SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

FREQUENTLY ASKED QUESTIONS

QUESTION AREAS

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Exempt & Temporary Employees

Beneficiaries

Non-Vested Employees

Preparing to Retire

Calculating Retirement Benefits

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This FAQ document is a guide to be used in conjunction with the Seattle Municipal Code, Section 4.36 – Retirement. Revisions to the Municipal Code could make the relevant information in this FAQ outdated. The FAQs are always superseded by the Code, if there are inconsistencies.

These FAQs were based on questions Members have asked. If you have a question that is not discussed in this document and you believe would be of general interest to other members, please forward these to B. Yapp at retirecity@seattle.gov.

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Retirement Board Of Administration

1. Who is responsible for overseeing the administration of SCERS' Retirement Trust Fund?

A seven (7) member Board is responsible for administering the Retirement Plan. The members include the following:

Chair of Seattle City Council's Finance Committee:	Jean Godden
City Finance Director:	Glen Lee
City Personnel Director:	David Stewart
Elected Member (current employee)	Jean Becker
Elected Member (current employee)	Rod Rich
Elected Member (current retiree)	Lou Walters
Appointed Member	Robert Harvey

Ms. Godden will be replaced as Chair by Tim Burgess in 2012. The Plan and its investments are managed by Executive Director Cecelia Carter with a staff of 17.

1. How can I contact Board members?

You may contact the Board members or Executive Director by mail through the Retirement Office. The address is:

SCERS Retirement Board
720 3rd Avenue, Suite 900
Seattle, Washington 98104

2. Where and when are the Board meetings held?

The Retirement Board meetings are open to the public and in 2012 are scheduled at 9:00 a.m. on the second Thursday of every month in the Board Room in the Retirement Office, with the exception of January 2012. In January, it is scheduled for the second Tuesday, January 10th, at 9:00 a.m. Periodic schedule changes may occur so if you are interested in attending, you may confirm the schedule date by calling the Retirement Office at (206) 386-1292. Adopted Board minutes are also posted on line.

3. If I have a concern I want to raise with the Board, may I speak at the Board Meeting?

If you have concerns specific to your own retirement benefits, the customer service you received from SCERS staff, or the specific application of policies to your situation, your concerns should be directed to SCERS' Executive Director.

However, the Board entertains comments from the public at the beginning of each Board Meeting. These normally are related to policies or plan performance.

Active Members

1. ***I understand that the Seattle City Employees' Retirement Plan is a "Defined Benefit Plan". What does that mean and how is that different from a "Defined Contribution Plan"?***

   The Seattle City Employees' Retirement Plan is a *"Defined Benefit"* plan. This means you as a member of the plan are guaranteed a monthly benefit for life based on your age, years of creditable service and the average of your highest 24 consecutive months of pay. The cost of providing your retirement benefits is paid for through contributions made by member employees, the City of Seattle and the investment earnings on total contributions. Since you are guaranteed benefits, the City of Seattle bears all the investment risk. You cannot withdraw your contributions from the Plan until you separate from City service.

   A *"Defined Contribution"* plan may have differing features, but the primary feature that distinguishes it from a Defined Benefit plan is that the employee bears all the investment risk. There are no "*guaranteed"* retirement benefits.

2. ***When does my membership in the Retirement Plan start?***

   You will automatically become a member of the Retirement System on the date you start your employment with the City of Seattle unless you are in a temporary assignment or exempt position. A letter will be sent to you from the Retirement Office following your appointment, welcoming you to the system, advising you of your contribution rate and asking you to designate a beneficiary.

3. ***How much is my contribution rate? Will it change?***

   Your contribution rate in 2011 is 9.03% of your salary and will be 10.03% in 2012. Contributions will be automatically deducted on a pre-tax basis from your paychecks.

   The annual contribution rates are recommended by the Retirement Board, based on the system's actuarial valuation, and approved by City Council. The following shows what the contribution rates for employees have been historically:

06/1972:	6.00%	01/1981:	7.70%	01/2012:	10.03%
01/1979:	6.57%	01/1984:	8.03%		
01/1980:	7.13%	01/2011:	9.03%		

4. ***What is the City of Seattle's contribution rate to the Retirement System?***

   The City's contribution is currently 9.03%, matching the contribution rate of employee members. However, in November 2011, the City Council confirmed its commitment to retired and active SCERS' members by passing a Resolution to fully fund its actuarially required contributions to SCERS, not only in the 2012 Budget but thereafter also. In accordance with this resolution, the City included in its 2012 Budget an appropriation increasing the City's contribution to SCERS to 11.01% in 2012.

5. *Will I get statements about my account?*

The Retirement Office will send to you your Statement of Accounts each year at the end of January. If you do not receive a statement by February, either check with payroll in your department or go on-line and check "*Employee Self-Service"* to ensure your address of record is correct *(see* http://selfservice.ci.seattle.wa.us/). If you have other questions regarding your statement, please contact the Retirement Office at 206-386-1292.

6. *Can I get year-to-date information on my earnings?*

For security reasons, the Retirement Office cannot release information on anyone's account over the telephone. You can, however, check on accrued balance and year-to-date contributions and interest by clicking on "*Employee Self Service"* (http://selfservice.ci.seattle.wa.us/). Just log into your self-service account, then click on the *"Benefits"* tab on the top tool bar and select *"Retirement/Deferred Comp"* from the drop down. Your year-to-date summary will be displayed, including any balance you had at the beginning of the year, your year-to-date contributions, your year-to-date interest and your total contributions with interest.

7. *What is the interest rate credited on my account? How is this set?*

Currently, members earn 5.75%, compounded annually, on their contributions. However, the Retirement Board recently voted to set the interest annually with a view toward the market returns of other low-risk or risk-free investments. The new policy target for SCERS' interest rate will be the prior 12 months' average yield on 30-year U.S. Treasury Bonds, plus 0.25%, with a maximum credit interest rate equal to 5.75%. For calendar year 2012, SCERS will pay the following rates of interest:

- 5.75% annual rate, compounded annually, for all employee contributions received on or before December 31, 2011;
- 4.47% annual rate, compounded annually, for all employee contributions received on or after January 1, 2012.

All employee contributions made on or after January 1, 2012 will be subject to a new rate set annually by the Board. That is, there will be two interest rates in effect in any year.

If you are currently vested, but not employed by the City or retired, you will continue to earn 5.75% compounded annually on your accumulated contributions and interest until you either retire or withdraw your funds. In other words, there will be no change in the interest rate you earn.

If you are a former City employee with membership in SCERS, are not vested, have not established dual membership, and have not withdrawn your accumulated contributions with interest (ACWI), SCERS will cease applying compounding credit interest on your funds 24 months from your separation date. If you were not vested (earned 5 years of credited service) when you separated from City employment and did not establish dual membership, you will have until March 31, 2012 to claim portability and establish dual membership. If you are in this category, you should receive a letter with a portability claim form in the mail by the second week of January 2012. If you separated from City employment more than 24 months ago and do not establish dual membership, you will stop earning interest on April 1, 2012.

7. ***Will my annual statement display the amount of credited interest I earn each year on the contributions I made prior to January 1, 2012 as well as the contributions I make after January 1, 2012?***

The annual statement you receive in February 2012 will only display the credited interest you earned during 2011 and your year-to-date accumulated contributions with interest. The annual statement you receive in February 2013, will display separately the amount of interest you earned during 2012 on the contributions you made *prior to* January 1, 2012 as well as the amount of interest you earned during 2012 on the contributions you made *after* January 1, 2012. The actual design of the new statement has not been finalized, but the intent is to display both earnings.

8. ***What happens if the last pay period of the year is split? Will I receive interest at the 5.75% or at the rate applicable in the next year?***

The interest rate that is applied is based on the pay period end date. That means if the final pay period of the year is split and the pay period end date is in the new year, the new interest rate will apply to the contributions made in that pay period. For example, the last pay period of 2011 is split and ends on January 3, 2012. The interest rate applied on contributions made as of pay period end date January 3, 2012 will be the new credit interest rate or 4.47%.

9. ***I am separating from the City and since I do not have 5 years of service credit in SCERS, I am withdrawing my funds. If I decide to return to public sector employment at some point in the future and re-deposit the funds I withdraw, what interest rate will I earn on my accumulated contributions and interest?***

You will receive the interest rate in effect on the date you return to City employment and re-deposit your funds. You will not be eligible to receive the interest rate in effect prior to your original separation date.

10. ***I have a financial emergency. May I borrow money against my account?***

No, loans are not permitted. There are only three circumstances under which you may withdraw contributions from the Retirement System: (1) when you retire; (2) upon separation from employment; (3) when you have a medically certified terminal illness.

11. ***If I am fired from my job, can I still retire? Withdraw my contributions?***

Whether you can retire when you are fired depends on how much service credit in the retirement system you have accrued and your age; and, as with any retirement, is subject to Board approval.

If you do not have at least 5 full-time years of service credit in the Retirement System or in combination with a system that has portability with the Retirement system, you will not be eligible to retire, regardless of your age. In such instances, you must withdraw your contributions and accrued interest within 2 months of your termination.

If you do have 5 full-time years of service credit in the Retirement System or in combination with a system that has portability with SCERS, you have a choice:

- You may withdraw your contributions plus accrued interest. Under such circumstances, you forfeit the employer's matching contributions and you relinquish your right to a retirement pension.
- You may "vest" your funds, meaning you leave your funds in the Retirement System until you are eligible for retirement.
- You may retire if you meet the age and service credit eligibility criteria for retirement.

12. If I quit my job and am not vested, how long may I leave my funds in the Retirement System?

The Seattle Municipal Code requires non-vested employees to withdraw their accumulated contributions and interest upon separation from City employment unless they are eligible for portability benefits and have filed for Dual Membership (meaning you left City employment to work for the City of Tacoma, the City of Spokane or another organization covered by the Washington State Retirement System). If you fail to comply with this requirement and leave your contributions and interest in the Trust, you will cease earning interest on these funds 24 months from your date of separation. If you left City employment more than 24 months ago, you will have until March 31, 2012 to establish dual membership; if you fail to do so, you will cease earning interest on your funds on April 1, 2012.

The funds of non-vested members who have not established portability and are unresponsive to SCERS' correspondence will be regarded as unclaimed and returned to the Trust after 48 months.

13. If I withdraw my contributions, how long does it take to receive the payout check?

From the date processing begins, the Retirement Office usually is able to issue a check within 2 weeks. However, processing does NOT begin until you have been separated in the payroll system. The timing of your separation is entirely in the hands of your department. Generally, the Department generates your last paycheck followed 2 weeks later with a separate check for any accrued vacation cash-out. If you have a vacation cash-out coming, it will normally take the Department one month to finish processing your separation. At that point, Retirement can begin processing your payout check.

Exempt & Temporary Employees

1. ***If I was hired into an "exempt" position, am I required to join the City's Retirement Plan?***

   No. Currently, if you are hired into an "exempt" position, your enrollment in the Retirement System is optional. You will receive a letter from the Retirement Office following your appointment giving you the choice to accept or decline membership. Exempt employee membership applications are also available from the Retirement website.

2. ***If I do not elect to join the City's Retirement System when I am first hired into my exempt position with the City, can I change my mind at a later date?***

   You may elect membership at any time during your employment with the City, as long as you remain in an exempt position.

3. ***If I join the City's Retirement System sometime after my initial hire date as an exempt employee, do I have an option to purchase any service credit I lost due to my delayed membership?***

   Yes, you may purchase service credit you lost due to your delayed membership, but not until your separation or retirement.

4. ***I am an exempt employee. If I elect to become a member of the City's Retirement System, can I change my mind and opt out?***

   No. Once you elect to become a member, your membership cannot be reversed.

5. ***If I am in a temporary assignment, can I join the City's Retirement System?***

   If you are a regular temporary employee or part-time working less than 20 hours per week, you will receive a letter from the Retirement Office after you have completed 1,044 hours of compensated straight time work, offering you the choice to affirmatively elect or decline membership in the Retirement System. You will have 6 months to elect to join. If you opt to join within this period, you will begin earning service credit from your date of membership forward.

   If you decline, you will have another opportunity to elect membership within 6 months of completing 5 years (10,440 hours) of continuous compensated straight time temporary service. If you elect membership at this point, you may also elect to purchase your previous temporary service credit back to the 1,044 threshold.

   If you are offered a permanent position sometime after the 1,044-hour threshold but before you have worked 10,440 hours (equivalent to 5 years full-time) as a temporary, membership in the Retirement System is mandatory. You will also be given 6 months from your date of hire to purchase your temporary service credit, back to the 1,044-hour threshold.

   After the 5-year threshold, membership will no longer be an option unless you are hired into a regular full- or part-time position, at which time membership becomes mandatory. You will be able to purchase your temporary service credit back to the 1,044 threshold at the actuarial cost, but not until you resign or retire from City service.

6. ***At each opportunity to become a member of the Retirement System (1,044 hours, 10,440 hours, and if hired into a regular position), will I have the option of buying back service time I lost due to my delayed membership?***

   Within 6 months of completing 1,044 hours (6 months) of compensated straight time service, you may become a member of the Retirement System. However, since temporaries are not eligible to become members of the Retirement System prior to this point, you start earning service credit at that point. You cannot buy back any time prior to the 1,044 hour threshold.

