SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

FREQUENTLY ASKED QUESTIONS

QUESTION AREAS

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Exempt & Temporary Employees

Beneficiaries

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This FAQ document is a guide to be used in conjunction with the Seattle Municipal Code, Section 4.36 – Retirement and the SCERS' Handbook. The actual rules governing your benefits are contained in Seattle Municipal Code. The FAQs and the handbook are summaries, written in less legalistic terms. They are not complete descriptions of the law. If there are any conflicts between what is written in this FAQ and what is contained in the code, the applicable code will govern. .

If you have a question that is not discussed in this document you can contact the retirement office by email at retirecity@seattle.gov or by phone at (206) 386-1292.

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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:	Nick Licata
City Finance Director:	Glen Lee
City Personnel Director:	Susan Coskey
Elected Member (current employee)	Jean Becker
Elected Member (current employee)	Sherri Crawford
Elected Member (current retiree)	Lou Walters
Appointed Member	Robert Harvey

The Plan and its investments are managed by the Executive Director with a staff of 18.

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 2014 are scheduled at 9:00 a.m. on the second Thursday of every month in the Board Room in the Retirement Office. 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. The meeting schedule and Adopted Board minutes are also posted on line at http://www.seattle.gov/retirement/minutes.htm.

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. Individual speakers are limited to 2 minutes.

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. In most cases this benefit is 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. ***Who is eligible to become a member and when will my membership in the Retirement Plan start?***

   You will become a member of the Retirement System on the date you become an employee with the City of Seattle unless you are in a temporary assignment or exempt position (for more information see the Exempt and Temporary Employees section on page 9). 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.

   The term "employee" means all officers and employees of the City and of the Seattle Public Library. The term does not include an officer or employee of a City contractor, whether or not the contractor is providing mandatory or discretionary governmental services, and whether or not the contractor is a for-profit or non-profit entity.

3. ***As a contractor, I have worked in various assignments for the City during the last 9 years. Am I eligible to become a member in the Seattle City Employees' Retirement System?***

   No. In April 2012, City Council passed an ordinance to clarify eligibility for membership consistent with past practice and past interpretation. In accordance with this legislation, City contractors are specifically excluded from membership in the Seattle City Employees' Retirement System.

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

   Your contribution rate in 2014 is 10.03% of your salary. 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 dates that the contribution rate has been changed:

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%		

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

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. Recent contribution levels are as follows:

2011: 10.03%
2012: 11.01%
2013: 12.89%
2014: 14.31%

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

The Retirement Office will send your Statement of Accounts to your address of record each year in in the first quarter. If you do not receive a statement by the end of March, 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.

7. *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 your 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.

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

The Retirement Board voted in 2011to set the interest annually with a view toward the market returns of other low-risk or risk-free investments. The table below shows interest rates for contributions made before and after December 31, 2011:

Year	Contributions Received on or before December 31, 2011	Contributions Received after December 31, 2011
2011 and before	5.75%	N/A
2012	5.75%	4.47%
2013	5.75%	3.33%
2014	5.75%	2.91%

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

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. (For more information on dual membership, see the Portability section on page 28).

If you separated from City employment more than 24 months prior to January 3, 2012, were not vested (earned 5 years of credited service) and did not establish dual membership, any accumulated contributions remaining in your SCERS account stopped earning interest as of January 3, 2012.

9. ***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?***

No. The annual statement displays your total balance as of the beginning of the statement year, total contributions you made during the statement year, total interest earned during the statement year, and your total balance at the end of the statement year.

10. ***What happens if the last pay period of the year is split?***

The interest rate that is applied is based on the first full pay period in the new year. That means if the final pay period of the year is split and the pay period end date is in the new year, the interest rate in effect the previous year will apply to the contributions made in that pay period.

11. ***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 <u>and</u> re-deposit your funds. You will not be eligible to receive the interest rate in effect prior to your original separation date.

12. ***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. If you participate in the City's Deferred Compensation Program, there are provisions for borrowing against your account in that program.

