

Santa Barbara County Employees' Retirement System

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Oscar Peters, Administrator

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Dear Member:

Your Retirement Plan is a major benefit of your employment with Santa Barbara County. This booklet summarizes certain provisions of that plan. We recommend that you read this booklet carefully and keep it with your other important personal records for future reference.

This booklet is intended to be both accurate and easy to read. It is designed to help you understand your retirement benefits, but it does not describe every plan provision in complete detail. Nothing in this booklet should be considered a legally binding interpretation or amendment of the County Employees Retirement Law of 1937 (CERL). Benefits under this plan are determined and governed by administrative decisions made in compliance with the CERL and the rules and regulations of the Board of Retirement.

If you have questions about your retirement benefits or wish to make appointment for a private consultation, contact the Retirement Office at the phone numbers or addresses above at any time during normal business hours. Be sure to include your name and Social Security number on all written correspondence. We also encourage you to visit our Web site at www.countyofsb.org/sbcers/. There you will find helpful news and information about the Retirement System along with retirement planning tools, forms, and the name and office location of your Retirement Benefits Specialist.

Respectfully,



Oscar Peters
Retirement Administrator

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GENERAL INFORMATION

HIGHLIGHTS OF THE GENERAL MEMBER'S RETIREMENT PLAN

Regardless of your age, it is never too early to begin thinking about your financial security after retirement. The Retirement Plan is administered by the Santa Barbara County Employees' Retirement System (SBCERS). It is designed to provide you a reliable source of income throughout your retirement years. It also can provide benefits to your eligible survivors after your death. Here are some of the key features of the plan:

- Both you and your employer make contributions to the Retirement System during your career. Contributions are a percentage of your salary based on your age and the date you became a member of the Retirement System.
- The amount of your retirement allowance is based on your final average monthly salary, your years of service credit, and the payment option you select.
- You are fully vested (that is, have a right to receive a retirement allowance) after you have five years of service credit (10 years for Plan 2 at age 55).
- If you leave employment before you are vested, your own contributions and accumulated interest are refunded to you.
- As an active member, you or your family may receive benefits from the plan if you become disabled or die before you retire.
- You are eligible to retire when you:
 - Attain age 50 and have at least 5 years of service credit and 10 years elapsed since your date of membership, or
 - Are a permanent part-time employee with at least five years of service credit over at least 10 consecutive calendar years.
- If you become permanently disabled while you are an active member, you may be eligible for disability retirement benefits.
- You have a variety of payment options available when you retire.

Note: In this booklet, “years of service” always refers to years of service credit unless otherwise stated.

PARTICIPATION

MEMBERSHIP

Art. 4 – 31550,
31552, 31557,
31562,
Art. 8 – 31678

You become a member of the Retirement System when you are appointed to a full-time position or to a permanent part-time position of at least 20 hours a week. Only elected officials and persons first employed at age 60 or older may waive membership in the Retirement System. Employees considered extra help and seasonal employees are not eligible for membership. Certain contract employees are eligible.

There are two types of SBCERS members:

- **Safety members:** employees whose principal duty is active law enforcement or active fire suppression. This book is designed for General Members.
- **General members:** all other employees eligible for membership.

There are three plans in which General members are enrolled: General Plan 5A, General Plan 5B, and General Plan 2. Benefits under Plans 5A and 5B are the same; they differ only in the percentage of salary that members contribute. Benefits for Plan 2 are based on a 36 month final average salary, less an adjustment for Social Security benefits.

Your most recent membership date determines the plan that you're enrolled in.

If you became a member:

- Before October 10, 1994, you are in Plan 5A, unless you elected Plan 2 (enrollment into Plan 2 ceased on January 11, 1999).
- On or after October 10, 1994, you are in Plan 5B

CONTRIBUTIONS

Art. 1-
31453,31454.1

The Retirement System's operating funds come from three sources: member contributions, employer contributions, and investment earnings.

- **Member contribution rates** are actuarially determined on the basis of each member's age on entry into the Retirement System. These rates are individually applied to each member's base pay (including any vacation conversion). Your contributions are deducted from your paychecks before taxes are withheld.
- **Employer contribution rates** are based on total payroll and are considerably higher than member contribution rates.
- **Investment earnings** are credited to members' accounts every June 30 and December 31. After separation from service, no further interest is credited to a member's account unless the member is eligible for deferred retirement or is employed by another agency covered by reciprocity within six months of the member's separation date (see "Disposition of Contributions After Separation")

for details). Active members cannot borrow against or receive a refund of any portion of their account.