   If you become a member within 6 months of completing 10,440 hours (equivalent to 5 years full-time) of compensated straight time service, or if you are appointed to a permanent position sometime after 1,044 hours but before 10,440 hours, you will have the right to purchase your previous temporary service credit, back to the 1,044 threshold, provided you initiate the buyback within 6 months of becoming a member. You can take up to 10 years to purchase this time and can make payments through payroll deductions. If you do not initiate a buy back arrangement within 6 months of membership eligibility, no creditable service can be purchased until retirement. At that point, you will have to pay the actuarial cost which is significantly more expensive.

   If you don't chose to become a member at all during your temporary service and you work beyond 10,440 hours, you will not eligible to become a member unless you are appointed to a permanent position, then membership is mandatory. However, in this scenario, you may not purchase your temporary service credit back to the 1,044 threshold until you resign or retire; and then you will have to pay the actuarial cost.

7. ***I know another temporary employee who was able to join the Retirement System when they were first hired as a temporary. Why does the information on the website indicate the first time you can opt to join is within 6 months of completing 1,044 hours?***

   You are referring to an administrative error that has been corrected. The Seattle Municipal Code defines the different elements of the plan including temporary membership. The Code specifies that the first opportunity a temporary employee has to join the Retirement system is within 6 months of completing 1,044 hours and it is at this point the member would begin to earn service credit.

8. ***If I want to make arrangements to buy back my temporary service credit, how long do I have to make arrangements and do I have to have the total amount in one lump sum?***

   First, you have to submit a *Buyback Request* form, which is available from SCERS' website. You will receive a Buyback calculation with the number of hours you may purchase and the cost. If you are interested in purchasing previous service credit, you have a window of 6 months from your membership eligibility date to initiate a buy back arrangement. You may do this in one lump sum payment or through payroll deduction. If you use payroll deduction, you will have up to 10 years to buy back your service time. If you do not initiate a buy back arrangement within 6 months of your membership eligibility, no service credit can be purchased until retirement or resignation. At that point, you will have to pay the actuarial cost, which is significantly more expensive.

Beneficiaries

1. What is a beneficiary?

This is the person(s) you have authorized to receive all of your remaining contributions and interest which may be payable upon your death. It is also the person(s) who will be the recipient of your death benefit, assuming you die while an active employee or you continue your membership in the death benefit program following your retirement.

2. Who can I name as my beneficiary?

Unless you have a spouse, you may designate anyone you wish, including your estate or favorite charity as your beneficiary. If you have a spouse, you *must* designate your spouse as your beneficiary, unless your spouse is willing to sign a waiver of rights. When you become a member of the Retirement System, you will receive a letter asking you to designate one or more beneficiaries.

When you come in for your Retirement Interview and specify the Retirement Option you are selecting, you will confirm your beneficiary. If you have selected Option D or E, *your spouse at the time of your retirement must be your beneficiary.* However, if you select Retirement Option A, B, or C, you may designate anyone as your beneficiary. If you designate someone other than your spouse to be your beneficiary, his/her signature on the Retirement Application serves as a waiver of his/her right to be the beneficiary.

3. How do I change my beneficiary?

If you wish to change your beneficiary, you may download a *"Change of Beneficiary"* form from SCERS' website. Once you fill it out and have it witnessed by 2 people other than the beneficiary(ies), you must submit the original to SCERS' office.

4. Can I name multiple beneficiaries?

Yes. There is space on the *"Change of Beneficiary"* form to designate multiple beneficiaries and the percentage of the benefit each should receive.

5. I already designated my beneficiary in Employee Self-Service, why do I have to do this again?

The beneficiary you designate for Retirement is different from the one you designate in Employee Self-Service. The beneficiary you designate in Employee Self-Service would be eligible for benefits following your death, such as Life Insurance. To designate a beneficiary in the Retirement system, you must fill out a form, available from the Retirement website, which enables you to designate a beneficiary specifically for Retirement-related benefits.

6. Can I designate my domestic partner with the Retirement System as my beneficiary?

Yes, as long as you have registered your domestic partner with the City or State, you may designate him/her as your beneficiary. To register, you must submit the *City of Seattle's Affidavit of Marriage/Domestic Partnership* or the *Washington State Declaration of Domestic*

Partnership in your home department. When you get ready to retire, you will need to bring a copy of the Affidavit or Declaration with you to your retirement interview.

7. ***If I fail to designate a beneficiary and die during my active employment, is there an <u>automatic</u> beneficiary?***

   In case of an active member's death, the surviving spouse or registered domestic partner serves as your beneficiary. If there is neither a spouse nor registered domestic partner, the deceased member's estate serves as the beneficiary.

8. ***Following the death of an active member, who had a registered domestic partner and did not designate a beneficiary, does the domestic partner automatically become the beneficiary?***

   Yes. A registered domestic partner would automatically be the beneficiary upon the death of the active member. Note, the active member could designate a beneficiary other than his domestic partner prior to his death, without the written waiver of the domestic partner. In the case of a spouse, a written waiver would be required.

9. ***I designated my husband as my beneficiary when I retired. However, a few years after I retired, we were divorced and I have since remarried. I would like to change my beneficiary to my current husband. How do I do this?***

   If you selected Option D or E at the time you retired, you cannot change your beneficiary even if you have divorced and remarried. Your spouse at the time of your retirement must continue to be your beneficiary.

   However, if you selected another retirement option and designated your spouse at the time of your retirement as your beneficiary, you may change your beneficiary simply by filling out a *"Change of Beneficiary"* form.

10. ***If I select Option D or E when I retire and my spouse (or domestic partner) dies before me, is my benefit adjusted in any way?***

    Yes. Option D or E is designed to provide you with a slightly reduced monthly benefit for life until your death; after which, your spouse/domestic partner would receive each month a benefit payment that is one-half (Option D) or the same (Option E) amount you were receiving. If your spouse/domestic partner pre-deceases you, however, your monthly benefit will be increased at that time to the Straight Benefit amount.

Non-Vested Employees

1. ***What does it mean to be a "non-vested" employee?***

   You must have 5 full-time years of membership in the City Retirement System to be eligible for vesting. "Vesting" is an affirmative decision to leave your funds with the Retirement System until you reach an age at which you are eligible to retire. Therefore, if you have not met this 5-year threshold, you are a "non-vested" employee.

2. ***I have not been a member of the Retirement System for 5 full-time years. What happens to my contributions if I leave the City?***

   If you leave the City before you have been a member in the Retirement System for 5 full-time years of service, you are not vested. If you are not vested or eligible for portability, you must withdraw your contributions and interest upon your separation. If you fail to comply with this requirement and leave your contributions and interest in the Trust, you will cease earning interest on these funds 24 months from your date of separation. The funds of non-vested members who have not established portability and are unresponsive to SCERS' correspondence will be regarded as unclaimed and returned to the Trust after 48 months.

   There is only one exception to this. If you have ever worked for the City of Tacoma, City of Spokane or another organization covered by a Washington State Retirement System (PERS, TRS, etc); or plan to do so in the future, you may be eligible for portability benefits. This means your service credit in both systems is combined when calculating vesting eligibility and your retirement benefits. Under such circumstances, you may leave your funds with the Retirement System until you qualify under the portability provisions to retire. If this applies to you, you need to notify the City Retirement Office by filling out and submitting a *"Dual Membership"* form.

3. ***If I leave my accumulated contributions and interest in the City Employees' Retirement System, even though I am not vested, will I continue to receive compounded interest annually?***

   The Seattle Municipal Code requires non-vested employees to withdraw their accumulated contributions and interest upon separation from City employment unless they are eligible for portability benefits and have filed for Dual Membership. If you fail to comply with this requirement and leave your contributions and interest in the Trust, you will cease earning interest on these funds 24 months from your date of separation. The funds of non-vested members who have not established portability and are unresponsive to SCERS' correspondence will be regarded as unclaimed and returned to the Trust after 48 months.

4. ***I am non-vested and am in the process of withdrawing my accumulated contributions and interest. Will I be taxed when I withdraw my funds?***

   Yes. The Internal Revenue Service requires SCERS to withhold 20% of your funds for taxes, regardless of your age at the time of withdrawal. Any contributions and interest accrued prior to January 1, 1985 were pre-taxed, therefore you are not required to pay taxes at the time of withdrawal on these funds. If you are under 59 ½ years of age when you make your withdrawal, you are considered an *"early withdrawal* by the IRS. This means when you file your taxes, you may be subject up to 10% in additional taxes.

5. ***I am non-vested, but would like to roll my accumulated contributions and interest over into an individual retirement account (IRA) rather than simply withdrawing the funds. Is this possible?***

You may roll over all or a portion of your contributions and interest to an individual retirement account, individual retirement annuity, or an employer plan (a tax-qualified plan; 403b or 457b), that will accept the rollover. The rules of the IRA or employer plan will determine your investment options, fees, and rights to payment from the IRA or employer plan. Further the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

For more detailed information relating to Rollover Options, you may download information from SCERS' website at http://www.seattle.gov/retirement/forms.htm. Just click on *"Online Forms",* then select *"Withdrawal Request".* This document not only includes the form you will need to complete, but also FAQs specific to rollovers.

Preparing to Retire

1. I am thinking about retiring sometime in the next 3 years, what should I do to prepare?

There is a lot to consider as you approach retirement. One of the best ways to begin to prepare for retirement is to sign up for the four-part training series sponsored by the Seattle City Employees' Retirement Office, *"Preparing for Retirement"*. This course includes four different sessions, covering four different topics:

Financial Planning
Social Security
City Retirement
Statewide Health Insurance Benefits (SHIBA)

Each section is taught by an instructor who is an expert in their particular field. The classes are designed for members of the Seattle City Employees' Retirement System and their spouses or domestic partners. You will learn what to expect from the City Retirement System, Social Security, Medicare and Medicaid; strategies to enhance your financial security through financial planning; and factors to consider in estate planning.

These classes are currently conducted quarterly and fill up very quickly. Therefore, if you are interested, you should reserve a space for you (and your spouse/domestic partner) as soon as possible. Pre-registration is required and will be confirmed 4-6 weeks prior to the training via email. The training schedule for 2012 will be posted on the Retirement website in the first week of February. The first classes will take place in March. Be sure to sign up early since the classes fill up quickly.

To get the most from this training series, it is important for you to either request a Retirement Estimate from SCERS (see next FAQ) or, alternatively use the Retirement Benefit Calculator on our website (http://www.cityofseattle.net/retirement/calculators.htm) to get an estimate of your monthly Retirement benefit. Bring this estimate with you to the training session on City Retirement.

Other steps you may take in preparation for retirement include:

- Use the Retirement Benefit Calculator online at anytime to project additional retirement estimate versions for your planning needs;
- See a Financial Planner if you have questions regarding your financial situation and future into retirement;
- Obtain your Social Security estimate, particularly if you are considering Option F
- Schedule an interview with a Retirement Specialist

2. What is a Retirement Estimate? How do I request one?

A Retirement Estimate prepared by the Retirement Office uses your projected retirement age, your final credited service, and an average of your highest consecutive 24 months of pay to calculate what your benefit would be for each of the different Retirement Options available to you. It also provides a matrix detailing the effect on your benefits of combining the Straight Benefit or one of the standard Retirement Options (A-E) with Option G and/or F. This

information will help you (and your spouse/domestic partner) decide what option will best meet your needs.

Calculating your final credited service and the average of your highest 24 consecutive months of pay requires an in-depth review of your service records, and as a result may take 2-3 months to produce. If you have dual membership with an organization eligible under the SCERS' portability agreements, the Retirement Office will need to coordinate with that organization. Therefore, the amount of time necessary to provide you with an accurate SCERS' Retirement Estimate may take a little longer.

To request a Retirement Estimate, just download a *"Retirement Estimate Request"* form from SCERS' website (http://www.seattle.gov/retirement/forms.htm), fill out the top half and submit it to the Retirement Office. Alternatively, you may call the Retirement Office at 206-386-1293; the receptionist will fill out the request form for you over the phone. *If you want to know if you are eligible to buy back any lost service time, make a notation in the Comment section.* The Retirement Office will identify any lost service time you may buy back and calculate the cost. If you opt to buy back time, the service time you purchase will be included when your Retirement Estimate is calculated.

Please note, the Retirement Office will only calculate one retirement estimate per year. If you would like more frequent estimates you may use the online Retirement Benefit Calculator.

3. *When I retire, what happens to my sick leave and vacation?*

If you are either *represented or non-represented*, your accrued vacation balance may be cashed out by your Department HR/Payroll office using your final rate of pay or deposited in the City's Deferred Compensation Program.

*If you are non-represented, y*ou may chose to cash out 25% of your unused sick leave balance or convert up to 35% of your unused sick leave into the Deferred Compensation Plan. If you are *represented and a member of a union that voted for a VEBA, your sick leave will be converted at a rate of 35% into your VEBA account and will be available on a reimbursement basis to cover health care costs, including the cost of participating in one of the City Retirement's health care plans.*

For 2012, the total *annual* amount you may transfer into your Deferred Comp Account is $17,000 if you are under 50 years of age and $22,500 if you are over 50. For specific information, you should contact your Department's HR/Benefits staff.

4. *When am I eligible to Retire?*

Eligibility for retirement is based on your *Credited Years of Service in the Retirement System* and *your Age.* You are eligible to retire if you have:

Years of Service	Age
5 to 9	62 years of age or older
10 to 19	57 years of age or older
20 to 29	52 years of age or older
30 Years or more	Any age

5. ***Do I need to do anything with Social Security when I retire from the City?***

The City's Retirement Plan is separate from Social Security. Your Social Security *only* becomes relevant to SCERS if you are planning on selecting Option F when you retire. In such instances, the Retirement Specialist will need to know your estimated Social Security benefit since your City Retirement benefit will be reduced by that amount once you are Social Security age-eligible.

