocal agency).
- Your years of service credit (your employer may pick up part or all of the cost of your contributions after a certain time).
- Whether you choose refundable or nonrefundable contributions (this is an employer-offered option. Not all SBCERA employers offer this).
- Your plan (General or Safety).

As a member of SBCERA, you pay contributions as long as you are employed by an SBCERA participating employer, unless:

- You earn 30 years of service credit including reciprocal service credit at which time your contributions end; or
- You were an SBCERA member on March 7, 1973, with 30 years of total service eligibility including reciprocal time and/or Prior Public Agency Service (PPAS) time; or
- You were an SBCERA member on or after April 9, 2002, with 30 years of service including reciprocal time (PPAS and Additional Retirement Credit (ARC) time are not included).
- You change employment status to a position excluded from SBCERA membership.

Access to your Refundable Contributions

You **cannot** borrow from your retirement account, nor may you withdraw your contributions while you are still employed by a participating employer or under a reciprocal agreement. If you terminate your employment, you may take a refund of your accumulated refundable contributions and interest. However, taking a refund will end your membership with SBCERA and eliminate any future eligibility for a monthly SBCERA retirement benefit. Please note: upon your termination of employment or death, any nonrefundable contributions cannot be refunded.