The Retirement Board has exclusive control of the investment of these funds. The funds are held for the exclusive purposes of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the system.

The Board manages these funds in the interest of providing benefits to participants and their beneficiaries, minimizing employer contributions, and defraying the system's expenses. It manages them with prudence and diligence, and diversifies investments to minimize risk and maximize return when prudent.

SEMIANNUAL MEMBER STATEMENTS

Art. 5 – 31599

Semiannual member statements are mailed to each active and deferred member. Statements contain information on contribution totals and service credits, estimates of monthly service retirement allowances, and other personal information. To keep your records current, you must inform the payroll clerk in your department if you have a change of address.

You may learn your current retirement account balance by sending a written request to the Retirement Office. The request must include your Social Security number *and signature*.

BENEFICIARY DESIGNATION

Art. 11 – 31760.1,
Art. 12 – 31782,
Art. 15.6 –
31855.5, 31855.6,
31855.7

Your beneficiary is the person or people who receive any benefits payable from the Retirement Plan in the event of your death. You must designate a beneficiary when you become a Retirement System member. If you are married or have an eligible domestic partner, they are automatically your beneficiary unless you have their written, notarized consent to designate someone else.

To designate a beneficiary, obtain a beneficiary designation form from the Retirement Office or from the Web site at www.countyofsb.org/sbcers/. Fill it out, make a photocopy for your records, and return the original to the Retirement Office.

You may change your beneficiary designation at any time before you retire by submitting a new beneficiary designation form to the Retirement Office. If your spouse, domestic partner, or other beneficiary dies before you begin receiving payments, you should name a new beneficiary.

It is important that you keep your beneficiary designation up to date. If you die and have no surviving spouse, domestic partner, or beneficiary, your benefit is paid to your estate.

DOMESTIC PARTNER

The California Domestic Partner Rights and Responsibilities Act of 2003, Assembly Bill 205, is operative as of January 1, 2005. Eligible domestic partners, those who have a Declaration of Domestic Partnership on file for at least one year with the State of California, will be granted the same rights and retirement benefits as are currently offered to married members of the Retirement System.

Eligible domestic partners must meet the following requirements

- Both persons have a common residence,
- Both persons are at least 18 years of age, and
- Both persons are members of the same sex, or at least one of the persons is over the age of 62 and meets the Social Security Act criteria.

In this Summary Plan Description, any reference to benefits related to the spouse of a married member of the SBCERS is applicable to an eligible domestic partner as well.

CLAIMING RETIREMENT BENEFITS

QUALIFICATIONS FOR SERVICE RETIREMENT

Art. 8 – 31672,
31672.1

You may file for service retirement if you:

Are age 50 or older and have retirement credit for 10 or more years of County/
reciprocal service, other than public service,

Have retirement credit of 30 years of County/reciprocal service, other than
public service, regardless of age.

Have reached age 70, or

Are employed on a permanent part-time basis and have earned at least five years of
service over a minimum of 10 consecutive calendar years.

APPLICATION FOR SERVICE RETIREMENT

Art. 8 – 31670-
31672

If you are thinking about retiring, you can request an estimate by writing, faxing, or
e-mailing the Retirement Office (contact information for the Retirement Office is
listed under “Administrative Information”). Once you choose your retirement date,
you must file an application for service retirement to begin receiving your
retirement allowance.

You cannot file your application more than 60 days before the effective date of
your retirement. However, it’s a good idea to notify the Retirement Office of your
intentions before applying. Then you can receive counseling and information to
help you plan for your retirement and obtain the documents that must accompany
your application.

You may choose from several retirement allowance payment options. All of them
guarantee you a lifetime benefit, but the payment option that is best for you
depends on your personal circumstances. Once you begin receiving your retirement
allowance you may not change your payment option.

BENEFIT AMOUNT

The amount of your monthly retirement allowance is based on four factors:

- Your age at retirement,
- Your total service credit,
- Your final average monthly salary, and
- The payment option you select.