If you are planning on applying for Social Security at the same time you retire from the City or just have questions about your retirement planning, you can contact the Social Security Administration directly or attend the Retirement Planning session that Social Security conducts for City of Seattle employees. Social Security's toll-free phone number for general information is (800) 722-1213 and its web address is www.SSA.Gov .

6. ***I am confused about all the retirement options available and need help. When I have my interview, will the Retirement Specialist help me decide which option is best for me?***

The Retirement Specialist will explain each option to you and answer clarifying questions. However, the Retirement Specialist cannot recommend options for you. In order to ensure you make the decision that is best for you and your family, you may want to meet with a financial planner, who can review your entire financial situation and help you evaluate the choices available.

7. ***Once I decide to retire, are there any timelines that would affect my retirement date?***

Yes. *Your "Retirement Application" must be signed at least 30 days before your retirement effective date.* The *"Retirement Application"* form is *not* available on line. When you come for your scheduled interview with a Retirement Specialist, you will go over the application. In most instances, you will be able to complete the application during the interview and sign it. Your retirement date will be set at least 30 days from that signing.

If, after you sign your Retirement Application, you want to change your retirement to a later date or change your decision to retire altogether, you may do so. However, you must contact your Retirement Specialist to make this change *prior to the original retirement date on your application.*

Please note, the separation date that you provide to your home department is not linked with your retirement date. Therefore, if you notify the Retirement Office that you want to change your retirement date, you will need to notify your department of a change in your separation date. It will be most advantageous for you to make sure your separation date and retirement date are the same.

8. ***When I decide to retire and schedule an interview, does my spouse (or domestic partner) have to come to the interview with me?***

No. Your spouse (or domestic partner) does not have to be present for your retirement interview. However, your spouse (or domestic partner) must sign the Retirement Application before it is finalized. Therefore, if your spouse (or domestic partner) is not present for interview, you will be required to take the application with you and have your spouse (or

domestic partner) sign it in the presence of a notary. Once you return the signed/notarized form, your application will be considered complete.

9. ***If I come in to talk with a Retirement Specialist about retiring or schedule an interview and complete a Retirement Application, does the Retirement Office notify my department?***

   SCERS doesn't notify your department *until the first of the month in which a retirement check is scheduled to be issued to you*. *You are responsible for notifying your department that you are retiring.* You must be off your department's payroll before your retirement can be processed and a check issued.

Calculating Retirement Benefits

1. How are Retirement Benefits calculated?

In accordance with the Municipal Code, retirement benefits are calculated in one of two ways:

- Service Retirement Formula: Age x Years of Service x 2% x the average of your highest 24 consecutive months of pay (up to 60% of your FAS); or
- Contribution-Based Formula (2 Times Match): The employee contribution plus the employer contribution used to purchase a lifetime annuity.

A Retirement Specialist will calculate your benefits using each of these methods. The retirement benefit, reflected on your estimate as the Straight or Unmodified Benefit, will be the higher of these two calculations. The Municipal Code provides a retirement benefit equal to the better of the purchase of an annuity or the service retirement formula.

2. What is credited interest? How do my contributions and interest figure into my retirement benefits?

Credited Interest is the dollar amount credited annually to your employee's contributions account in the Seattle City Employees' Retirement Plan. Credited interest is payable regardless of investment returns experienced by the Plan. You will receive an annual statement which will reflect your employee contributions for the year, the amount of interest your account was credited and the *"Accumulated Contributions with Interest"* (*ACWI).* It is the Board's responsibility to determine the annual interest rate. In 2011, the rate of interest is 5.75% compounded annually.

However, the Retirement Board and City Council recently voted to set the interest annually with a view toward the market returns of other low-risk or risk-free investments. The new policy target for SCERS' interest rate will be the prior 12 months' average yield on 30-year U.S. Treasury Bonds, plus 0.25%, with a maximum credit interest rate equal to 5.75%. For calendar year 2012, SCERS will pay the following rates of interest:

- 5.75% annual rate, compounded annually, for all employee contributions received on or before December 31, 2011;
- 4.47% annual rate, compounded annually, for all employee contributions received on or after January 1, 2012.

All employee contributions made on or after January 1, 2012 will be subject to a new rate set annually by the Board. That is, there will be two interest rates in effect in any year.

If you are currently vested, but *not* employed by the City or retired, you will continue to earn 5.75% compounded annually on your accumulated contributions and interest until you either retire or withdraw your funds. In other words, there will be no change in the interest rate you earn.

The "*ACWI" comes into play in the following scenarios:*

- Whether you are vested or not, if you separate from service and elect to take a lump sum refund (cash or rollover);
- When you retire from service and elect *Option G* as part of your monthly retirement (a portion or all of your employee contributions plus interest are paid out to you in a lump sum and you receive a reduced monthly retirement);
- When you select *Option A or B,* the residual of your employee contributions plus interest that is remaining at the time of your death are paid to your beneficiary.
- When your employee contribution and interest plus the employer contributions would purchase a life time annuity with a higher monthly benefit than what you would receive based on the service retirement formula.

3. How is my service credit calculated?

Your retirement service credit is calculated by determining the number of years and days between the date you became a member in the Retirement System and the date you retire, less any time for which contributions were not made. Any unpaid leave during your career is not counted towards retirement credit. You may, however, increase your service credit by purchasing back periods during which you were not making contributions. (See FAQs relating to "Buybacks" on page 28.

4. Do overtime hours count toward retirement?

No. Only your standard straight-time hours are used when computing retirement. Eighty (80) hours per pay period is the maximum number of hours allowable.

5. Does out-of-class pay count in the calculation of my Retirement Estimate?

Yes. If applicable, out-of-class pay is always factored into your final retirement calculation.

6. I just received my Retirement Estimate. Does it include my shift differential pay?

Yes. If applicable, your shift differential pay is factored into your final retirement calculation.

7. I joined the Retirement System after 1,044 hours of work as a temporary employee and have worked in various temporary assignments during the past 8 years. When I retire, will my premium pay count in the calculation of my retirement benefit?

Yes. If applicable, your premium pay will be factored into your final retirement calculation.

8. Why is my membership date different from my hire date?

If you were hired before January 1, 1999, your membership would be effective approximately 6 months after your hire date (this is approximate since you would become a member at the start of a pay period, not on your 6 month anniversary of being hired). If you were hired after January 1, 1999, you would have become a member within a month of your hire date. As you can see, in both situations, it is likely that your hire date will not coincide with your membership date.

If you are a temporary, you are not eligible to become a member of SCERS until you have completed 1,044 hours of straight time service. Therefore, your hire date will always be different from your membership date.

If you were hired as an exempt employee, you may elect becoming a member anytime. If you delay, you will have a different hired date from an eligibility date.

9. I bought back the service credit for my initial 6 months of service. Why didn't my membership date change? How do I know if I am receiving credit for the time I have purchased?

As with your employee number, your membership date does not change. If you wish to know the total retirement credit you have earned, including any purchased time, you may request a "*Time Estimate"* from the Retirement office. The *Time Estimate* will reflect your purchased time (if any) in two ways:

- By the addition of time to your service credit; and
- By a decrease in your total amount of time loss.

If you have requested a "*Benefit Estimate*," this information will also be reflected.

10. Does the "Rule of 80" apply to my retirement?

Some retirement plans determine eligibility by using a *"Rule of 80,"* which means your years of creditable service and your age, when combined, must equal more than 80. The Seattle City Employees' Retirement System does not base benefits on such a rule; so it does not apply to your retirement.

Retirement Options: Key Decision-Making Factors

1. I am confused by all the Retirement Options. How can I tell which option to select?

An important part of the retirement process is deciding what retirement option best meets the needs of you and your family. The following chart describes each option and provides you with key information designed to help you make an informed selection of the best option for you. Please keep in mind that the Straight Benefit and the Standard Options (A-E) can be combined with Options G and/or F. Review the options carefully before your retirement interview so you will be prepared to ask clarifying questions and make a selection.

OPTIONS	KEY DECISION-MAKING FACTORS	
	PROS	CONS
Straight Benefit	-Provides you with the largest monthly retirement benefit you can individually receive for the rest of your life.	-Does not allow you to leave money to a beneficiary after your death. -If you die before you have exhausted *your* employee contributions/ interest (annuity), any remaining employee contributions are forfeited back into the retirement system.
If it is important for you to leave money to a beneficiary, you may want to review other Options.		
Option A	-Provides you with a monthly benefit for life. -If you die before you have withdrawn all *your* employee contributions/interest, the remaining balance goes to your beneficiary in a lump sum payment. -You can designate more than one beneficiary and you can change your beneficiaries.	-Your monthly benefit is only slightly reduced from the Straight Benefit. -After you die, your beneficiary receives the remaining portion of *your* employee contributions (annuity), and does not receive the City's contributions. -Once your accumulated contributions with interest are exhausted, there is no money left to provide a lump sum payment to your beneficiary.
Option B	-Provides you with a monthly benefit for life. -If you die before you have withdrawn all *your* employee contributions/interest, the balance is paid to your beneficiary in monthly payments. (This is the same as Option A, except payments are made monthly to your beneficiary rather than in one lump sum.) -You can designate more than one beneficiary and you can change your beneficiaries.	-Your monthly benefit is only slightly reduced from the Straight Benefit. -Your beneficiary receives the remaining portion of *your* employee contributions (annuity), but does not receive the City's contributions. - Once your accumulated contributions with interest are exhausted, there is no money left to provide a lump sum payment to your beneficiary.
If you want to select a beneficiary whose need for a benefit is relatively limited, then Option A or B may be for you. If you want to leave a higher monthly benefit to your beneficiary for a limited period of time, you may want to consider Option C. If your beneficiary is your spouse or domestic partner, you can consider Option D or E, which will provide coverage for his/her lifetime after your death.		
Option C-5	-Provides you with a monthly benefit for life. - Upon your death, a monthly benefit will be paid to your beneficiary for the remainder of the 5-year guaranteed period. -The amount of the monthly payments paid to your beneficiary will be equivalent to the	- The retirement pension is guaranteed to be paid for 5 years from your retirement date. However, if you live longer than the guaranteed period, you continue to receive your monthly benefit, but there will be no payments available for your beneficiary. -If you die after 5 years of retirement and before your

OPTIONS	KEY DECISION-MAKING FACTORS	
	PROS	**CONS**
	amount you were receiving. -You may designate more than one beneficiary.	employee contributions have been exhausted, your remaining employee contributions go back to the retirement system.
Option C-10	-Provides you with a monthly benefit for life. -Upon your death, a monthly benefit will be paid to your beneficiary for the remainder of the 10-year guaranteed period. -The amount of the monthly payments paid to your beneficiary will be equivalent to the amount you were receiving. -You may designate more than one beneficiary.	-The retirement pension is guaranteed to be paid for 10 years from your retirement date. However, if you live longer than the guaranteed period, you continue to receive your monthly benefit, but there will be no payments available for your beneficiary. -If you die after 10 years of retirement and before your employee contributions have been exhausted, your remaining employee contributions go back to the retirement system.
Option C-15	-Provides you with a monthly benefit for life. - Upon your death, a monthly benefit will be paid to your beneficiary for the remainder of the 15-year guaranteed period. -The amount of the monthly payments paid to your beneficiary will be equivalent to the amount you were receiving. -You may designate more than one beneficiary.	- The retirement pension is guaranteed to be paid for 15 years from your retirement date. However, if you live longer than the guaranteed period, you continue to receive your monthly benefit, but there will be no payments available for your beneficiary. -If you die after 15 years of retirement and before your employee contributions have been exhausted, your remaining employee contributions go back to the retirement system.
Option C-20	-Provides you with a monthly benefit for life. - Upon your death, a monthly benefit will be paid to your beneficiary for the remainder of the 20-year guaranteed period. -The amount of the monthly payments paid to your beneficiary will be equivalent to the amount you were receiving. -You may designate more than one beneficiary.	- The retirement pension is guaranteed to be paid for 20 years from your retirement date. However, if you live longer than the guaranteed period, you continue to receive your monthly benefit, but there will be no payments available for your beneficiary. -If you die after 20 years of retirement and before your employee contributions have been exhausted, your remaining employee contributions go back to the retirement system.
Every variation of Option C provides a payment of a benefit for a guaranteed period of years after your retirement date, and if you live beyond the guaranteed period, the pension is continued to *you* for life. If you die before the end of the guaranteed period, the pension will continue to be paid to your beneficiary for the remainder of the period. The monthly benefit payment to your beneficiary is equivalent to the amount you were receiving. Variations under Option C relates to the length of the guaranteed period of time – 5, 10, 15, or 20 years.		
Option D	-Provides you with a monthly benefit for life. -After your death, your spouse/domestic partner will receive each month one-half of the amount you were receiving for the rest of his/her life. -If your spouse/domestic partner predeceases you, your monthly benefit will be increased at that time to the Straight Benefit amount.	-Your monthly benefit is only slightly reduced from the Straight Benefit and is based on your age and the age of your spouse or domestic partner at the time of retirement. -Your spouse or domestic partner *at the time of retirement* is the only person who can be designated as your beneficiary. -If your marital status changes after your retirement begins, you cannot name a new spouse or domestic partner to receive your retirement benefit.
Option E	-Provides you with a monthly benefit for life. -After your death, your spouse/domestic partner will receive each month a benefit	- Your monthly benefits are modified to provide lifetime payments to your spouse upon your death. - Your spouse or domestic partner *at the time of*

