Life can be unpredictable. The good news is that SBCERA offers several options for your retirement account if you terminate your employment for any reason. If you have less than five years of service credit, you are considered non-vested. Upon termination of your employment, you may be eligible to select from the following options:

**Deferred Retirement with Reciprocity**

If you are reemployed by another public agency in California within 180 days of your termination, you may be eligible to establish reciprocity. Reciprocity allows you to link public pension plans together. By doing so, you can use your years of service credit to meet vesting, and potentially eligibility requirements, of other reciprocal systems. In addition, your highest Final Average Compensation (FAC) may be used by all systems to calculate your benefit amount upon retirement. Dependent upon your tier, your contribution rate at your new system may be based on your entry age with the first system.

To establish reciprocity, you must leave your contributions on deposit with SBCERA, you cannot work and earn service credit from both systems at the same time and there must be a clear break in service from SBCERA before entering the new system. Upon establishing reciprocity, you can no longer withdraw your funds from SBCERA while you are still a member of the reciprocal agency and you will be required to retire concurrently (on the same date) from both (or all) systems.

**Refundable Contributions**

**Refund:** You may choose to cash-out, or refund, any refundable contributions and interest in your retirement account. Selecting a refund of your contributions will end your membership with SBCERA and terminate any future claims for retirement benefits, including disability benefits.

**Note:** Refunds are subject to taxes as personal income. Therefore, 20% will be withheld in federal income taxes. In addition, you may request to withhold an additional 2% for California State taxes.

**Rollover of Refundable Contributions:** You may request to rollover all or a portion of your refundable contributions into another qualified retirement plan, such as an IRA.

With a partial rollover, you can select how much you wish to rollover and have the remaining funds refunded to you.

**Note:** Federal income taxes will not be withheld on contributions rolled over to a qualified retirement plan. If you choose a partial rollover, a withholding will be made on any refunded contributions.

**Leave Funds On-Deposit:** You can choose to leave your refundable contributions on-deposit with SBCERA and continue to earn interest. Currently, the interest rate is based on the six-month Treasury bill (T-bill) rate.

**Note:** You may request to refund or rollover your accumulated refundable contributions and interest at any time.

**Non-Refundable Contributions**

Any non-refundable contributions in your retirement account cannot be refunded upon termination.

If you only have non-refundable contributions in your retirement account, your only option upon termination is to defer retirement with reciprocity. If you are unable to gain employment and membership through a reciprocal system or SBCERA within 180 days, your non-refundable contributions are forfeited.

**Both Non-Refundable and Refundable Contributions:**

If you made contributions under both the refundable and non-refundable options, only the refundable contributions can be refunded or rolled over.

If you are vested (more than five years of service credit), additional options are available.

Should you terminate employment for any reason, please contact SBCERA to learn more about your options and select the one that works best for you.