No restrictions or conditions are applied to benefits regarding other income, Social Security benefits, place of residence, designated address for mailing of warrants, etc. However, there are limits on the amount of county work you can be paid for while receiving an allowance. See “County Work After Retirement” for details.

All retirement and survivor allowances are paid for life. The only exception is for benefits paid to surviving children. These payments stop:

- When the child reaches the age of 18, unless the child is a full-time student. If the child is a full-time student, payments end when the child reaches age 22.
- When the child gets married, regardless of age.

SERVICE CREDIT

Art. 7

Service credit is computed on a biweekly basis, and 2,080 paid hours equals one year of service. You cannot earn more than one year of service credit in any 12-month period. Under the circumstances described below, you may be eligible to increase your retirement allowance by purchasing service credit by payroll deduction on a pretax or post-tax basis (within IRS limits). Contact the Retirement Office for details.

You may receive up to one year of service credit for your accumulated sick leave at time of retirement.

Purchasing Credit for “Lost” Service

Art. 7 — 31641.5,
31646, 31652
Art. 15 — 31831.1

You may purchase credit for lost service if:

- You were employed by the County before you became a SBCERS member (as “extra help,” for example), and you did not receive service credit under this plan for that service. You may purchase credit for all or part of that service.
- You are on leave of absence without pay for medical reasons. You may purchase up to one year of service when you return to work.

- You left employment with the County, you withdrew your contributions from the plan while you were gone, and you were rehired. You may reacquire the resulting lost service credit by repaying the withdrawn amount with interest.

Art. 7 – 31641.2

Purchasing Credit for Public Service

If you were enrolled in the Retirement System before July 15, 1977, you may purchase credit for periods of public service for which you did not receive service credit under this plan. Public service is defined as service as an officer or an employee of:

- Any federal or state agency or department,
- Any city or county in the state of California, or
- Any public corporation, municipal corporation, or public district that is either in whole or in part within Santa Barbara County.

Purchasing Additional Retirement Credit under AB 55

Art. 7 – 31658

If you have at least five years of service credit for service actually performed for Santa Barbara County, you may purchase up to five years of additional retirement credit under Assembly Bill 55. The minimum additional retirement credit purchase is six months. (Service credit is computed in whole months.)

The maximum contract period for purchasing service by payroll deduction is 10 years. You must complete the purchase within 120 days after the effective date of your retirement.

If you purchase the credit prior to retirement, you must commit to a month and year in which you will retire. If you do not retire at the time designated in your contract, the purchase cost will be adjusted based on your actual retirement date. If you owe additional money, you will have the option to receive reduced service credit or to pay the increased cost. Any overpayments will be refunded to you.

Additional retirement credit does not count toward the minimum requirements for retirement benefit eligibility. Also, it is not counted for the purposes of ad hoc cost-of-living benefits, health care benefit offsets, or any other benefits based on service credit.

As of the issue date of this SPD the Board of Supervisors has not approved Plan 2 members' participation in AB55.

Credit for Reciprocal Service

See “Deferred Retirement with Reciprocity” for information on receiving credit for service within reciprocating systems.

FINAL AVERAGE MONTHLY SALARY

Art. 31462,
31462.1, 31462.2

Your retirement allowance is based on your final average monthly salary and your service. When computing final average salary, the Retirement System relies on the salary rates on which your contributions were based. It is your employer's responsibility to provide the correct salary rates to the Retirement System.

- **If you are a full-time member**, your final average salary (FAS) is the highest average for 12 consecutive months of employment (the most recent consecutive months, unless you elect otherwise). **Part-time members have a 36 month FAS.**

Annual retirement benefits that you may receive or accrue are subject to the limitations of Section 415 of the Internal Revenue Code of 1986 and subsequent amendments. The Retirement Office will notify you if these limitations affect you.

UNMODIFIED OPTION (PLANS 5A AND 5B)

Art. 11 – 31760.1

The unmodified option provides you with the largest monthly allowance for life after retirement and a continuing benefit for your eligible spouse after you die.

The eligible spouse (or eligible children as a group) will receive an allowance of 60% of your monthly allowance. If there is no eligible spouse or children, any excess of contributions over the total allowance paid to you is paid to your designated beneficiary. Note that after approximately three years of payments there is usually no excess.