OPTIONS	KEY DECISION-MAKING FACTORS	
	PROS	**CONS**
	payment in the same amount you were receiving for the rest of his/her life. -If your spouse/domestic partner predeceases you, your monthly benefit will be increased at that time to the Straight Benefit amount.	*retirement* is the only person who can be designated as your beneficiary. -If your marital status changes after your retirement begins, you cannot name a new spouse or domestic partner to receive your retirement benefit.
If you would like to cover your spouse/domestic partner for his/her lifetime after your death and have him/her receive *half* or the *same* monthly amount as you, then Options D or E may be the option for you.		
Option F	-You receive a higher monthly benefit equivalent to the combined amount of your City retirement and Social Security from your retirement age until you reach your "*full Social Security retirement age*".	-This option must be selected in combination with one of the standard options (Straight Benefit or Option A-E). -Your monthly retirement benefit amount is lowered by the benefit amount you are estimated to receive from Social Security when you reach "*full Social Security retirement age*", *regardless of when you actually start collecting your Social Security benefits*.
This option focuses on providing a level income throughout your retirement lifetime. However, it provides a higher monthly City retirement benefit initially; but a lower one after you have reached your full Social Security age. In some cases, your City retirement benefit can be reduced to zero or very close to zero.		
Option G-50	-Provides you a one-time lump sum payment at retirement equal to *50% of your* accumulated employee contributions and interest. -You still receive a monthly benefit for life.	-This option must be selected in combination with one of the standard options (Straight Benefit or Option A-E). -The amount of your monthly benefit is reduced. -Taxes will be withheld on amount withdrawn unless the lump sum is rolled over into a qualified IRA.
Option G-100	-Provides you a one-time lump sum payment at retirement equal to *100% of your* accumulated contributions. -You still receive a monthly benefit for life.	-This option must be selected in combination with one of the standard options (Straight Benefit or Option A-E). -The amount of your monthly benefit is significantly reduced and is drawn only from your pension. -Taxes will be withheld on amount withdrawn unless the lump sum is rolled over into a qualified IRA.
If you chose Option G (50 or 100), you must also select the Straight Benefit or one of the standard options (Option A-E). The lump sum amount payable under Option G is not affected by the election of any other additional option.		

Remember that when you get your Retirement Estimate, it will detail exactly how much your benefit will be for each option or combination of options.

Portability

1. What does "portability" mean?

"Portability" refers to an agreement that has been legislated between the City of Seattle, the City of Tacoma, the City of Spokane (see ordinance 115460) and eligible retirement plans in the State of Washington (see RCW 41.54), which allows portability of retirement benefits between eligible organizations.

If you have ever worked for the State of Washington, City of Spokane or Tacoma, other municipalities or agencies in Washington State covered by one of the retirement plans identified in RCW 41.54, or if you plan to do so at any time in the future, you may be eligible to claim portability. The term "portability" is often misunderstood. It does not mean that your contributions in another pension system are transferred to your current retirement system. But, claiming portability does allow you to combine certain pension benefits between the Seattle City Employees Retirement System and the other portable pension systems.

Benefits under portability include combining time worked under both retirement systems to *qualify* for retirement and to *determine* the percentage of salary factors used by each respective system. This means the number of years you worked in each system are combined to determine vesting rights and retirement eligibility. Once qualified both systems calculate your retirement separately, using your highest average salary, *regardless of the system in which it was earned*.

Under portability, creditable service may accrue in only one participating system at a time.

2. What organizations or jurisdictions are covered by Portability?

The following retirement plans in the State of Washington are eligible for portability:

- Seattle City Employees' Retirement System (SCERS)
- Tacoma Employees' Retirement System (TERS)
- Spokane Employees' Retirement System (SERS)
- Washington Public Employees' Retirement System (PERS I, II & III)
- Washington School Employees' Retirement System (SERS II & III)
- Teachers' Retirement System (TRS I, II, & III)
- Law Enforcement Officers/Fire Fighters Retirement System – Plan II (LEOFF II)
- Washington State Patrol Retirement System (WSPRS)

This is not an exhaustive list so if you are not sure if you are working for an organization that would qualify, you may refer to RCW 41.54 or call the Washington State Pension Office.

3. If I leave the City to take a job with King County, what do I need to do to preserve my dual membership and portability rights?

In order to establish dual membership, just complete a *"Portability Claims"* form, which is available from the Retirement website, and return it to the Retirement Office. This will be kept on file until you are ready to retire.

4. ***If I am separating from City employment after only 3 years, but have 23 years of service with the State of Washington, am I considered "vested" or do I have to withdraw my employee contributions and interest in a lump sum from the Seattle City Employees' Retirement System?***

   SCERS has a portability agreement with the State of Washington. This means your creditable service with the City of Seattle is combined with the creditable service you accrued while employed with the State of Washington to determine your eligibility for vesting and/or retirement. Since your combined creditable service is 26 years, you would be considered eligible for vesting. You should download and complete a *"Portability Claim"* form from SCERS' website; then return it to the Retirement Office. This will be kept on file until you are ready to retire.

5. ***If I have more than 10 years dual membership in the City of Tacoma Retirement System and the Seattle City Employees' Retirement System when I leave public service, but am only 49, can I leave my employee contributions in SCERS and receive compounded interest annually until I am ready to retire?***

   Yes. To be eligible to "vest," which means you want to leave your funds in the Retirement System until you are ready to retire, you must have a minimum of 5 years of creditable service. With dual membership, the amount of creditable service you earned under each of the portable pension systems is combined and the total must exceed 5 years. Therefore, you just need to make sure you submit a completed *"Portability Claim"* form, which establishes your intent to leave your funds in the system until you are eligible to retire and also establishes your dual membership.

6. ***When I am ready to retire, how is my dual membership with SCERS and the State of Washington determined? Am I responsible for getting my records from the State for calculation purposes?***

   No. You are not responsible for getting your records from the State or any other portable pension system. When you get ready to retire and request an estimate, you need to indicate in the comment section that you have service credit in a portable pension system, identifying the system and the approximate amount of creditable service time in that system. The Retirement Specialist preparing your benefit estimate will contact staff from that pension system to verify your portability claim.

   If you leave City employment to take a job in a portable pension system, you can fill out an *"Portability Claim"* form. While most of this form relates to "vesting", it provides a place for you to indicate that you are establishing dual membership and the name of the other portable pension system.

7. ***I am leaving City employment to enter military service, having established dual membership in the Seattle City Employees' Retirement System and Washington Public Employees' Retirement System. I would like to receive service credit for my military service. Are there any rules about this?***

   Yes, *creditable service may accrue in only one participating system at a time*. Therefore, if you leave City employment to enter military service, you may only receive creditable service for

your military service in *one* of the participating systems where you have established dual membership.

8. ***If I have dual membership in SCERS and the State of Washington PERS, but die while in active service, will my surviving spouse receive a benefit from each of the systems?***

   Yes. Your surviving spouse will receive the same benefit from each system that you would have received based on the creditable service you had actually established in each of the systems at the time of your death.

9. ***If I withdraw my contributions plus interest from SCERS when I leave City service, but later become an active member of another portable pension system, can I restore my prior service credit in SCERS by re-depositing my withdrawal?***

   Yes. You will need to submit a completed *"Buyback or Redeposit Calculation Request"* form to the Retirement Office. The amount of your re-deposit will be calculated by the Retirement Office. The amount you must pay will be measured by the accumulated contributions withdrawn plus compound interest which would have accumulated on the withdrawn contribution from the date of withdrawal to the date of re-deposit. You must make this re-deposit within 2 years of becoming an active member in the other portable pension system. If you do not re-deposit the withdrawn funds within this timeframe, cost may be calculated at a higher rate. Please check with the Member Services Supervisor to confirm the different rates and total amount due.

Buy Backs

1. *What do I need to do if I am interested in purchasing service credit I lost?*

You may download a *"Redeposit/Missed Time Buyback Calculation Request"* form from SCERS website and submit a completed form to the Retirement Office. Depending on the amount of research involved in your request, it may take up to one month to document your lost service time and to calculate the cost of purchasing it back.

2. *What kind of service time can be purchased?*

The following types of service time can be purchased:

- Re-deposit of Withdrawn Funds
- Portability Re-deposit
- Temporary Time
- Initial Six Months of Employment
- Exempt Time
- Military Time
- Family Leave
- Industrial Injury Time

The rules associated with each of these may differ so it is important to read through the description of each below or in the "*Handbook."*

3. *I understand that some buybacks would require me to pay the "actuarial cost" of the retirement benefit that is being purchased. What does this mean?*

This means that you are paying for the full financial value of increased retirement benefits resulting from the buyback of additional service credits. Regular retirement benefits are based on the member's age, years of service (service credits) and average pay of the 2 highest consecutive years of service. The actuarial cost represents how much money is needed in today's dollars to pay for the expected increased benefits that will be received in the future, over a member's lifetime. Actuarial costs are determined by using standard actuarial methods and assumptions adopted by the Retirement Board and applying them to your retirement benefit. The Retirement System's actuarial firm provides the Retirement Office with these cost factors.

4. *Is there any other calculation used in determining the cost of purchasing service credit?*

Yes. Some of the buybacks require you to make a repayment of contributions with interest that you previously withdrew. The interest used to determine the price of the buyback is the "actuarial assumed rate of investment return, which is currently 7.75% per year." This rate of interest represents the lost investment income the Retirement System is assumed, for actuarial purposes, to have been able to earn during the time period the member's contributions were not left with the System. This form of buy back is different than the "actuarial cost" charged for some of the other buy backs and will be less than the full actuarial cost attributable to the additional service credits.

5. When is the best time to purchase lost service credit? Are there any specific time limitations impacting when lost service time can be purchased?

With only a few exceptions, the Retirement Office ***cannot calculate*** *for you the cost of purchasing lost service credit until 3-4 months before your retirement date.* If you submit a request several years in advance, you will be advised to resubmit your request as you get closer to your actual retirement date.

The cost of purchasing service credit varies depending on the type and timing of your purchase. It is always cheaper to purchase lost service credit within the specific timelines noted rather than waiting for retirement. Specific timelines associated with purchasing service credit is as follows:

- Re-deposit: Funds withdrawn after your last period of employment with the City may be re-deposited and the creditable service time recovered by making a redeposit *within 2 years* of your date of rehire (or upon retirement at a higher cost).
- Portability Re-deposit: Funds withdrawn after your last period of employment with the City may be re-deposited *within 2 years* of you becoming employed by another employer in a plan with which SCERS has portability (or upon retirement at a higher cost).
- Temporary Time: If you do not opt to become a member of the Retirement System within 6 months of completing 1,044 hours of continuous temporary service, you will have another opportunity within 6 months of completing 10,440 hours (equivalent to 5 years full-time) of continuous temporary service; or upon being hired into a regular position. If you become a member at the 10,440 hour threshold, you have the option of purchasing previous service credit from the date you were initially eligible for membership (1,044 hours). If you are hired into a regular position *after* 1,044 hours of temporary service *but before* 10,440 hours of temporary service, without break in your continuous service, you will have the option to purchase your temporary service time from the date you were initially eligible for membership (1,044 hours). You have 6 months from your permanent appointment to initiate this buyback. You may set up payroll deductions for this purpose, not to extend more than 10 years.

  If you do not exercise your right to become a member of the Retirement System within 6 months of completing 10,440 hours and continue to work as a temporary, you will not be eligible for membership unless you are appointed to a permanent position. Under such circumstances, you may only purchase your temporary service credit back to your original membership eligibility date (1,044 hours) at the actuarial cost upon retirement or resignation.
- Initial Six Months of Employment: This is only available to those employees who were hired between 1988 and 1998. The one year period (December 1, 2001-December 1, 2002) during which you could purchase these 6 initial months of your employment at a cheaper rate has passed; you may, however, purchase this time at retirement or resignation.
- Exempt Time: If you did not opt to become a member of the Seattle City Employees' Retirement System at the point you were hired as an exempt employee, but subsequently became a member, you may purchase your lost service credit at retirement or upon resignation.

- Military Time: There are two types of military time which may be purchased. If you are called to active duty while you are employed by the City of Seattle, you may purchase your lost service credit upon your return. You have *90 days* in which to initiate this buyback at the lower cost; you may also buyback this time at retirement or resignation for the actuarial cost.

  If you served on active duty before becoming employed by the City, you may purchase up to 5 years of creditable service *upon your retirement or resignation*, provided that you received an honorable discharge from the service and are not receiving a military pension. This buyback is calculated at the actuarial cost.

- Family Medical Leave: You may purchase lost service credit during periods in which you were approved for Family Medical Leave *at any time*.

- Industrial Injury Time: You may purchase lost service credit during periods when you had time loss due to an industrial injury and you were receiving workers' compensation *at any time*.

6. I started working before January 1, 1988. Can I purchase service credit for my first 6 months of service, even though I was not required to make contributions during this time?

If you were hired before January 1, 1988, you will receive a credit of 181 days (the equivalent of your first six months of creditable service) when you retire at no additional cost to you.

7. I started working on January 1, 1995. Can I purchase service credit for my first six months of service?

If you were hired into a permanent position between January 1, 1988 and December 31, 1998, you were subject to a 6-month waiting period before you could become a contributing member of the Retirement System.