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

Generally, whether you can retire when your employment is terminated depends on how much service credit in the retirement system you have accrued and your age. As with any retirement application, it is subject to Board approval. 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 (see the Portability section on page 28 for more information), you may choose to:

- 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.
- "Vest" your funds, meaning you leave your funds in the Retirement System until you are eligible for retirement.
- Retire if you meet the age and service credit eligibility criteria for retirement.

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 should withdraw your contributions and accrued interest. If you do not do so, your contributions will cease earning interest 2 years from your date of separation.

In August 2012, the Retirement Board adopted a policy that prohibited payment of a retirement benefit to any SCERS member whose City employment is discontinued as the result of a felony related to or arising from their duties as an employee or officer of the City. In this context, a felony includes any offense under state or federal law for which the member has been convicted and sentenced to imprisonment in excess of one year. The Board will determine the applicability of this provision on a case-by-case basis.

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

The Seattle Municipal Code provides for 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 unless you claim portability and are able to establish dual membership (see the Portability section on page 28 for more information).

15. 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?***

   Generally, the answer is No. 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.

   If you previously were a member of the City's Retirement Plan and have contributions in the Plan when you are appointed to an "exempt" position, you do not have an option; you are required to continue your membership. The only exception to this is if you left City employment, withdrew your contributions from the plan, and were subsequently rehired in an "exempt" position. Under such circumstances, membership is optional.

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. See the Buy Backs section on page 31 for more information.

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 after having completed 1,044 hours 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 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

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.

If you join the system sometime after the initial 1,044 hour threshold, you may have the opportunity to purchase service credit for your hours worked after the threshold and before you joined the system. See the question 7 below.

6. ***If I am in a permanent position and transition to a temporary position, what happens to my SCERS membership?***

Once you are a contributing member of SCERS, your membership and deductions will continue regardless whether you change status. The one exception is if you withdraw your funds. For example, if you separated from your permanent City position and withdrew your accumulated contributions and interest in SCERS, then was rehired as a temporary, you would have the option after completing 1,044 hours of temporary service to rejoin the Retirement System and redeposit the money you withdrew plus interest. If you did not withdraw your accumulated contributions and interest when you separated from your permanent City position, then returned as a temporary, your membership would be activated automatically and contributions deducted from your pay.

7. ***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 until they have completed 1,044 hours, you cannot start earning service credit in the retirement system until 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 hour 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 the 10,440 membership threshold, no creditable service can be purchased until retirement. At that point, you will have to pay the actuarial cost which is significantly more expensive. (for more information about actuarial cost, see question #3 on page 31)

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 be 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.

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. Once your time loss has been researched, you will receive a Buyback notification letter with the number of hours you may purchase and the cost calculations. 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, through payroll deduction, or by a rollover from deferred comp or other eligible IRA. If you use payroll deduction, interest will be charged and you will have up to 10 years to purchase 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. See the Buy Backs section on page 31 for more information.

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?

If you have a spouse, you *must* designate your spouse as your beneficiary, unless your spouse is willing to sign a waiver of rights. If you do not have a spouse, you may designate anyone you wish, including your estate or favorite charity as your beneficiary. 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***. If you are married and you select Retirement Option A, B, or C, you may only designate someone other than your spouse anyone as your beneficiary if your spouse consents on your Retirement Application.

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), submit the original to SCERS' office. Note that if you choose option D or E, your beneficiary cannot be changed (see question #2 above).

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 is 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 is 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?***

    In some cases. 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 dies before you and if you retired after March 24, 1997 your monthly benefit will be increased at that time to the Straight or Unmodified 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 – or a combined total of 5 full-time years with the City Retirement System and other systems with which the City has portability agreements – 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, you can request a withdrawal of your contributions and interest.

   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 determining whether you are vested. 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 *"Portability Claim"* 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?***

   If you leave your contributions and interest in the Trust, you will cease earning interest on these funds 24 months from your date of separation.

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. Also, if you have bought back time or paid for missed contributions through a personal check, this will be segregated and you will not be required to pay taxes on these funds either.

   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. Withdrawals transferred to an IRA or deferred compensation account are not subject to tax withholding at the time of withdrawal.