To be eligible, your spouse must have been married to you for at least one year before your retirement date and must have been designated as beneficiary. A surviving spouse who was not married to you before your retirement is eligible for continuing benefits if, on the date of your death, he or she:

- Was designated in writing as a beneficiary,
- Was married to you for two years or more, and
- Has attained age 55.

If you do not have an eligible spouse, but you have an eligible child or children, the continuing benefit is paid to them. To be eligible, your child must be unmarried and under the age of 18, or unmarried and under the age of 22 and a full-time student at an accredited school.

Computing Your Retirement Allowance

Art. 8 – 31676.12

Your monthly retirement allowance is computed in four steps as follows:

1. Divide your final average monthly salary by 50.
2. Multiply the result of step 1 by your total years of service (years and fractions of years).

3. Use your age at retirement (to the nearest completed quarter year) to find your retirement factor in the table below.
4. Multiply the result of step 2 by the retirement factor. The result is your monthly allowance.

Note that your allowance cannot be larger than your final average monthly salary.

Retirement Factors

Age	Factor
50.00	0.6681
50.25	0.6775
50.50	0.6869
50.75	0.6962
51.00	0.7056
51.25	0.7156
51.50	0.7255
51.75	0.7355
52.00	0.7454
52.25	0.7561
52.50	0.7668
52.75	0.7775
53.00	0.7882
53.25	0.7998
53.50	0.8114
53.75	0.8230
54.00	0.8346
54.25	0.8472
54.50	0.8598
54.75	0.8724

Age	Factor
55.00	0.8850
55.25	0.8987
55.50	0.9125
55.75	0.9262
56.00	0.9399
56.25	0.9549
56.50	0.9699
56.75	0.9849
57.00	1.0000
57.25	1.0111
57.50	1.0223
57.75	1.0335
58.00	1.0447
58.25	1.0597
58.50	1.0747
58.75	1.0898
59.00	1.1048
59.25	1.1207
59.50	1.1367
59.75	1.1526

Age	Factor
60.00	1.1686
60.25	1.1855
60.50	1.2025
60.75	1.2195
61.00	1.2365
61.25	1.2547
61.50	1.2729
61.75	1.2911
62.00	1.3093

Plan 5A and 5B Benefit Example: Unmodified Option

This example shows the calculation of the monthly retirement allowance for an employee retiring at age 62 with a \$5,000 monthly average salary and 20 years of service credit.

1. Final average monthly salary of \$5,000 divided by 50 = \$100
2. \$100 multiplied by 20 total years of service credit = \$2,000
3. Retirement factor at retirement age 62 = 1.3093
4. \$2,000 multiplied by 1.3093 = \$2,618.60 monthly retirement allowance

MODIFIED OPTIONS (PLANS 5A AND 5B ONLY)

Art. 12 – 31782

Modified options provide additional benefits in exchange for a reduction in your allowance. The size of the reduction in your allowance under each option depends on your age (and, in some cases, the age of your beneficiary) when you retire. The reductions are computed at the time of your retirement and you will be informed of these amounts to help you select the plan best suited to your needs.

Note that under options 2, 3, and 4 below, benefit payments are made to the beneficiary named at the time of your retirement. You may not elect a new beneficiary after you retire.

The option you select may not be changed after the first benefit payment is made.

Option 1 — Cash Refund

Art. 11 – 31761

Option 1 gives you a reduced monthly allowance in exchange for the possibility of a larger death benefit for your survivor. The reduction is based on the amount of your accumulated contributions and interest. After you die, any excess contributions over the total annuity payments made from your contributions are paid to your beneficiary as a lump sum. Note that after approximately 12 years of retirement there is usually no excess.

Option 2 — 100% Joint and Survivor

Art. 11 – 31762

Option 2 gives you a reduced monthly allowance and, after you die, your beneficiary receives the same allowance you were receiving. All payments stop after you and your beneficiary die. You may not select a new beneficiary after retirement, even if your beneficiary predeceases you.

The amount of the reduced allowance depends on your and your beneficiary's ages at the time of your retirement, as shown in the table below.