However, the Board of Administration and City Council agreed in 2001 to provide an opportunity for members like you to have an opportunity to purchase these first six months of service credit. This opportunity is triggered at the point the Retirement Board certifies that the "funding ratio" of the retirement fund is 95% or greater. (The funding ratio is the percentage that results from dividing the Retirement System's actuarial assets by its actuarial liabilities. The actuarial assets represent the value of the investments and cash the Retirement System holds for funding retirement benefits. Actuarial liabilities are the cost of the benefits the Retirement System must pay to retirees.)

When the Retirement Board certifies that the funding ratio is 95% or greater, any member hired between January 1, 1988 and December 31, 1998 will have a window of 1 year to purchase their initial 6 months of service credit by paying less than the actuarial cost. (The cost will equal your hourly rate at the time of the purchase, times your current member contribution rate, times the number of hours to be purchased.) Payment can be made in a lump sum or through installment payments at 7.75% interest over 10 years through payroll deduction. The first time a 1-year "buyback window" was certified by the Board was in 2007, when the funding ratio reached 95%. This is now closed.

If you did not take advantage of this opportunity in 2007, you are still eligible to buy back your initial 6 months of service credit at the point you resign from City service or retire. However, under this scenario, the cost of purchasing your initial 6 months of service will be at the actuarial cost and must be paid in a lump sum.

8. ***If I was on an unpaid leave of absence for 4 months due to a medical condition, can I buy back the service credit I lost during this period?***

Unpaid leaves of absence generally are for personal reasons; and you would not be able to buy back service credit during that time. However, if your department approved an unpaid leave of absence for medical reasons based on medical documentation provided to your Human Resources Unit, you would be able to buy back this service time anytime after your return to service. You would also be eligible to buy back this time upon retirement or resignation at the actuarial cost. It is important to understand, however, if you chose not to provide medical documentation to your Department to support your need for a leave of absence based on a medical condition, you will not be able to buyback this time.

Retirement In-Lieu-of Layoff

1. ***I am anticipating my position will be cut in the current budget deliberations and I will be subject to lay off. I would like to evaluate my options, including retirement in-lieu-of layoff. Can I talk to someone in the Retirement Office confidentially, without anyone in my department being advised of my inquiry?***

   Yes. Your discussions with the Retirement Office are confidential. The Department does not notify your Department of your intent to retire or of your inquiry until you have signed your Retirement Application which is the final step before your retirement becomes effective.

2. ***Will retiring in-lieu-of layoff impact my ability to receive unemployment benefits?***

   You should check with the State Unemployment Office. If you retired in-lieu-of being laid off and otherwise would not have retired, then it is possible you will be eligible to receive some unemployment, though the amount might be adjusted in light of your retirement benefit.

3. ***Will retiring in-lieu-of layoff impact my reinstatement rights?***

   Yes. When you retire, you relinquish all your reinstatement rights. While retiring does not preclude you working for the City at some time in the future, it does automatically remove your name from the reinstatement register. If you are thinking about working for the City after retirement, you will want to review the SCER Handbook to review the limitations.

4. ***I have only worked 4 years for the City, but recently received notice that I will be laid off at the end of this year. I will not be eligible to retire in-lieu-of layoff, but do I have to immediately withdraw my contributions plus interest from the Retirement System?***

   Since you have less than 5 years of City service and have not established portability, you normally would be required to withdraw your contributions plus interest within 2 months of your separation from City employment. However, if you are laid off from City service and are eligible for reinstatement, you have the option, *regardless of whether you have 5 full-time years of membership in the City Retirement System,* to leave your funds in the System for the duration of your reinstatement period. Most of your rights will be preserved during this reinstatement period.

   If you do withdraw your contributions plus interest during your reinstatement period and are subsequently, reinstated or rehired through a competitive process, you would have to redeposit an equivalent amount in order for your previous service to be credited towards your retirement benefits.

5. ***If I want to consider retiring in-lieu-of layoff, what should I do first?***

   To help you weigh your options, you may want to use the *"Employee's Benefit Calculator"* on SCERS' website to assess the benefits you may receive under each of the Retirement Options. This does not guarantee the exact amount of benefits you may receive, but uses your member data as a basis for estimating your likely retirement benefit amounts. Its accuracy is contingent on the accuracy of the information you have inputted. If you decide you want to proceed with retiring in-lieu-of layoff, you should contact the Retirement Office as soon as possible.

Remember, you are required by the Seattle Municipal Code to provide at least a **30-day notice** to the Retirement Office of your intent to retire (this applies even if you are retiring in-lieu-of layoff)**.** Call the Retirement Office to schedule a *Retirement Interview*. When you call, be sure to let the scheduler know whether you have requested and received a "*Benefits Estimate"* in the previous 12 months. If you haven't, ask the scheduler to complete a *Benefits Estimate Request* form for you or download one from SCERS' website and email it to retirecity@seattle.gov at the time you schedule your appointment.

*The Application for Retirement that you complete during a Retirement Interview with the Retirement Specialist serves as your 30-day notice***.** Again, be sure to tell the scheduler that you are at-risk for layoff so your appointment can be prioritized.

6. When I schedule my Retirement Interview, does my spouse have to be present at the time?

No, your spouse or domestic partner does not have to be present for the Retirement Interview. However, your spouse or domestic partner does have to sign the Retirement application. Therefore, if your spouse or domestic partner is not present to sign the Application, you will have to take it with you and have your spouse or domestic partner sign it in the presence of a notary public. The notary will serve as a witness and will have to notarize your application. Because this may be a cumbersome process for some, it may be easier for your spouse or domestic partner to just accompany you to the Retirement Interview.

7. What do I need to bring to my Retirement Interview?

If you are married or have a domestic partner, you will need to bring: the following documents:

- Copy of your Marriage Certificate (needed only if selecting Option D or E)
- Copy of your Domestic Partnership Affidavit or Washington State Declaration of Domestic Partnership (if applicable)
- Copy of a Birth Certificate or Passport for both you and your spouse or domestic partner (Needed only if selecting Option D or E)
- The Social Security Card of your spouse or domestic partner.

If you want Direct Deposit so your monthly retirement benefit check is directly deposited into your bank account, please bring a Voided Check.

All retiring employees must bring:

- Your own Social Security Card;
- Your Driver's License;
- Your Medicare Card with Part B for you and your spouse or domestic partner if you are over age 65; or if you are under age 65 and Disability Medicare eligible;
- Your beneficiary's (ies') Information: Name, Date of Birth and Social Security Number

If you are selecting Option F for your Retirement Option, you will need to bring your most recent Social Security Benefit Estimate.

If you are selecting Option G-50 or Option G-100 and want to roll the funds over to an IRA, you will need to bring the following IRA information:

- Name of Financial Institution (bank or brokerage firm)
- Address & Phone Number
- Account Number

At the Retirement Interview, you will be asked to select a Retirement Option. Therefore, you need to be prepared to identify the option you have selected. To be better prepared to respond, please refer to the Handbook section relating to Retirement Options or review the FAQs in this document on Retirement Options.

8. I am a union employee and understand that if I retire in-lieu-of layoff, I am eligible to convert 35% of my sick leave balance to my VEBA account and use the funds to pay my medical premiums. How do I set up my VEBA account and make arrangements for the premium payment to be made?

If you belong to a union that voted to participate in an HRA (Health Reimbursement Arrangement) VEBA (Voluntary Employee Benefit Association), you are correct. Thirty-five percent (35%) of your sick leave must be cashed out into your VEBA account. To establish your VEBA account , just follow these steps:

- Before you retire, complete and return an HR VEBA Enrollment form to your department HR Unit. You can access the form by going to: (www.seattle.gov/personnel/benefits/retirement/veba.asp)
- The City will send your enrollment form with your sick leave cash out to Meritain Health, the Third Party Administrator for HRA VEBA. Please note that the funds will not be in your account until after you have actually retired, usually the pay period following your last regular paycheck.
- HRA VEBA will confirm by mail receipt of your funds. This confirmation is usually sent within 5 business days of having received the funds. *If you don't hear back from Meritain Health in 5 business days, contact your department's benefit representative.*
- If you decide to enroll in a City retiree medical plan and want to be reimbursed by VEBA for the regular premium payment which is deducted from your monthly retirement check, you must take these additional steps:
  a) Complete the Systematic Reimbursement form at: (personnelweb/Content/inWeb/benefits/pubs/SystematicReimbursement.pdf)
  b) Request a letter from the Retirement Office, which includes the name(s) of covered individual(s); premium amount(s); policy period; and insurance provider's name and address.
  c) Submit the form and letter to Meritain at HRA VEBA, Third-party Administrator, Meritain Health, P.O. Box 27810, Minneapolis, MN;
  d) Meritain will notify you once your regular reimbursement has been set up. This usually is completed within 2 weeks of receipt of the systematic Reimbursement form and letter from Retirement.

If you need additional information, contact your benefit representative in your department or Meritain Health directly (myHRAVEBA@meritain.com).

Impact of Life Changes

1. ***I just moved. Can I give you my new address over the phone?***

   If you are a current employee, you may make changes to your address either through Employee Self-Service or by contacting your HR Unit. The Retirement Office does not make changes to active employee records.

   If you are a retiree, any information that affects your pension, including address changes, currently must be submitted to the Retirement Office in writing; and must include your Social Security number and your signature. In the coming year, the Retirement Office hopes to unveil a new Retiree Self-Service and once that is deployed, you will be able to make certain changes on-line through a secure, personal account.

2. ***I am moving and just filed my forwarding addressing with the Post Office. Is this sufficient?***

   No. You must change your address directly with us. Currently, this means sending a letter to the Retirement Office with your name, Social Security number and new address.

3. ***If I die while an active employee in the City, what happens to my retirement benefits?***

   If you die while an active employee but have less than 10 years of creditable City service, your beneficiary on file with the Seattle City Employees' Retirement Office will receive a lump sum payment of your contributions plus interest as well as the $2,000 death benefit. If you do not have a beneficiary on file with the Retirement Office, your spouse/domestic partner would receive the lump sum payment and death benefit, after providing the Retirement Office with a copy of your marriage license or Domestic Partner Affidavit or Declaration of Domestic Partnership, and driver's license. If you are not married when you die and have not identified a beneficiary, the lump sum payment and death benefit will go to the Executor of your estate.

   If you die while an active employee and have 10 or more years of creditable City service, your spouse or domestic partner is eligible to receive a monthly benefit for the rest of his/her life. More specifically, the benefit options the surviving spouse or domestic partner would be eligible to receive are Option E or a combination of Option E and G-50 or G-100. The spouse or domestic partner will also receive the death benefit and has the option of electing to purchase medical coverage under the City's plans.

4. ***After my husband, who was an active City employee, died, I learned he had neglected to change his beneficiary on file with the Retirement Office from his mother to me. Am I eligible for any of the funds in his Retirement Account or will it go to his mother?***

   Since Washington is a community property state, you will be the beneficiary of his retirement contributions and interest, even though his mother was the beneficiary on record. The only time another beneficiary would be the recipient is if you waived your rights to the funds. The specific benefits you may be eligible to receive are discussed in the question above.

5. ***I am getting a divorce. What happens with my retirement?***

This depends on the terms of your divorce. The Retirement Office will assist you or your lawyer with any information or questions you may have. However, be advised, we cannot give out any information related to your retirement account without your express written permission. If you want the Retirement Office to provide your lawyer with information directly, you must either send us a letter with the specifics or have your lawyer send us a letter with your signature on a release form. The Retirement Specialist can then compute a retirement estimate for the years in question, provide you with the current value of your account or answer any other questions.

Also, we have additional information regarding divorces and sample *"Qualified Domestic Relations Orders" (QDRO)* on our website that you or your lawyer may wish to review (http://www.seattle.gov/retirement/QDRO.pdf)

6. ***I thought Qualified Domestic Relations Orders only applied to Retirement Plans covered by the Employee Retirement Income Security Act (ERISA). Since governmental plans such as the Seattle City Employees' Retirement System are exempt from the provisions of ERISA governing qualified domestic relations orders, why is it referenced on your website?***

You are correct. The Seattle City Employees' Retirement System is exempt from the provisions of ERISA governing QDROs. However, public employees' retirement benefits constitute marital property and Washington is a community property state. Therefore, your retirement benefit is taken into account when property is divided in a divorce. Given this, in order to assist you with the required division of your retirement benefit, SCERS honors the provisions of a QDRO as long as they do not violate the particulars of our plan and complies with applicable code provisions.

7. ***I am getting a divorce. Can a Qualified Domestic Relations Order (QDRO) apply to my retirement account while I am an active employee? What about after I retire?***

QDROs do not affect your retirement benefits until you retire from the City and start receiving your retirement benefits. The Retirement System will try to implement any provisions of your QDRO that do not violate our policies. Before your QDRO becomes a Court Order, you may send a draft of any QDRO to our office for review.

8. ***When I retired, I enrolled in the City's medical plan to cover myself and my spouse. I am now getting a divorce. What happens to my spouse's medical coverage once our divorce is effective?***

Under the City's medical plans, once you and your spouse are divorced, your former spouse is no longer eligible for coverage. You should notify the Retirement Office immediately once your divorce is effective. When your former spouse is dropped from your coverage, your premium deductions will be reduced accordingly.

Under such circumstances, your former spouse will be eligible to continue medical coverage up to 36 months through COBRA. The Benefits Unit in the City's Personnel Department will notify your former spouse of his/her COBRA rights and facilitate coverage and payment.