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?***

Yes. You may roll over all or a portion of your contributions and earned 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. 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 Form for Separating Employees".* 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 4 years, what should I do to prepare?

There is a lot to consider as you approach retirement. To help you, there is an on-line powerpoint presentation entitled "*Planning for Retirement*" available on the Retirement website. Go to http://www.seattle.gov/retirement/class.htm and scroll down to the bottom of the page. This presentation will provide you with critical information to help you evaluate your readiness for retirement and walk you through issues you might want to consider as you plan for the future. Key planning questions are explored, including: Can I afford to retire? When am I eligible to retire? What should I do in preparation for retirement? Which Retirement Option is best for me? And what are my Health Care options? If you want to be prepared for retirement, this comprehensive presentation will guide you through planning and decision-making. The "*Planning for Retirement*"presentation is designed for members 4-7 years from Retirement to gain an understanding of what they need to be thinking about and how to prepare.

Once you are within 3 years of retirement, you should sign up for the three-part training series sponsored by the Seattle City Employees' Retirement Office, *"Transitioning to Retirement".* This course includes three different sessions, covering the following topics:

Financial Planning
City Retirement Benefits
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 is posted on the Retirement website under the "Retirement Seminars" tab. 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 estimated final credited service, and an estimated 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 8 weeks or more 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 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.

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

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 (up to IRS allowable limits).

*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 2014, the total *annual* amount you may transfer into your Deferred Comp Account is $17,500 if you are under 50 years of age and $23,000if 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 becomes relevant to SCERS if you are planning on selecting Option F when you retire. In such instances, your City Retirement benefit will be reduced by your full estimated Social Security benefit once you are Social Security age-eligible. For more information about Option F, see the Member Handbook.

Also, if you are 65 or over and will be purchasing health coverage through one of SCERS' Medicare Supplemental Plans then your Social Security is taken into account.

If you are planning on applying for Social Security at the same time you retire from the City, you can contact the Social Security Administration directly. Social Security's toll-free phone number for general information is (800) 772-1213 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. **In order to ensure your eligibility to purchase medical coverage through the Retirement Office, your separation date must be the day before your retirement date**.

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?

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. This means you must no longer be working and you must have received your final paycheck as well as your vacation cash out check (if applicable). SCERS doesn't notify your department *until the first of the month in which a retirement check is scheduled to be issued to you*.

10. 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*".

Calculating Retirement Benefits

1. How are Retirement Benefits calculated?

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

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

The Yearly Factor in the first method is determined by your age at retirement and your service credit. If the sum of your age and service credit is greater than 80 or if you are over 65, your Yearly Factor is 2%. The table below shows

Yearly Factors used in the Service Retirement Formula

Years of Retirement Service Credit	AGE															Years of Retirement Service Credit
	Any	52	53	54	55	56	57	58	59	60	61	62	63	64	65	
30	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	30
29		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	29
28		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	28
27		1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	27
26		1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	26
25		1.7	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	25
24		1.6	1.7	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	24
23		1.5	1.6	1.7	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	23
22		1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	22
21		1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	21
20		1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	20
19							1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	19
18							1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	18
17							1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	17
16							1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	16
15							1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	15
14							1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	14
13							1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	13
12		Not Eligible To Retire					1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	12
11							1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	11
10							1.52	1.58	1.64	1.7	1.76	1.82	1.88	1.94	2.0	10
9												1.82	1.88	1.94	2.0	9
8												1.82	1.88	1.94	2.0	8
7												1.82	1.88	1.94	2.0	7
6												1.82	1.88	1.94	2.0	6
5												1.82	1.88	1.94	2.0	5

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 interest credited to your employee 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. The prorata rate of interest is applied weekly.