Option 2

Monthly allowance for each \$100 of monthly allowance under the unmodified option

<i>Age of Beneficiary at Member's Retirement</i>	<i>Age of Member at Retirement</i>			
	50	55	60	65
50	\$94.22	\$90.94	\$86.27	\$80.10
55	\$95.26	\$92.36	\$88.08	\$82.23
60	\$96.28	\$93.84	\$90.08	\$84.72
65	\$97.22	\$95.27	\$92.13	\$87.44

Note that the ages listed in this table are for the purpose of example only. Actual benefits are based on the member's and beneficiary's actual ages, to the last completed quarter year.

Example: A member who retires at age 50 is eligible to receive an allowance of \$100 each month under the unmodified option. If the member designates a beneficiary who is also age 50 and elects option 2, the member's allowance is reduced to \$94.22 per month. When the member dies, the beneficiary receives the same allowance for the remainder of his/her life.

Art. 11 – 31763

Option 3 — 50% Joint & Survivor

Option 3 gives you a reduced monthly allowance and, after you die, your beneficiary receives an allowance equal to half of the allowance you were receiving. All payments stop after you and your beneficiary die. You may not select a new beneficiary after retirement, even if your beneficiary predeceases you.

The amount of the reduced allowance depends on your and your beneficiary's ages at the time of your retirement, as shown in the table below.

Option 3 — 50% Joint & Survivor

Allowance payable to a member for each \$100 of allowance under the unmodified option

<i>Age of Beneficiary at Member's Retirement</i>	<i>Age of Member at Retirement</i>			
	50	55	60	65
50	\$97.02	\$95.25	\$92.63	\$88.95
55	\$97.57	\$96.03	\$93.66	\$90.25
60	\$98.11	\$96.82	\$94.78	\$91.73
65	\$98.59	\$97.58	\$95.90	\$93.30

Note that the ages listed in this table are for the purpose of example only. Actual benefits are based on the member's and beneficiary's actual ages, to the last completed quarter year.

Example: A member who retires at age 50 is eligible to receive an allowance of \$100 each month under the unmodified option. If the member designates a beneficiary who is also age 50 and elects option 3, the member's allowance is reduced to \$97.02 per month. When the member dies, the beneficiary receives 50% of the allowance — \$48.51 — for the remainder of his/her life.

Option 4 — Named Beneficiary

Art. 11 – 31764

Option 4 gives you a reduced monthly allowance and, after you die, your designated beneficiary or beneficiaries receive benefits for life. The amount of the

benefit is determined by an actuary based on the ages of the member and the beneficiary or beneficiaries. After you and your beneficiary die, all payments stop.

COST-OF-LIVING ADJUSTMENT (PLANS 5A AND 5B ONLY)

Art. 16.5 – 31870.1

On April 1 of each year, all retirement allowances are adjusted in accordance with changes in the cost of living as reflected in the Consumer Price Index (CPI). The maximum increase or decrease in the allowance each year is 3%. Any change in the CPI in excess of 3% is accumulated and applied in a future year when the CPI change is less than 3%. Your allowance will never be decreased below the amount of your allowance at the time of your retirement.

COMPUTING YOUR RETIREMENT ALLOWANCE (PLAN 2)

Art. 11 – 31486.4

Your monthly retirement allowance is computed in four steps as follows:

1. Multiply your total years of service credit in Plan 2 (not to exceed 35 years) by 2%.
2. Multiply the result of step 1 by your final average monthly salary (your bi-weekly salary multiplied by 78 and divided by 36).
3. Multiply the result of step 2 by your years of service credit and divide by 35.
4. Subtract the result of step 3 from the result of step 2. This result is your monthly allowance.

Note that your allowance and Social Security combined cannot be larger than 70% of your final average monthly salary (80% if you have more than 35 years of service). Members must provide a benefit estimate statement from Social Security at the time of retirement.

Members retiring under Plan 2 may elect either a fixed lifetime benefit or an allowance that is larger at the time of retirement and is reduced at age 65 to reflect the increased income from Social Security benefits.

Plan 2 Benefit Example

This example shows the calculation of the monthly retirement allowance for an employee retiring with a \$2,500 final average monthly salary and 10 years of service credit.