9. ***When I retired, my husband waived his right to be my beneficiary and we designated our daughter as the beneficiary. I am now getting a divorce. Will the waiver my husband signed remain valid so my daughter will be my sole beneficiary?***

Yes. Since your husband signed a waiver at the time of retirement, your sole beneficiary would be your daughter.

10. ***My husband and I have been estranged for a few months. Can he retire from City service and withdraw all his retirement contributions and interest without my knowledge?***

No. If you are still married when your husband retires, you as his spouse must sign his Retirement Application. Under Washington State Law, you would be his primary beneficiary unless you waived that right.

However, if your husband resigns or quits, he could withdraw all his accrued contributions and interest in his Retirement Account without your knowledge.

11. ***A QDRO can direct payment only to an "alternate payee". Is an "alternate payee" just another name for my spouse?***

An alternate payee identified in a QDRO can be your spouse, your former spouse, your child or other dependent.

12. ***My husband and I are getting a divorce. He is an active employee of the City of Seattle and a member of SCERS. In the QDRO I filed with SCERS, I was named as the "alternate payee" and, as such, have rights to a portion of his retirement benefits. When will I begin receiving benefit payments from his Retirement Account?***

You will begin receiving payments at the same time as your former spouse; not any earlier.

- If your former spouse terminates his employment with the City and applies to withdraw his accumulated contributions and interest from SCERS, the lump sum distribution will be divided between you (as the alternate payee) and him.
- Should he die before he retires, you will receive a lump sum distribution.
- If he retires, you will receive payments in the same manner selected by your former spouse, which may include a monthly payment, or a lump sum and a monthly payment.

The actual amount of your monthly benefit cannot be determined prior to your former spouse's retirement.

13. ***My ex-spouse is retired from City service and receiving a joint-life benefit (Option D or E) in accordance with the provisions of a QDRO. As his former wife and the alternate payee named in the QDRO, I have been receiving monthly payments. What happens to my payments if he dies?***

The answer to this is contingent on when your divorce took place:

- If you and your spouse were divorced *prior* to the effective date of his retirement, your payments as the alternate payee will stop when he dies.

- If you were divorced *after* he retired, then, when he dies, you will begin receiving monthly benefits equivalent to the amount that would be payable had there been no divorce. The amount paid could be more or less than you were receiving prior to your ex-spouse's death.
- If you were divorced *before* the member retired, then the alternate payee would not be entitled to any further benefits; but if your ex-spouse remarried prior to retirement, his spouse at the time of retirement would collect the survivor benefits.

14. I have a domestic partner. How do I register her with the Retirement System and get medical/dental coverage for her?

If you are an active employee and your Domestic Partner is not registered with the City through your Department HR Unit, the process is the same as for marriages. You must fill out an *"Affidavit of Marriage/Domestic Partnership"* which is available from your Department HR Unit. *(*http://inweb.ci.seattle.wa.us/technology/humanresources/docs/dp_affmarriage.pdf) Once registered, your domestic partner may then be covered for medical/dental while you are actively employed with the City.

If you are getting ready to retire, make sure your domestic partner is registered with City Personnel prior to retirement to be eligible for benefits. When you retire, your domestic partner will be eligible for joint survivor benefits under Options D and E. You may also elect to include her in the City medical plan coverage which is deducted from your monthly retirement check.

If you are not working for the City of Seattle, but are eligible for retirement benefits, you may register your domestic partner with the Retirement Office at any time. If you are not working for the City of Seattle when you retire, however, you and your domestic partner are not eligible to participate in the City's medical/dental/vision coverage.

If you wish to register a domestic partner and add her to your medical coverage, just contact the Retirement Office to request the necessary paperwork or submit the *"Affidavit of Marriage/Domestic Partnership"* form. You may contact a Retirement Specialist to arrange for medical coverage and authorize the premium deductions.

Disability Retirement

1. What are the criteria for being able to apply for a disability retirement?

Most important, the basis for receiving a disability retirement from the Retirement System is that you are no longer employable in *any* City position due to a totally disabling medical condition. Any member while in City service, or within 3 months of leaving City service if incapacity has been continuous, may apply for a disability retirement. If you are a member, you may qualify for disability retirement if you meet one of the following conditions:

- If you are permanently and totally disabled due to an *on-the-job injury*, regardless of your length of service with the City.
- If you are permanently and totally disabled due to an illness or injury, you must have at least 10 years of service with the City; and a minimum of 10 years of retirement service credit must have been earned during the 15 years prior to becoming disabled.

2. I need to apply for disability retirement. Can you explain what I need to do and the process?

The process to apply for disability retirement is different from that of a service retirement. If you are interested in applying for a disability retirement, the steps are as follow:

- You *do not need to schedule a Retirement Interview.* This will only delay the process.
- Complete an *"Application for Disability Retirement, available through this link: (*http://www.seattle.gov/retirement/documents/Forms_Disability_Application.pdf) On the Application, you must check the appropriate box to indicate whether your disability is a result of an on-the-job injury or some other medical condition.
  - If you check the box indicating you have a disabling on-the-job injury, you must sign your name on the line provided which authorizes the Retirement Office to obtain copies of your records from the City's Workers Compensation.
  - If you check the second box, you must describe the condition(s) that are disabling you.
- If you checked the second box, please provide the medical records that will show the history of your condition(s). You must state when the disabling medical condition(s) arose and how the medical condition(s) affect your ability to work. *Be sure your medical records are complete. If you have seen Specialists for your condition make sure these are included. A statement must also be submitted in your packet from your own doctor. All your records and information in support of your application must be submitted within 60 days of the date you file your application with SCERS.*
- Once we receive your medical records from you, an examination will be scheduled for you with a doctor(s) used by the Retirement Board. At the examination, make sure you discuss everything you consider important to your disability and medical condition(s). *This is your own opportunity to communicate with Retirement's doctor(s).*
- If the examination does not establish whether you are capable of work in any position in City service, the Retirement staff may obtain vocational evaluations to help

determine whether, based on the independent medical examination, you are capable of work in any City position.

- After your examination(s), and if necessary vocational evaluation, has been completed, the Retirement Board will receive a report from the doctor's office. A copy of this report is available to you upon request.
- The Retirement Board's decision with regard to your Disability Retirement Application will be based on the medical records and evaluations made by the doctors used by the Retirement Board. If the independent medical examination, in conjunction with any vocational evaluation undertaken, shows that you are permanently and totally disabled from work in any position in the City, your application will be granted; otherwise it will be denied.
- Be sure you comply with all the procedures or deadlines necessary for processing your Disability Retirement application, including, but not limited to, scheduling and attending the medical examination or vocational evaluation. If you do not do so, the Board may deem the application to be withdrawn.

3. Who decides whether I get disability retirement?

The Retirement Board has a Disability Sub-Committee to review the medical examination report and, if applicable, the vocational evaluation, and makes a recommendation to the Board about each application. However, the Board makes the final decision to grant or deny an application.

4. I submitted my Application for Disability Retirement along with my medical records from my primary physician. Why is the panel of doctors, reviewing my application, requesting more information?

The doctors who are reviewing your medical records make every effort to ensure their recommendation to SCERS is based on your complete medical history. Occasionally, an applicant will retrieve his/her medical records from a primary doctor, which may or may not include records from Specialists. These records are usually critical in evaluating your disability. If the doctor(s) reviewing your medical records for SCERS requests more medical information, it is usually to ensure your medical records are complete and include documentation from any Specialists you may have seen. It is important that you be responsive to such requests to ensure everything that would support your application is available to the doctors reviewing it.

5. My medical condition has worsened, rendering me unable to perform my job as a laborer. I am not eligible for regular retirement; will I be eligible for disability retirement?

Remember, the basis for receiving a disability retirement from the SCERS is that you are no longer employable in *any* City position due to a disabling medical condition. Whether you would be eligible for disability retirement depends on whether your medical condition renders you unable to be employed in any other position. For example, if your medical condition makes it impossible for you to do manual labor, but would not interfere with you being able to perform clerical work, then you would not be eligible for disability retirement.

6. ***I submitted my "Application for Disability Retirement" a month ago. I thought I only had to give a 30 day notice of retirement. When will my disability retirement be approved?***

   Disability Retirement takes a longer period of time than a regular service retirement because of the numerous steps and parties involved. The amount of time it takes is dependent on how long it takes you to provide your medical records, whether your records are complete, the scheduling of examinations, review of your records and preparation of reports. All records and information you wish to submit in support of your application *must be submitted within 60 days of the date you file your application* with the Retirement Office. On average, this overall process takes 2-3 months.

7. ***I was injured on the job and have applied for disability retirement. I also filed a Workers' Comp claim. Will this delay action on my disability retirement application?***

   The Disability Committee of the Retirement Board will not consider your application until the opinion of the physician(s) hired by City Personnel's Workers Compensation Unit has been recorded at that office and then presented to the SCERS. Therefore, it is possible that review of your disability retirement application could be delayed.

8. ***I have been approved for disability retirement. When will my disability retirement become effective?***

   Your disability retirement becomes effective on the day the Board approves your application.

9. ***My application for disability retirement has been denied by the Retirement Board. Do I have any recourse?***

   An applicant for disability retirement may appeal the Board's denial. To appeal, an applicant must submit a complete and detailed written statement of the basis for an appeal of the Board's initial determination to the Retirement Office within 30 days of the date of being notified of the Board's written decision. Any additional supporting documentation and medical information should be included. The Board may in its discretion provide an opportunity for the applicant to appear for a hearing to contest a denial of disability benefits.

10. ***I have been approved for disability retirement. How is my monthly benefit calculated?***

    Under the terms of the Disability Retirement Benefit, you will receive 1.5% of your Final Average Salary (the average of your highest 24 months of pay) multiplied by the number of years of creditable service you have earned. If this calculation does not exceed one-third of your Final Average Salary, then you will receive an additional 1.5% of your Final Average Salary for each year between your age at retirement and age 62, until your disability retirement benefit equals one-third of your Final Average Salary. The minimum retirement amount a person will receive is $140 per month.

11. ***I am 65 and have been working for the City for 26 years. I recently received a diagnosis rendering me unable to continue doing work of any kind. Would it be more beneficial for me to apply for disability retirement or to apply for regular retirement?***

Whether a service retirement or regular retirement is more beneficial is dependent on your age and years of creditable City service. In your case, given your 26 years of service, it would be more beneficial for you to take a service retirement.

Generally, if you are eligible for a regular service retirement, the amount of that benefit will be greater than a disability retirement. However, depending on your age and years of creditable service you've earned, a disability retirement may provide a greater benefit. This is most likely to happen if you are at an age where you only recently became eligible for early retirement.

If you become permanently and totally disabled, but are unsure whether it would be most beneficial for you to apply for disability retirement or regular service retirement, you may contact the Retirement Office and ask for an estimate under each scenario. In making your decision, you may also want to consult a tax advisor to see if there might be a tax advantage if you were granted a disability retirement rather than a service retirement.

12. I am 58 with 9 years of City service credit and have been approved for a disability retirement. Will my disability retirement be converted to a service retirement once I reach 62 years of age?

No. Permanent disability retirement is granted in-lieu-of a service retirement and does not convert to a service retirement at age 62 or any other age.

13. I was approved for disability retirement four years ago at age 54. I recently received a notice from the Retirement Board requiring me to undergo another medical examination by SCERS' physician. Do I have to submit to this examination?

Yes. If you are under 62 and receiving a disability retirement benefit, the Board may require you to undergo another medical examination. If you refuse to submit to a medical examination, your disability pension may be suspended. If you continue to refuse to submit to the exam for one year, your retirement benefit may be cancelled.

14. I am a 58-year-old disability beneficiary and recently submitted to a medical exam at the direction of the Retirement Board. As a result, the Board has determined that I am no longer incapacitated and will be returned to City service. What happens to my retirement allowance and will I be able to continue as an active member of the Retirement System following my return to work?

When a disability beneficiary such as yourself re-enters City service, your retirement allowance is cancelled and you immediately become a member of the Retirement system. Your rate of contribution will be based on your date of re-entry. Your individual account will be credited with your accumulated normal contributions less the annuity payments you received while on disability retirement. You will also receive credit for prior service in the same manner as if you had never been retired for a disability.

15. If I am totally incapacitated from employment, can I receive a "temporary total disability retirement" and then return to City employment once my temporary total disability has ceased? What happens if my temporary total disability becomes permanent?

Yes. If the Board determines you are temporarily and totally incapacitated, you will receive a temporary total disability retirement allowance equivalent to what you would receive for a permanent and total disability until such time as your disability ceases. At the point the Board determines your disability has ceased, your disability retirement will be cancelled and you will be returned to active City service. Upon your return you will be reinstated as a non-retired member of the retirement system and your accumulated contributions less your annuity payments will be credited to your account. You will contribute to the retirement fund at the rate in place upon your reinstatement.

If, as a result of your re-examination, the Board determines that your temporary total disability is a permanent condition incapacitating you for any employment, your temporary total disability will be converted to either a permanent total disability or a service retirement.

16. If I apply for disability retirement, will I be eligible to purchase medical coverage under the City's group retiree plan?

In order to be eligible to purchase medical coverage under the City's group retiree plan, you *must submit your disability retirement application while you are still active on the City's payroll system* and you must maintain continuous City medical coverage.