In 2011, the Retirement Board and City Council voted to set the interest annually with a view toward the market returns of other low-risk or risk-free investments. The table below shows interest rates for contributions made before and after December 31, 2011:

Year	Contributions Received on or before December 31, 2011	Contributions Received after December 31, 2011
2011 and before	5.75%	N/A
2012	5.75%	4.47%
2013	5.75%	3.33%
2014	5.75%	2.91%

All employee contributions made on or after January 1, 2012 are subject to the new variable interest rate set annually by the Board. That is, there will be two interest rates in effect in any year.
If you purchase time lost through an eligible buyback or make a missed contribution repayment, the interest that will be applied to those contributions after they are made to SCERS will be based the credited interest in effect at the time the payment is received.

If you are currently vested, but have not been employed by the City since 12/31/2011, 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 multiplied by two 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, and plus any eligible time before your membership date which you have purchased. Any unpaid leave during your career is not counted towards retirement credit. You may, however, increase your service credit by purchasing back some periods during which you were not making contributions. For more information see the Buy Backs section on page 31.

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 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 to become a member at any time. If you delay, your hire date will be different from your membership 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 be reflected on it.

10. What is the difference between a pension and annuity?

Your retirement benefit is made up of two parts. Your annuity is the portion of your benefit that is funded by your contributions plus interest. Your pension is the remainder of your benefit. Your pension is funded by City contributions to the fund and by investment earnings above what is needed to pay for interest on contributions.

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 Option G and/or Option F must be combined with the Straight (unmodified)Benefit or one of the Standard Options (A-E). 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. <u>All the options below result in a benefit that is reduced from the Straight Benefit.</u>		
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.	-After you die, your beneficiary receives the remaining portion of *your* employee contributions, 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 beneficiary receives the remaining portion of *your* employee contributions as an 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 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	- 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.

OPTIONS	KEY DECISION-MAKING FACTORS	
	PROS	**CONS**
	your beneficiary will be equivalent to the amount you were receiving. -You may designate more than one beneficiary.	-If you die after 5 years of retirement and before your 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. Longer guarantees result in lower monthly benefits.		
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 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, 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 an inflated monthly benefit from the date you retire until you reach *your "full Social Security Retirement age".* This inflated monthly benefit will be equal to the combined amount of your monthly City retirement pension and the adjusted, projected monthly Social Security benefit. The projected Social Security benefit assumes you work full-time until your full Social Security age. This estimate is reduced by an adjustment factor based on the number of years between your City retirement date and the date you reach full Social Security retirement age; once adjusted, it is combined with the City Retirement portion of your monthly benefit to give you the inflated benefit you will receive until you reach your full Social Security retirement age. The younger you retire from the City, the more your "projected" Social Security benefit will be reduced.	-This option must be selected in combination with one of the standard options (Straight Benefit or Option A-E). - When you reach your full Social Security retirement age, your monthly City benefit will be reduced by the ***full*** amount of your Social Security estimate (not the reduced amount). The inflated benefit will be adjusted , *regardless of when you actually start collecting your Social Security Benefits*. - This option is not available if your age at retirement from the City is greater than or equal to your Social Security Retirement age.
This option focuses on providing a level income throughout your retirement lifetime. It provides an inflated 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.

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 combining certain retirement benefits between eligible organizations.

Benefits under portability include combining time worked under both retirement systems to *qualify* for retirement and to *determine* the salary factors used by each respective system. This means the number of years you worked in each system is 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*.

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.

Under portability, creditable service may accrue in only one participating system at a time. This means if you are working for the City of Seattle while you are also working part-time in the evening for the State, you cannot be earning retirement service credit in both systems.

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?***

   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.

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 service credit 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. For more information, see the Impact of Life Changes section on page 38.

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 will be calculated at a higher rate. Please check with the Retirement 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 or more to document your eligible 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
- Unpaid Leave of Absence for Medical Reasons

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 highest 24 consecutive months of pay. 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 the formulas for 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 that you previously withdrew with interest. 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 assumes, 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?***

It depends on the type of loss service credit. There are specific provisions associated with each type of time loss that dictates when you can buyback time. If you miss the period of time specified, in most instances, you will have another opportunity to purchase the time and increase your service credit at retirement. However, it will be more costly at retirement.

