SFERS

San Francisco Employees' Retirement System

SFERS Ready to Retire Webinar
5 Years from Retirement
Charter Sections A8.587, A8.600 & A8.603

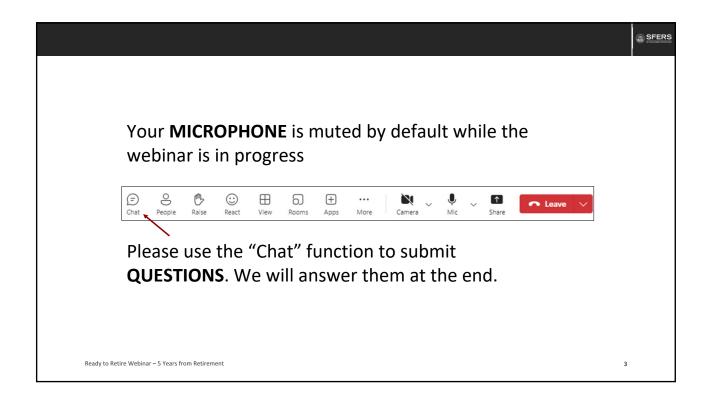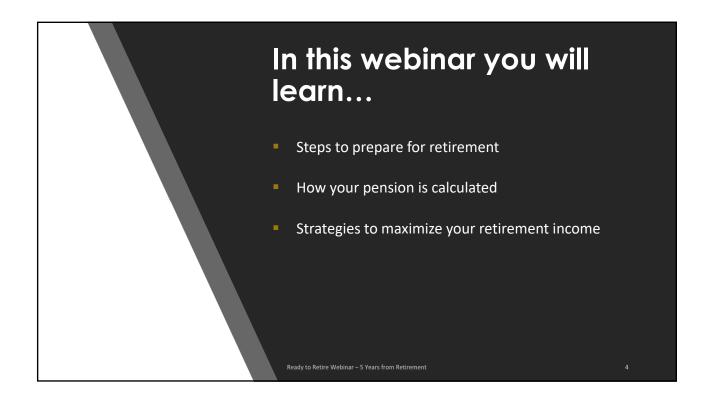Working today for a secure tomorrow... Discover the benefits of SFERS
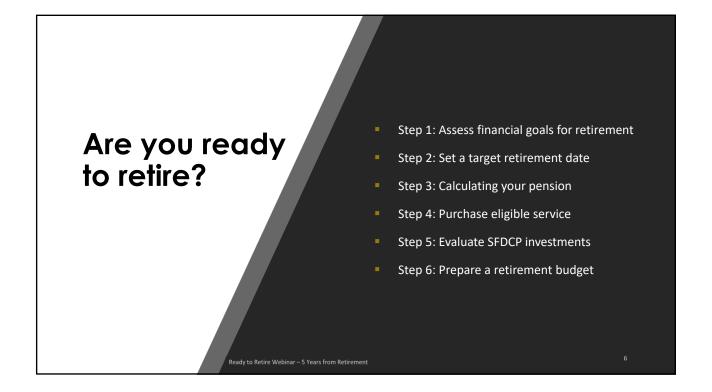

SFERS Disclaimer

The San Francisco City and County Employees' Retirement System (SFERS), provides this presentation as a service to its members. It is intended for general information purposes only. The information provided is not intended to serve as legal advice. You should consult an attorney knowledgeable in retirement law matters for legal advice.

SFERS is governed by the San Francisco Charter and Administrative Code, as well as the Internal Revenue Code, and various rules and regulations, all of which are complex and subject to change. In the event of any conflict between those governing authorities and the information provided in this presentation, the governing authorities have precedence.

Your **MICROPHONE** is muted by default while the webinar is in progress

Please use the "Chat" function to submit **QUESTIONS**. We will answer them at the end.

In this webinar you will learn...

- Steps to prepare for retirement

- How your pension is calculated

- Strategies to maximize your retirement income

SFERS Retirement Roadmap
From Enrollment Through Retirement

Are you ready to retire?

- Step 1: Assess financial goals for retirement
- Step 2: Set a target retirement date
- Step 3: Calculating your pension
- Step 4: Purchase eligible service
- Step 5: Evaluate SFDCP investments
- Step 6: Prepare a retirement budget

Step 1: Assess Your Financial Goals

Can you afford to retire?

- Sufficient Income to support your desired lifestyle after retirement

- Target retirement income to equal 80% of your gross working income

- Use the SFERS calculator in the member portal to estimate your benefit as a guide

- Save 2 - 3 months or more of living expenses

Step 2: Set a Target Retirement Date

Your Pension is based on your age and years of service

- Your pension grows as you work more years and age

- Working longer can give you more time to accumulate retirement income

- Your target retirement date should reflect the date on which you believe you will reach your financial goals

- Your retirement date is the first day you are no longer on the payroll

Step 3: Calculating Your Pension

SFERS Pension Formula

Service Retirement Benefit Calculation:

Credited Service

X

Age Factor (see SPP)

X

Average Monthly Final Pensionable Compensation

=

Monthly Service Retirement Benefit

Step 3: Calculating Your Pension cont'd

Example of Service Retirement Benefit

- Total Credited Service   22.868 yrs.