1. 10 years of service multiplied by 2% = .2
2. .2 multiplied by \$2,500 final average monthly salary = \$500
3. \$500 multiplied by 10 years of service and divided by 35 = \$142.86
4. \$500 less \$142.85 = \$357.15 monthly retirement allowance

SOCIAL SECURITY COVERAGE

Contributions to and benefits from Social Security are in addition to those under the Retirement Plan. Only Plan 2 has an allowance that is reduced by Social Security benefits. If you are a member of Plan 5A or 5B, your Social Security benefits may be subject to a reduction for the Government Pension Offset for periods of County service during which you did not contribute to Social Security.

Members should check with the Social Security Administration to determine if Social Security benefits will be affected by their allowance.

Art. 6 – 31628

DISPOSITION OF CONTRIBUTIONS AFTER SEPARATION

Withdrawal of Contributions

You may request a refund of your contributions and any accumulated interest when your employment status changes and you are no longer eligible for membership in the Retirement System. A refund is made after receipt of:

- A departmental notice of separation or discontinuance of membership, and
- A completed Disposition of Retirement Contributions document.

If you terminate with less than five years of vesting service, you are only entitled to a refund of your contributions and interest unless you enter employment with another agency covered by California public employees reciprocity benefits.

Because your SBCERS Retirement Plan is a qualified retirement plan, the untaxed part of your refund is subject to income tax. Before September 2, 2002, member contributions were made on an after-tax basis. However, any regular contributions made by payroll deduction on or after that date and any interest credited to your account were not taxed.

If you receive a refund before age 59-1/2, you will owe excise taxes for early withdrawal in addition to any ordinary income taxes. You may avoid excise taxes and defer income taxes by rolling the untaxed portion of your account over into an IRA or other qualified retirement plan.

Deferred Retirement

You are vested in the Retirement System if you have at least five years of vesting service (ten years for Plan 2). To receive a deferred retirement, you must be vested and:

- Leave your contributions in the system until you would have been eligible for retirement had you remained in service
- (If you are a non-reciprocal deferred member) Begin receiving a retirement allowance by April 1 of the year following the year in which you attain age 70-1/2

Art. 9 – 31700–
31706

- (If you are on deferred status) Apply to the Retirement Office to begin payment of benefits 60 days before your desired retirement date.

You may cancel your deferred retirement election and withdraw your contributions at any time before retirement age.

Deferred Retirement with Reciprocity

Art. 15 – 31830–
31831

Reciprocal retirement benefits are available to you if you leave service and, within six months of termination, accept a position with:

- Another county that is subject to the County Employees Retirement Law of 1937 (CERL)

The “1937 Act counties” are:

Alameda	Mendocino	San Mateo
Contra Costa	Merced	Santa Barbara
Fresno	Orange	Sonoma
Imperial	Sacramento	Stanislaus
Kern	San Bernardino	Tulare
Los Angeles	San Diego	Ventura
Marin	San Joaquin	

- Another qualified public agency covered by the Public Employees Retirement System (PERS)
- State of California
- Contracting cities, counties, and districts.

Qualified public agencies not covered by PERS include:

- Cities of San Diego and Los Angeles
- California State Teachers’ Retirement System
- Judge’s Retirement System.

If you leave employment and enter a reciprocating system within six months of termination, you may elect a deferred retirement with reciprocity regardless of your length of service. To receive the benefits of a deferred retirement with reciprocity, you must write to the Retirement Office and elect it. If you do not make an election, no further interest is credited to your account if you have less than five years of service.

There are several advantages to taking a deferred retirement with reciprocity:

- In the new system, your age for retirement purposes is the same as your age when you entered the Retirement System.
- Service under both systems is used in determining eligibility for service retirement.

- You must retire under both systems concurrently, and your highest final average salary under either system is used when calculating benefits.

Contributions cannot be withdrawn under reciprocity. Extension of membership continues your right to service and disability retirement.

Art. 8 – 31680.6

COUNTY WORK AFTER RETIREMENT

After you retire, you may not be paid for services performed for the County/APCD District except:

- As a juror
- As an elections officer
- As an elected county official
- As a member of the Retirement Board
- Under an independent contract with the County
- In a temporary capacity not to exceed 120 days or 960 hours in a fiscal year.

