



## SFERS Disclaimer

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

## In this webinar we will discuss...

- Calculating Your Final Benefit
- Direct Deposit
- Taxes
- Work after Retirement
- COLAs
- Beneficiary Designation and Qualified Survivors

## SFERS Retirement Roadmap From Enrollment Through Retirement



### Step 1: Welcome to SFERS!

- Look for an invitation from SFERS (email or mail) to enroll in the Plan as a New Member
- Log into mySFERS to complete enrollment
- Join the SFDCP
- Attend the SFERS New Member Webinar
- Evaluate Service Purchase Opportunities

Step 1

### Step 2: 5 to 15 Years After Enrollment

- Eligible to Elect Vesting Upon Termination of Employment
- Set a Target Retirement Date
- Re-evaluate Service Purchase Opportunities and Establish a Service Purchase Agreement (if not done)
- Review/Update Beneficiaries
- Attend Webinars: Path to Retirement; Ready to Retire-5 Years from Retirement
- Evaluate Investments in SFDCP Account
- Calculate a Benefit Estimate (mySFERS Benefit Calculators)

Step 2

### Step 3: 2 to 5 Years Before Retirement

- Attend Webinars: The SFDCP; Ready to Retire-1 Year from Retirement
- Adjust Investments in Your SFDCP Account
- Assess Your Target Retirement Date
- Reduce Expenses
- Calculate a Benefit Estimate (mySFERS Benefit Calculators)

Step 3

### Step 4: 6 Months Before Retirement

- Schedule a Retirement Counseling Appointment
- Attend Webinars: Ready to Retire-The Retirement Application; Ready to Retire-After Retirement
- Gather Important Documents (see Important Documents Form on the SFERS Website)
- Complete your retirement application with a Retirement Counselor
- Update your work email address and cell phone number to personal in the portal
- Notify Reciprocal Systems (if applicable)
- Meet with a SFDCP Representative
- Consult Your Financial Planning and/or Tax Advisor
- Contact the Health Service System

Step 4

### Step 5: Retirement

- Retire from the City and County of San Francisco. Congratulations!
- First Benefit Payment: 1-2 Months After Retirement

Step 5

# 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**

# Calculating Your Pension

## Your Final Benefit Calculation

- At your retirement appointment, SFERS will calculate an estimate of your final benefit.
- The final calculation of your benefit will be based on payroll data available to SFERS after you have been paid your last pay period earnings
- Adjustment of your initial benefit amount may be possible **after** retirement to include earnings not included in the original calculation, (e.g., retro)

# Your Monthly Benefit Payment

## Your First Benefit Payment

- If you do not sign up for direct deposit, your first benefit payment will be a physical check mailed to your home address until direct deposit is set up
- Your first check is issued approximately 30-45 days after the latter of:
  - Your retirement date, *or*
  - Receipt date of last paycheck (payday), *or*
  - Your retirement application date
- You may establish direct deposit for future monthly pension payments (see SFERS website for the Electronic Funds Transfer (EFT) Form)

# Your Monthly Benefit Payment

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## Set up direct deposit

- You may set up direct deposit to:
  - a U.S. checking or savings account
  - a foreign account (via wire transfer and the member is responsible for any associated bank fees)

# Taxes

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## Federal and State Withholding

- Your retirement benefit is subject to federal and state income taxes
- SFERS does not withhold taxes for states other than California. If you move out of California, submit a new tax withholding form to SFERS to stop the California deduction
- It is helpful if you know your current (working) withholding amount before completing your retirement application.
- You can change withholding at any time by the 10<sup>th</sup> of the month to be effective the current month (download forms from the SFERS website).
- You will receive a 1099-R Form (not a W2) each January showing benefits paid to you in the prior year (forms are mailed and available in the mySFERS secure member portal)
- W2s are issued for active employment. Contact your Department Personnel Officer for a copy of your W2

# Work After Retirement

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## You can work while retired

- You may return to work for any employer **other than the City or a member employer** without affecting your benefits.
- If you return to work for the City or a member employer after retirement, you may only **work up to a maximum of 960 hours (120 days) in any fiscal year** before your benefits are affected
- If you retire under age 62 there must be a gap of 60 days between your retirement date and return to work date
- Certain restrictions apply to Disability retirees
- Retired Teachers: Earnings limit same as STRS limits

# COLAs

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## Cost of Living Adjustments

- A COLA is paid to help your pension income keep pace with inflation
- The Basic COLA may be payable each July 1
  - Your first day of retirement must be on or before July 1
- The Basic COLA may be 0%,  $\pm 1\%$  or  $\pm 2\%$  of your June 30 pension amount
- A Supplemental COLA may also be payable
- COLAs are announced on the SFERS website each year

# Beneficiary Designation

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## What is a Beneficiary?

- An entity to receive a lump sum benefit up to a maximum of \$3,000, upon your death
  - any person(s)
  - a special needs trust
  - your trust
  - your estate
- During your retirement appointment, you will designate a beneficiary to receive the lump sum benefit
- You can change the lump sum beneficiary at any time in the member portal
- Make sure to keep your beneficiary information up-to-date

# Qualified Survivor

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## Plan Members in Charter Sec. A8.587, A8.600 & A8.603:

- Once you retire, your qualified survivor is eligible for a monthly allowance upon your death
  - **Spouse or Eligible Domestic Partner** - if spouse/domestic partner on your date of death and was married/registered domestic partnership for one full year immediately prior to your **retirement date**
  - If no spouse/eligible domestic partner, then **Unmarried Child** (or children) under age 18
- Your qualified survivor receives the benefit for as long as they remain qualified

# Recap

## After Retirement:

- You will receive your first benefit check within 30 – 45 days
- You can have your monthly benefit deposited directly into your bank account
- Your retirement benefit is subject to federal and state income taxes
- You can work while retired
- You may receive a COLA on July 1 of each year
- Know your designated beneficiary and qualified survivor
- You can change your tax withholding and designated beneficiary

# Visit our Website at mysfers.org!

## Log in to mySFERS secure member portal:

\*Use your same login credentials to access mySFERS as a retiree, 2 pay cycles after your 1<sup>st</sup> benefit payment. Remember to update your work email to your personal email before you retire.

- Update your address
- Print a duplicate 1099-R Form
- View and print a pension verification letter
- View and print your monthly advice notice (if you have direct deposit)
- Opt out of mailed advice notices
- Manage your beneficiary(ies)

## Other useful resources:

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