17. Will my disability retirement benefits be impacted by the Long-Term Disability (LTD) Insurance coverage I have through Standard Insurance?

LTD will not impact your disability retirement benefits. However, if you are paying premiums each month for optional LTD coverage, you should be aware that any payments made to you by Standard Insurance once you are disabled will be reduced by the amount of disability income that you receive from the City Retirement System. Depending on your disabling condition, your Standard Insurance benefits may last for a period of 2-3 years or possibly until you reach age 65. You will want to be sure you contact Standard Insurance to understand the rules as they apply to your circumstance.

You should know that you do not have to apply for the disability retirement benefits from the City even though Standard Insurance may send you material suggesting you do so. If you believe it would be more advantageous for you to delay your retirement, then you may opt to just apply for and receive payments through your Standard Insurance coverage. In such case, your Standard Insurance benefits would not be reduced.

Retiree Medical Benefits

1. ***How do I apply for retiree medical and dental coverage?***

   You must be on the City's payroll the day prior to your retirement date. You may sign up for retiree medical and dental coverage when you have your retirement interview and complete your *Retirement Application* form.

2. ***If I retired from City service to take a job with another employer, will I still be eligible to receive medical and dental coverage under the City's plans once I retire?***

   If you retire from City service on or after December 1, 2009 to start a job with another employer and receive *group medical* coverage from that employer, you will be eligible for medical and dental coverage under the City's retiree health plans when you retire as long as you have been continuously covered under an employer-sponsored plan. You should request a *Certificate of Coverage* from your employer and bring a copy of it with you to your retirement interview.

   However, if you retired from the City on or before November 31, 2009, you must pay for retiree medical coverage continuously to hold open the option of having retiree coverage in the future.

3. ***My wife and I both work for the City. I am going to be retiring next month. I was not planning on paying for medical/dental coverage under the City's retiree medical plan since I will be covered under my wife's medical coverage. When she decides to retire, will we eligible for the City's retiree medical and dental coverage?***

   Yes. If you are married to a City employee and continuously covered by your spouse's active medical plan, you may choose not to be covered through the Retirement System when you retire and wait until your spouse retires to sign up for medical coverage.

4. ***My spouse will add me to her employer's group plan when I retire. If I don't like the plan or find that the City plan has better rates, may I drop it and select a City retiree plan?***

   No, you can only return to City medical coverage if you involuntarily lose your other (employer) group health plan coverage. You cannot return to City retiree medical coverage just because you don't like your spouse's plan or find that the City's plan has better rates. You will be able to return if your wife retires or loses her employer group health coverage.

5. ***I am planning on purchasing an individual health policy when I leave City employment. Will I be able to get coverage through the City's retiree medical plan when I retire?***

   No. If you are a vested employee and leave City employment, you would only be eligible for retiree medical coverage once you decide to retire if you are covered by an employer group health plan or COBRA up upon your separation from City employment. If you purchase an individual health policy, you will not be eligible for coverage under the City's medical plans.

6. ***My spouse, a former City employee, passed away and I declined survivor benefits. May I now enroll in the City's retiree plan under the new enrollment policy?***

No, widow(ers) who decline survivor benefits are not eligible to re-enroll under the new enrollment policy.

6. ***When do I choose a medical plan?***

You must choose a medical plan before the end of the month in which you retire so that you will have medical coverage through the Retirement System at the beginning of the next month. Depending on your retirement date, you may be required to provide a check to cover your health premiums for the first month of coverage.

You will be notified by the Retirement Office in November of each year regarding annual enrollment. Annual enrollment will be the period during which you may opt to make changes in your medical/dental coverage.

7. ***May I switch medical plans when I retire?***

You may enroll in a different retiree medical plan at the start of your retirement and during open enrollment. However, you may not transfer to a different medical carrier if you select COBRA medical when you retire. You may only switch to a different carrier/plan once your COBRA coverage ends.

8. ***What is COBRA?***

COBRA is an acronym for the Consolidated Omnibus Budget Reconciliation Act of 1985. It is a federal law which gives you and/or your dependents the right to continue your medical and/or dental coverage on a self-pay basis under certain circumstances when you would otherwise be ineligible for City health benefits. It is one of the options available to you when you retire from the City.

9. ***If I am retiring, when is it advantageous for me to choose COBRA medical coverage over the retiree medical coverage?***

If you want family coverage, it is more advantageous for you to opt for COBRA coverage. Retirement COBRA medical benefits should be about the same as your current active medical benefits. It costs a flat monthly rate for 18 months from your date of retirement and covers you, your spouse and any eligible dependents. You may switch your coverage from COBRA to the retiree medical plan at any time during or at the end of the 18 months. Some families choose COBRA during the first 18 months of retirement because their family's monthly premiums are usually lower than the monthly premiums under the retiree medical plans.

10. ***Are there any restrictions with COBRA?***

The following restrictions apply with COBRA medical:

- You may receive retiree COBRA health care coverage for up to 18 months from your date of retirement.

- If you are a METRO or King County Public Health Department employee, you must go through your own department to sign up for COBRA, but you may also opt for retiree medical coverage.
- Dependents who do not have their own medical coverage are eligible up to their 26th birth date.
- Your 18 months of COBRA coverage may be extended an additional 11 months to a total of 29 months if you are certified as disabled through Social Security.

11. I just recently retired and am covered by one of the retiree medical plans. When will I be able to change to a different retiree medical plan?

You may change medical plans during annual enrollment. Annual enrollment is normally conducted during the month of November each year by the Retirement Office. You will receive a notice at home.

12. I'm turning 65. How will this affect my medical coverage?

If you are turning 65 and are currently covered under a medical program through the Retirement Office, your regular under-65 retiree medical coverage will be discontinued since you are now eligible for Medicare. The City will notify you 2 months in advance and give you the opportunity to enroll in one of the City's Medicare Advantage plans. The supplemental 65+ plans the City is offering in 2012 include:

- Aetna
- Group Health, and
- Secure Horizons.

The 2012 plan booklets are not yet available from the health care providers. We anticipate we will have plan booklets available by February 1, 2012. If you are looking for the comparison of 2012 medical plans, highlight and right click and open the following hyperlink: (www.seattle.gov/retirement/documents/Over65RetireeBenefitHighlights.pdf).

13. What is the process for getting the Medicare Supplement when I turn 65?

Two months before your 65th birthday, you will receive a letter from the Retirement Office documenting the month you will turn 65 and explaining that since you will be eligible for Medicare Parts A and B, your City retiree medical plan coverage will be discontinued. You will also be given the opportunity to enroll in one of the City's Medicare Advantage Plans, which supplement Medicare.

If you wish to purchase and continue coverage under one of our Medicare Advantage health care plans, you must call the Retirement Office. The Over 65 Program specialist will send you the appropriate Medicare Supplemental Application enrollment form and Benefit Highlights comparing each plan. Once you have completed the form and returned it *along with a copy of your Medicare Card Part A & B*, the Retirement Office will forward it to the appropriate medical carrier; and change your records and premium deduction.

Please note, *you need to be approved for both Medicare Part A (hospital insurance) and Medicare Part B (medical insurance) by Social Security and submit a copy of your Medicare Card*

with your application. If you don't have a Medicare Card yet, you should contact the Social Security Office. Their number is 800-772-1213. You may also contact them online through www.SSA.gov.

If you fail to submit the necessary application and paperwork before you reach age 65, when your Under-65 medical coverage expires, you will lose the ability to be covered by a City plan.

14. I am currently covered by one of the Over 65 Medicare Advantage plans. I just learned that the premium cost of maintaining this plan will increase significantly next year. Can you explain this increase?

Increases are normally based on the benefit coverage in the plan as well as recent claim history. Any changes in the cost of one of the City's plans will be reflected in the material you receive during open enrollment. If you are cannot pay the higher premium cost, you should review the other Over 65 health plans available and compare costs. During Open Enrollment you may switch from one plan to another. However, be sure you review the plan comparisons carefully. Some plans do not have the "donut hole" that impacts costs of medication; while others do. If you have questions, please feel free to contact the Assistant Retirement Specialist in the Retirement Office.

15. I am older than my spouse and will be moving to an Over 65 Medicare Advantage plan this year. Can my spouse continue medical coverage under one of the City's retiree medical plans? Will my spouse be able to enroll in one the City's Over 65 Medicare Advantage plan when she turns 65?

Your spouse will be able to continue medical coverage under one of the City's retiree medical plans, even though you are required to switch to an Over 65 Medicare Advantage plan. At age 65, your spouse will be able to enroll in one of the City's Over 65 Medicare Advantage plans.

16. What happens to my dependent's medical coverage (spouse/domestic partner and eligible dependents) if I go onto the Medicare Advantage Plan?

Your spouse and eligible dependents may remain on the City's retiree medical plan (Under 65) even though you will be on the Medicare Advantage Plan (Over 65).

17. Who decides which medical plans and benefits are offered to retirees?

The plans, benefits and options offered by the City are the result of discussions and negotiations between the City, the medical providers and the City unions. The Retirement Office is not a party to those discussions and negotiations; and only serves to administer the plans and benefits offered by the City.

18. How much will my medical insurance premiums be?

The cost of your medical insurance depends on the number of individuals in your family being covered and the particular plan you have selected. All the *Under-65* retiree medical plan premiums are higher in cost than the *Over-65* plans. At age 65, you will receive Medicare and can enroll in a less costly Medicare Advantage Plan.

The cost of medical care continues to rise for everyone. The Retirement Office does not participate in rate setting. The health care premiums are set after discussions between the City, the providers and the Unions are completed. Any rate or plan changes are based on previous year's experience, changes in law and the cost to administer the plans. You can check specific plan costs at:
(www.seattle.gov/retirement/documents/MedicalRatesSheet-nonCOBRA.pdf)

19. What's the difference between the medical plans? Can I have a booklet that tells the specific coverage?

If you are *under age 65*, the City offers four medical plans: Aetna Traditional, Aetna Preventive, Group Health Traditional and Group Health Deductible. You may request a comparison of the benefits provided under each of these plans by calling the Retirement Office or, if you have access to a computer, it is also available on line:
http://www.seattle.gov/retirement/documents/Under65MedicalBenefitsComparison.pdf

If you are over age 65, the City offers four Medicare Supplemental medical plans: Aetna-Medicare Plan (PPO), Group Health Clear Care HMO Plan and United Health Care. You may request a comparison of the benefits provided under each of these supplemental plans by calling the Retirement Office or, if you have access to a computer, it is also available on line:
http://www.seattle.gov/retirement/documents/Over65RetireeBenefitHighlights.pdf

There are also detailed individual Plan Booklets for each plan the City offers along with individual Plan Benefit Summaries available on-line for downloading or viewing.

20. Can I return to permanent City employment after I retire and defer or stop medical deductions from my monthly retirement checks and be allowed to resume retiree group medical coverage later?

Yes, provided you are continuously covered by a City-provided medical plan during your re-employment period and you enroll in one of the City retiree plans within the month your City-provided coverage ends.

21. If my official last day on the active payroll is in the middle of the month (e.g., October 11, 2011) and my official retirement day is October 12, 2011, when will I need to pay my retiree medical and dental premiums?

When you pay your retiree medical and dental premiums depends on the last day you are on payroll and your retirement date.

If you are active on the payroll the first day of the month, you will have medical coverage for that entire month. In your particular case, you will have City-paid medical coverage through October 31st since you were active on the payroll on October 1. Your first pension check will be issued on October 31st and your medical will be deducted from this check.

If your last day on the payroll was October 12th and your official retirement date was October 13, 2011, you would not receive your first pension check until November 30, 2011. (It would be prorated to include compensation from October 13th through October 31st plus the month of November.) In this scenario, you would have to write a personal check to cover your medical premium for the month of November.

22. Is there any difference between the medical benefits I receive as an active employee and those I will receive when I retire?

If you are under 65 when you retire, the medical benefits you receive as a retiree should generally be the same as the benefits you received when you were an active employee. Coverage will be different once you are over 65 years of age and are eligible for Medicare.

23. May I add my domestic partner to my retiree medical coverage?

Yes, you may add your spouse, domestic partner or eligible dependents.

24. Are there any limitations to covering children on my retiree medical plan?

Yes, there is a limitation on how long you may keep your child on your medical coverage. Dependent adult children who do not have medical coverage through an employer may be covered under your retiree medical plan until they reach their 26th birthday. If your adult child's birthday was May 10th, their medical coverage under your retiree medical plan would be discontinued on May 31st. However, when your adult child is no longer eligible for coverage under your retiree medical plan, you do have the option of continuing coverage through COBRA another 18 months.

25. What factors should I consider before adding my spouse from my retiree medical plan at the time of retirement?

If your spouse is covered through their work at the time of your retirement, you do not need to add them to your coverage. In this situation, you may add your spouse to your retiree group medical plan when your spouse's medical coverage ends with their employer. In such case, you must contact us and begin coverage for your spouse within 31 days of your spouse losing coverage. At that time, you will be asked to provide proof that your spouse had coverage from another plan. Your spouse will need to request a *Certificate of Coverage* from his/her former employer/medical provider for this purpose.

If your spouse does *not* have medical coverage through their work and you do not add them to your retiree coverage when you retire, you may only add your spouse to your medical plan during open enrollment. Likewise, if you remove your spouse from your retiree medical coverage, you will not be able to put them back on your coverage until there is an open enrollment period.

26. Who is eligible for medical open enrollment?

Retirees who are currently enrolled in one of the City's retiree group medical plans are eligible for medical open enrollment, which usually occurs annually during the month of November. It is a period of time when retirees may change medical coverage for themselves and their family.

