



## 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.

# 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



### 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

# Are you ready to retire?

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

## Step 1: Assess Your Financial Goals

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### 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 calculators 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 Benefit 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:

$$\begin{array}{r}
 \text{Credited Service} \\
 \times \\
 \text{Age Factor (see SPP)} \\
 \times \\
 \text{Average Monthly Final Pensionable Compensation} \\
 = \\
 \text{Monthly Service Retirement Benefit}
 \end{array}$$

## 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

$$22.868 \text{ yrs.} \times 2.225\% = 50.881\%$$

**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

## 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

## 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

$$\text{Credited Service} \times \text{Age Factor} = \text{Benefit Percentage}$$

$$24.368 \text{ yrs.} \times 2.225\% = 54.219\%$$

**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 SFERS benefit

- 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](http://www.sfdcp.org) to enroll online.

## Step 6: Prepare a Retirement Budget

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### 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

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### 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 pension
- Evaluate and adjust your SFDCP account investments to complement your pension
- Create a retirement budget, reduce expenses, and increase savings as you near retirement

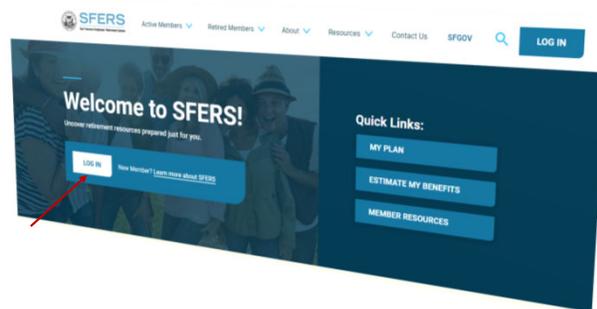
## Visit our Website at mysfers.org!

### 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



## How to Reach Us

Email: [sfersconnect@sfgov.org](mailto:sfersconnect@sfgov.org)

Main Phone: 415-487-7000

Member portal log in assistance: (628) 652-5000