DISABILITY RETIREMENT

Art. 10 – 31720

If you become permanently disabled and are unable to perform the usual duties of your position, you may be eligible for disability retirement. Applications for disability retirement are processed pursuant to Article 10 of the CERL and judicial case law, and according to Board of Retirement bylaws. The process may include retrieval of all medical records, investigation of alternative or accommodative assignments within your job class and department, an evidentiary hearing, an independent medical exam, and a job analysis.

Disability retirement estimates are prepared by the Retirement Office.

Service-Connected Disability Retirement

Art. 10 – 31727.4

If you are deemed to be permanently unable to perform the duties of your job as a result of a disease or injury arising from employment, you are eligible for a service-connected disability retirement regardless of your age or length of service. After retirement for a service-connected disability, you receive a monthly allowance equal to 50% of your final average salary or your regular service retirement allowance, whichever is greater.

Non-Service-Connected Disability Retirement

Art. 10 – 31727

If you have five or more years of vesting service and are deemed to be permanently unable to perform the duties of your job due to incapacity, you are eligible for a non-service-connected disability retirement regardless of age. After retirement for a non-service-connected disability, you receive a monthly benefit of approximately (but no more than) one-third of your final average salary or your regular service retirement allowance, whichever is greater.

For Plan 2 members, the Long Term Disability Benefit is provided outside the plan. The benefit is 60% of insured earnings, reduced by income from other sources.

SURVIVOR BENEFITS

DEATH BEFORE RETIREMENT OF NON-VESTED MEMBER

Art. 12 – 31781

If you are not vested (have less than five years of service for Plans 5A and 5B or less than ten years for Plan 2) and die while employed, and if your death is not the result of a service-connected injury or disease, your designated beneficiary is entitled to receive a basic lump-sum Death Benefit consisting of:

- A refund of your contributions and accumulated interest, and
- One month's final average salary for each year of your completed service up to a maximum of six months' salary.

DEATH BEFORE RETIREMENT OF VESTED MEMBER

Art. 12 – 31781.1,
31781.3

If you are vested (have five or more years of vesting service for Plans 5A and 5B or ten or more for Plan 2) and die while employed, and if your death is not the result of a service-connected injury or disease, your eligible surviving spouse may elect to receive an Optional Death Allowance consisting of:

- A monthly allowance for life equal to 60% of what you would have received if you retired with a non-service-connected disability or service retirement, whichever is greater, or
- A reduced monthly allowance, plus a lump-sum payment of one month's final average salary for each year of your service up to a maximum of six months' salary.

Under Plans 5A and 5B, your spouse may choose the basic lump-sum Death Benefit described above under Death Before Retirement of Non-Vested Member in lieu of the monthly Optional Death Allowance.

Under Plan 2, the benefit is a lump-sum payment of one month's final average salary for each year of service up to a maximum of six months' salary.

If you do not have an eligible surviving spouse, the guardian of your eligible surviving children (unmarried children under age 18 or under age 22 if full-time students at an accredited school) has the same choices described above. If you have no surviving eligible spouse or children, your designated beneficiary or estate receives only the basic Death Benefit.

SERVICE-CONNECTED DEATH BEFORE RETIREMENT (PLANS 5A AND 5B ONLY)

Art. 12 – 31787

If you die while employed as a result of a service-connected injury or disease, your eligible surviving spouse may elect a Death Allowance consisting of a monthly allowance for life equal to 50% of your final average salary. If you have no eligible surviving spouse, payment is made to the guardian of your eligible children (unmarried children under age 18 or under age 22 if full-time students at an

accredited school). If you have no surviving eligible spouse or children, your designated beneficiary or estate receives only the basic lump sum Death Benefit.

DEATH AFTER RETIREMENT (PLANS 5A AND 5B ONLY)

Art. 12 – 31789.5

After retirement, a special lump-sum benefit of \$5,000 is paid to your designated beneficiary or estate on your death, in addition to any benefits provided under the optional allowance you elected when you retired.

DEATH OF VESTED DEFERRED MEMBER

Art. 9 – 31702
Art. 12-31781.2

If you deferred with less than 10 years of service and die before the effective date of your retirement, your designated beneficiary is only eligible for a refund of your contributions and credited interest.

