



# RETIREMENT 101

## Understanding Your Defined Benefit Plan

As an SBCERA member, you are enrolled in a defined benefit plan, also known as a pension plan. Below are some **key advantages** of your SBCERA defined benefit plan:



### Promised Benefit

As you work throughout your public service career, you can count on a stable monthly retirement allowance for the **rest of your life**.



### Predictability

Your promised lifetime benefit is determined by a **formula** based on your tier, years of service, age at retirement, and final average compensation.



### Separation Options

If you terminate employment prior to retirement, there are a variety of **options** available including reciprocity, refunds, rollovers, deferred retirement, and/or leaving your funds on deposit.



### Professional Management

Investments are managed by a professional investment team and outside experts. Members do **not** have to make difficult investment decisions.



### Cost-of-Living Adjustment

Defined benefit plans usually offer some form of an annual cost-of-living adjustment, which helps to **offset the effects of inflation**. Each year, the SBCERA Board of Retirement determines whether there has been an increase or decrease in the respective Consumer Price Index (CPI) and may provide our retired members and eligible beneficiaries with an annual cost-of-living adjustment of up to two percent.



### Survivor Benefits

Several survivor benefit options exist for qualified **beneficiaries** while members are actively employed and after retirement, including lifetime continuances.



Scan this QR Code to watch our **Quick Tip video** on Understanding Your Defined Benefit Plan.