- Retirement Age   61.25 yrs.

- Age factor (see summary of plan provisions)   2.225%

- Average Monthly Final Pensionable Compensation $5,500

- Account balance $150,000

Step 3: Calculating Your Pension cont'd

Example of Service Retirement Benefit

Step 1: Calculation of Percentage of Average Final Pensionable Compensation

Credited Service X Age Factor = Benefit Percentage

22.868 yrs. X **2.225%** = **50.881%**

Note: Maximum percentage of average final pensionable compensation cannot exceed 75%

Step 3: Calculating Your Pension cont'd

Example of Service Retirement Benefit

Step 2: Calculation of Monthly Service Retirement Benefit

Monthly Benefit =

Benefit Percentage X Average Monthly Final Pensionable Compensation

= **50.881%** X **$5,500.00**

= **$2,798.46**

Step 4: Purchase Eligible Service

Purchasing service can increase your benefit

- Service is the credit you earn towards qualifying for retirement

- You earn one year of service for every 1740 hours worked and paid in a fiscal year (approximately 10 months)

- Maximum one year of credited service **per fiscal year** (not calculated annually on your anniversary date)

- You can purchase service any time prior to retirement

- Payroll deduction, rollover from another qualified plan, or lump sum (depends on type of service being purchased)

- Service eligible for purchase is listed in your mySFERS member portal account

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Step 4: Purchase Eligible Service cont'd

Service Purchases

- **Prior Service**
  - Eligible San Francisco City service in a temporary/provisional position before SFERS membership
- **Redeposit of previously withdrawn SFERS contributions**
- **Unpaid Parental Leave Prior to July 1, 2003**
- **Qualifying time as a P103 Per Diem Nurse** (up to 3 years)

- **Public Service**
  - service as a member of a California public defined benefit plan
  - service as a member of a Federal defined benefit plan, civilian and military
- **Union Representative Service**
- **Military Service**
  - while a member of the retirement plan or,
  - while you are on a San Francisco Civil Service list and reached for certification for a permanent appointment.

Step 4: Purchase Eligible Service cont'd

Non-Service Purchases

- **Gilmore Debt:** community property payments to ex-spouse

- **Account Shortage:** reduced contributions

- Forms to **purchase additional qualifying service** are available on the SFERS website
  - Log in to mySFERS member portal and select the "Service Purchase" tab

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Step 4: Purchase Eligible Service cont'd

Example of Service Retirement Benefit with Purchased Service

Total Credited Service (including 1.500 years of purchased prior service)	24.368 yrs.
Retirement Age	61.25 yrs.
Age factor (see summary of plan provisions)	2.225%
Average Monthly Final Pensionable Compensation	$5,500
Account balance including prior service contributions & interest	$158,000

Step 4: Purchase Eligible Service cont'd

Example of Service Retirement Benefit with Purchased Service

Step 1: Calculation of Percentage of average Final Pensionable Compensation

Credited Service X Age Factor = Benefit Percentage
24.368 yrs. X **2.225%** = **54.219 %**

Note: Maximum percentage of average final pensionable compensation cannot exceed 75%

Step 4: Purchase Eligible Service cont'd

Example of Service Retirement Benefit with Purchased Service

Step 2: Calculation of Monthly Service Retirement Benefit

Monthly Benefit =

Benefit Percentage X Average Monthly Final Pensionable Compensation

= **54.219%** X **$5,500.00**

= **$2,982.05** (an increase of $183.59 per month)

Step 5: Evaluate SFDCP Investments

An opportunity to complement your pension income

- Acquire additional retirement savings with voluntary contributions.

- Take advantage of available resources and tools to estimate and track potential retirement income.

- Adjust your investments as your near retirement (schedule an appointment with an SFDCP Retirement Counselor for assistance).

- Not participating? Visit www.sfdcp.org to enroll online.

Step 6: Prepare a Retirement Budget

Position Yourself to Meet Your Retirement Financial Goals

- Estimate your total retirement income (pension, savings, social security, etc.)

- Estimate your expected expenses in retirement (housing, health care, etc.)

- Save 2 – 3 months or more of living expenses

- Create a plan to reduce expenses as you near retirement

- Consult a financial advisor for assistance

Recap

2 to 5 Years from Retirement:

- Assess your retirement financial goals

- Set a target retirement date based on when you expect to reach your retirement financial goals

- Understand how to calculate your pension

- Purchase eligible service and/or repay an account shortage or debt to increase your retirement benefit

- Evaluate and adjust your SFDCP account investments to complement your pension income

- Create a retirement budget, reduce expenses, and increase savings as you near retirement

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Visit our Website at mysfers.org!

Log in to mySFERS secure member portal:

- Benefits estimate calculator
- Annual Statement
- Beneficiary Dashboard
- Account balance verification
- Online appointment scheduler

  Other useful resources:

  - Webinar schedules and registration
  - Summary Plan Provisions
  - Announcements, News, and Updates
  - Forms and frequently asked questions
  - Annual reports on fund performance