If you deferred with 10 or more years of service and have an eligible spouse, your spouse may elect to receive a refund of contributions and credited interest or elect to wait until you would have been eligible to retire and receive a lifetime monthly allowance under the same provisions as the surviving spouse of an active member.

OTHER IMPORTANT POST-RETIREMENT INFORMATION

MAILING ADDRESS

The Retirement Office must have your and your beneficiary's current mailing address for the mailing of information and tax documents. If there is a change of address, the Retirement Office must be given written notice promptly, and this notice must be *signed by the individual receiving the allowance*.

DIRECT DEPOSIT OF ALLOWANCE TO FINANCIAL INSTITUTIONS

Retirement allowances are deposited directly into a bank, savings and loan, or credit union. The Retirement Office must have the full name and current mailing address of the financial institution and *a voided check from the account* to which the payment is to be deposited.

INCOME TAX STATUS

Your retirement benefits may be subject to federal and state income tax. See your tax advisor or the appropriate taxing agency for information about the tax status of your retirement allowance. Each year before January 31 you will receive a Form 1099-R from the Retirement Office to assist you in filing your taxes.

All retirement contributions made on or after September 2, 2002 were made with pre-tax dollars. Contributions made before this date were made after taxes were deducted from them. *Therefore refunds of pre-September 2, 2002 contributions or the portion of monthly allowances represented by those contributions is exempt from income taxes. Receipt of a lump-sum refund of interest and untaxed contributions could carry significant tax penalties — check with a tax advisor before selecting an option that includes a cash refund.*

DISSOLUTION OF MARRIAGE OR DOMESTIC PARTNERSHIP

Art. 8.4 – 31685–
31685.96

For the Retirement System to respond to a domestic relations order issued in connection with the dissolution of a marriage or domestic partnership, it must be joined as a party to the proceedings.

Under California law, retirement benefits accrued during a marriage or domestic partnership can be considered community property. The division of this property must conform to the law governing the Retirement System and be agreed to by the system.

The law generally allows two approaches to the division of a retirement account:

- The non-member spouse or domestic partner maintains residual rights to future benefits. When the member starts to receive benefits, the former spouse or domestic partner receives a percentage based on a court-approved domestic relations order.

- The active member's account is divided into two separate accounts. After the account split, each party gains control over an account and the non-member is eligible to:
 - Receive a refund of the member's accumulated contributions, including interest
 - Receive a monthly retirement allowance on the earlier of the member's or the non-member's eligibility for that allowance
 - Name a beneficiary.

The Retirement System developed guidelines to assist members undergoing dissolution of a marriage or domestic partnership. Contact the Retirement Office for a copy of the guidelines.

ADMINISTRATIVE INFORMATION

ADMINISTRATION/RETIREMENT OFFICE

The legal name of the Retirement System is:

SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM

The Retirement System's contact information:

3916 State Street, Suite 210, Santa Barbara, CA 93105

Telephone: (805) 568-2940

Fax: (805) 560-1086

2400 Professional Parkway, Suite 150, Santa Maria, CA 93455

Telephone: (805) 739-8686

Fax: (805) 739-8689

Website: www.countyofsb.org/sbcers

E-mail: sbcers1@co.santa-barbara.ca.us

The Board of Retirement is responsible for the administration of the Retirement System.

BOARD OF RETIREMENT

Art. 3 – 31520.1,
31520.3

Management of the Retirement System is vested in the Board of Retirement, which consists of nine members and two alternates. They are:

- The County Treasurer
- Four members appointed by the Board of Supervisors (one of whom may be a County Supervisor)
- Two members elected by active General members
- Two members elected by retired members — one voting, one alternate
- Two members elected by active Safety members — one voting, one alternate (the alternate being the candidate (if any) from either active law enforcement or fire suppression who received the highest number of votes from the other group).

Board members (except the County Treasurer) serve staggered three-year terms.

Regular monthly meetings and, when necessary, special meetings are open to the public. Meetings are held in the Board of Supervisors conference room in Santa Barbara unless otherwise specified.

ANNUAL REPORTS

Art. 5 – 31597.1,
31598

An annual report of the Santa Barbara County Employees' Retirement System is placed on file in the Retirement Office shortly after the close of each accounting

year. The report provides statistical, financial, and general information concerning the Retirement System.