27. What will happen to my spouse's medical coverage if we divorce after my retirement? When is the last day that my spouse will receive medical coverage?

The City and most medical carriers will no longer cover your spouse once the divorce is finalized. Nor will your spouse qualify for the City retiree COBRA plan. If divorced spouses want to receive medical coverage, they must apply directly with the medical carrier for individual coverage.

If you already paid the medical premiums for the current month in which the divorce is finalized, then your spouse's coverage will last through the end of that month. Please submit a written notice to the Retirement Office stating that you are removing your spouse from your medical/dental coverage and the effective date. This notice triggers the change in coverage.

28. If I decide to retire after I have been laid off, am I still eligible for retiree medical coverage?

You will be eligible for retiree medical coverage if you meet the following criteria:

- You were placed on reinstatement when you are laid off;
- You retire before your reinstatement period ends (currently 2 years from your date of layoff);
- You have been continuously enrolled through the City under COBRA or were covered as a dependent on one of the City's medical plans.
- You elect to enroll in a retiree medical plan within 31 days of the later of: your date of retirement, the date COBRA coverage ends, or the date your coverage as a dependent under a medical plan for active City employees ends.

29. If my spouse and I have dual medical coverage, what effect will that have on our benefits?

Aside from paying additional medical premiums, the effects depend on what carrier you and your spouse choose for your medical providers. Since there are numerous combinations for dual coverage, it would be best for you and your spouse to contact your medical providers to determine the effects of dual coverage on your benefits. In some cases, the effect of dual coverage could mean there would be no co-pay for doctor visits, prescriptions or emergency room visits. In other instances, there would be no impact. If you are considering dual coverage, be sure to determine the specific impact before you make a decision.

Retirement Checks

1. ***I have signed my retirement paperwork and have established my retirement date. When will I get my first retirement check?***

   The Retirement Office cannot process your first pension check until you are separated from payroll in your home department. Once separated, then the Retirement Office can add you to the Retiree payroll system and process your first pension check.

   The following schedule for 2012 should help you with your planning:

Last Day on Payroll in 2012	First Pension Check in 2012
December 6, 2011	December 31,2011
January 3	January 31
January 31	February 29
February 28	March 30
April 10	April 30
May 8	May 31
June 5	June 29
July 3	July 31
August 14	August 31
September 11	September 28
October 9	October 31
November 6	November 30
December 4	December 31

   If you chose to work *beyond* a "*Last Day on Payroll" date, you will have to wait until the next pay cycle to receive your first pension check*. Please note that if your first pension check is received more than a month from your last day on Payroll and you sign up for COBRA medical/dental, you will have to write a check for the month in which you did not receive your first pension check.

2. ***I am leaving City employment and not eligible to vest. I want to withdraw all my accrued contributions and interest. How long will it take to receive a check after I submit a Withdrawal Request form?***

   From the date processing begins, it usually takes no more than 2 weeks for the Retirement Office to have check available for you. However, processing *cannot* begin until you have been separated from the payroll system in your home department. Your home department cannot separate you until they have processed the payroll for the last pay period in which you worked and have cashed out any accrued vacation balances (which cannot be done until the following pay period). Generally, the total process could take 2-4 weeks for your department to separate you from payroll and another 2 weeks for Retirement to process a check for you. The whole process usually takes 4-6 weeks.

3. ***I have selected a "G-100" Retirement Option. When will my payout check be ready?***

   Having selected a G-100 Retirement Option, you will receive a modified monthly benefit check as well as the payout of 100% of your contributions and interest. Generally, your payout

check will be available 10 business days following issuance of your first monthly retirement check. The date of your first monthly retirement check is contingent on your last day on payroll (check the schedule detailed in the first question above).

4. ***Today is the 8th day of the month and I have not received my monthly pension check. Why is it late?***

Normally you would have already received your check by the 8th of the month since checks are issued on the last day of the month. If the last day of the month is on a Saturday, the check would be dated a day earlier and should arrive earlier. If the last day of the month falls on a Sunday, your check will arrive late, on the following Monday. Delays may also occur if there is a holiday involved or if the U.S. Mail delivery service is late.

In order to avoid any delays in receiving your pension check, you may sign up for direct deposit. Just fill out a *Direct Deposit* form and return it with a voided check/savings deposit slip (http://www.seattle.gov/retirement/Forms_Direct Deposit_Form.pdf).

5. ***I am a new retiree. What are the dates pension checks are issued in 2012?***

The 2012 pension check dates are as follows:

January 31	July 31
February 29	August 31
March 30	September 28
April 30	October 31
May 31	November 30
June29	December 31

Normally the pension checks are payable on the last day of each month. This could vary slightly if the last day falls on a weekend or holiday.

6. ***I just received my first pension check. It's different than the amount quoted in my estimate. Why?***

It is possible that your first pension check may be different than the amount quoted in your estimate. The exact amount of your pension can only be determined when you retire. If you retire on any day other than the first day of the month, your pension will be adjusted accordingly. So, for example, if your last day on the payroll was December 6, 2011, you will receive your first pension check on December 30, 2011. However since you worked during the month in which you retired, your first pension check will not include payment for these days and will be adjusted accordingly.

7. ***I am set up for direct deposit of my pension check. I notified you that I was changing my bank account, but my next check was not deposited directly into it, but came to my home. Can you tell me why and if there is something additional I need to do?***

The process for changing your direct deposit has a delay period during which the Retirement Office communicates with the bank, verifies the new account number and confirms the change in the account is set up. This means that the first pension check issued by the Retirement

Office immediately following your Direct Deposit change request is sent to your home address. Assuming there are no problems with your account information and the change you requested, all your subsequent checks will be directly deposited into your account.

If you are moving at the same time you request a Direct Deposit change, be sure you also fill out a Change of Address form and submit it at the same time so that the transitional check which is sent to your home address will reach you at your new address.

8. Why don't I get a 13th bonus check at the end of the year?

It is true there used to be a 13th check that was issued in December each year. However, in 2007, all retirees began to receive a 1.5% compounding Cost of Living Increase (COLA). This replaced the 13th check or what some people referred to as a Holiday bonus check.

Other Resources

1. ***Besides what is in SCERS' Employee's Handbook and Frequently Asked Questions, do you have a more complete description of the Retirement System?***

   SCERS' Employee's Handbook and Frequently Asked Questions were recently revised and updated. They provide a fairly comprehensive view of the Retirement system. However, the document that actually governs the Retirement System is the Seattle Municipal Code. It is maintained by the City Clerk's Office which is located on the 3rd floor of the Municipal Building at 600 4th Avenue. If you are interested in reading it, it is also available from the Seattle City Clerk's Online Information site (http://clerk.seattle.gov/~scripts/nph-brs.exe?s1=4.36&s2=&S3=&Sect4=AND&l=20&Sect3=PLURON&Sect5=CODE1&d=CODE&p=1&u=%2F%7Epublic%2Fcode1.htm&r=1&Sect6=HITOFF&f=G)

   SCERS' Annual Reports (http://www.seattle.gov/retirement/annual_report.htm) and Board Minutes (http://www.seattle.gov/retirement/minutes.htm) are also available from the website.

2. ***When is the Annual Report available?***

   New editions of SCERS' Annual Report are usually available on line in July or August. See (http://www.seattle.gov/retirement/annual report.htm).

3. ***What is ARSCE? If I want to become a member, how do I contact ARSCE?***

   ARSCE is an acronym for *The Association of Retired Seattle City Employees.* This is a non-profit organization made up of retirees from the City of Seattle. ARSCE produces a newspaper six times a year to keep retirees abreast of important pension news and to provide news of fellow retirees. The current president of ARSCE is Merle Overland. If you want to get in touch with ARSCE or are interested in receiving a copy of their newspaper, you may contact them at www.arsce.org .

4. ***What are the telephone numbers/addresses for Police Pension, Fire Pension or the Washington State Retirement System (PERS)?***

Seattle Police Pension:	700 5th Avenue, Suite 1862 Seattle, WA 98104-5001 (206) 386-1286
Seattle Firefighters Pension:	2200 6th Avenue, Suite 820 Seattle, WA 98121-1822 (206) 625-4355 firepension@seattle.gov
Washington State Retirement System:	P.O. Box 48380 Olympia, WA 98504-8380 (360) 664-7000 or Toll Free 1-800-377-8895 http://www.drs.wa.gov/

5. *How do I get information on Deferred Compensation?*

SCERS does not currently administer the City's deferred compensation program. Deferred comp is a service offered to City employees through the City of Seattle's Personnel Department. At this time, it is being administered by Prudential Retirement. Prudential Retirement has an office located in the Seattle Municipal Tower, 700 5th Avenue, Suite 4020. Their direct number is 206-447-1924.

The City of Seattle's Voluntary Deferred Compensation Plan has a website, which was established by Prudential Retirement, to provide you with information on the City's plan. This link will provide you information on courses, articles, calculators, plan highlights, investment options, important forms and other documents designed to help you make the best decisions regarding pre-tax deferrals from active employee paychecks and retirement savings for you (see https://www.retirement.prudential.com/cws/CityOfSeattle/).

6. *How do I contact Social Security?*

You may contact Social Security through their toll-free number: 1-800-722-1213. You may also find general information on their website at www.SSA.Gov .

Plan Investments

1. I understand that SCERS is a "defined benefit" plan. What does that mean?

Defined Benefit Plans are designed to provide employees with a predictable monthly benefit from retirement to death. The amount of the monthly pension is generally a function of the number of years of service, the employee's average highest 24 consecutive months of pay and age. Defined Benefit plans are particularly attractive to employees because of the security they provide. Employees know in advance that when they retire they will have a steady, predictable income that will enable them to maintain a stable portion of their pre-retirement standard of living. All the investment risk in Defined Benefit plans is with the employer, not the employee.

Benefits in Defined Benefit plans are pre-funded. That is, employers and employees make contributions to a common pension trust fund over the course of an employee's career. These funds are invested by professional asset managers whose activities are overseen by trustees and other fiduciaries. The earnings that build up in the fund, along with the dollars initially contributed, pay for the lifetime benefits a worker receives when s/he retires.

2. Does SCERS have any policies that guide their investments?

Yes, the SCERS Board of Administration adopted a Statement of Investment Policy and Procedures in 1992 (revised in January 2011), which provides a framework for investment management of SCERS' assets. This policy document assists the Board in supervising and monitoring the investments of the System and in achieving its objective of providing adequate retirement and disability benefits to eligible municipal employees in a cost effective manner. The policy statement is designed to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure prudence and care in the execution of the investment program. If you are interested in reading SCERS Investment Policy & Procedures, follow this link: http://www.seattle.gov/retirement/documents/2011InvestmentPolicy.pdf .

3. How much money is actually in SCERS' trust fund?

As of the second quarter of 2011, the funds held in Trust for SCERS was $1,885,203,347.00. Quarterly reports tracking the amount of funds held in Trust are posted quarterly if you would like to monitor this (see http://www.seattle.gov/retirement/Investments.htm).

4. Who actually manages SCERS investments?

There are several layers of responsibility for managing SCERS investments. The Retirement Board:

- Administers the Fund for the benefit of plan participants;
- Adopts guidelines for investments, an asset allocation structure and performance benchmarks for SCERS' investments;
- Regularly reviews the investment returns on both an absolute basis and relative to appropriate benchmarks and peer group comparisons.
- Selects qualified investment managers and the fund custodian

The Board also has an Investment Advisory Committee consisting of at least 3 members who are considered experienced and qualified in the field of investments. The Advisory Committee's responsibilities include:

- Makes recommendations as to general investment policies, practices, and procedures including but not limited to asset mix, portfolio diversification, average maturity, portfolio risk level and rate of return.
- Reviews investment performance; and prepares a written report each year.
- Renders advice relative to the desirability of and the procedure to retain investment advisors, performance measurement services and bank custody of securities owned.

SCERS' Investment Staff:

- Provides analysis and recommendations to the Board on a wide variety of investments and investment related matters;
- Invests the Fund's cash as set forth in the Investment Guidelines
- Monitors investment managers; evaluates and manages the relationships with brokers, managers consultants and custodian to the Fund;
- Manages portfolio restructuring; and
- Conducts manager search process.

The Investment Managers have written contracts with the Board to invest SCERS' funds within approved guidelines.

5. Can I manage the investment of my own funds in SCERS?

No. The funds held in SCERS' trust are managed in accordance with SCERS' Investment Policy and Procedures as well as the Asset Allocation targets adopted by the Board. If you are interested in managing your own investments, the City provides employees with the option to do so through the Deferred Compensation Program.

6. Can you tell me how SCERS' assets are currently invested?

Quarterly asset allocation reports are available on-line so you can track investment performance (see http://www.seattle.gov/retirement/Investments.htm). The asset allocations are currently distributed among the following asset classes and performance is measured against Benchmarks adopted by the Board:

- US Equities
- Non-US Equities
- Real Estate
- Real Return
- Private Equity
- Covered Calls

Contact Us

If you need to contact SCERS to access a form, to request an estimate or retirement interview, or to simply ask a question, please feel free to contact us at the following address/email/telephone.

Seattle City Employees' Retirement System
720 Third Avenue, 9th floor
Seattle, Washington 98104
retirecity@seattle.gov

Telephone: (206) 386-1292
Toll Free Telephone: (877) 865-0079
Fax: (206) 386-1506