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. You have ***2 years*** from your date of rehire to redeposit an amount up to what was previously withdrawn, plus compound interest at the assumed rate of investment return (currently 7.75% per year). If you enter a purchase contract (payroll deductions) with the Retirement System during this 2 year period, you have up to a 10 year period for repayment. However, you are charged a financing interest rate equivalent to the assumed rate of investment return (currently 7.75% per year) at the time the purchase contract is initiated.

  If you do not make a redeposit or enter into a purchase contract within two years, you may still recover lost creditable service time up until the time you retire. However, this will be at a higher rate. In such instances, you may redeposit the whole or portion of the amount withdrawn plus compound interest using either the *actual* investment return or the *assumed* rate of investment return – whichever is higher – in each of the years in which the interest is being calculated. For example, suppose you want to recover creditable service associated with a withdrawal you made in2005 In 2006 the actual rate of return of the fund was 13.90%, so the interest charged for this year will be 13.90%. In 2007, however, the actual return rate was 7.30%, which is lower than the current assumed actuarial rate of return of 7.75% per year, so the interest charge on the redeposit amount for 2007 will be 7.75%

- 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. During this 2-year period, you may redeposit an amount up to what you previously withdrew, plus compound interest at the assumed rate of investment return (currently 7.75% per year). If you enter a purchase contract (payroll deductions) with the Retirement System during this 2-year period, you may have up to a 10-year period for repayment. However, you are charged a financing interest rate equivalent to the assumed rate of investment return (currently 7.75% per year) at the time the purchase contract is initiated.

  If you do not make the portability redeposit within 2 years of rehire, you may still recover lost creditable service time up until the time you retire. However it will be calculated at a higher rate and therefore, be more expensive, as described for a regular redeposit in the section above.

- 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.

To recover creditable service for prior temporary city service, you must not have a "break in service". The definition of "break in service" is contingent on your last assignment. If your last temporary assignment was in a represented title, then your "break in service" occurs 12 months from the end of your last assignment. If your last temporary assignment was in a non-represented title, your "break in service" occurs one full calendar year from the end of your last assignment. Hours worked before a break in service are not eligible for purchase.

If you purchase prior temporary City service within 6-months of becoming a member, you will pay the amount that would have been deducted from your paycheck, had you become a member when first eligible, plus interest at the assumed rate of investment return compounded annually. If you prefer to purchase your prior temporary service through payroll deductions, you must initiate a Deposit Contract within this 6-month period. In such instances, you will be charged a financing interest rate equivalent to the assumed rate of investment return (currently 7.75% per year) during the purchase period.

If you wait and decide to purchase prior temporary service at retirement, the applied interest is at the actuarial cost.

- Initial Six Months of Employment: This is only available to those employees who were hired between 1988 and 1998 and were required to wait 6 months before becoming eligible to become a member of the Retirement System. You may purchase this service credit when you retire or resign by paying in one lump sum the actuarial present value of the resulting increase in your benefit. (SMC4.36.191)
- 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 when you retire or resign from City service by paying in one lump sum the actuarial present value of the resulting increase in your benefits.
- 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 by paying in one lump sum the actuarial present value of the resulting increase in your benefit.

If you served on active duty before being 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. This buyback is calculated at *the act*uarial cost and payable in one lump sum when you retire or resign.

- Family Medical Leave: You may purchase lost service credit for periods during which you were on Family Medical Leave, approved by your Department based on Health Care Certification submitted at the time. This service credit may be purchased *at any time*. The cost is calculated based on your pay rate at the time of your leave and interest is applied at the assumed rate of investment return (currently 7.75% per year). You may purchase this in one lump sum or enter into a purchase contract (payroll deductions). If you pay by payroll deductions, you will be charged an additional financing interest fee equal to the current assumed rate of investment return.
- Industrial Injury Time: You may purchase lost service credit for periods during which you had time loss due to an industrial injury and you were receiving workers' compensation. Retirement deductions on the portion of your compensation paid by the City will continue during your leave. However, on the portion paid by the State, no retirement deductions are taken. Therefore, you may purchase the State-paid time loss *at any time*. The cost is calculated based on your pay rate at the time of your leave and interest is applied at the assumed rate of investment return (currently 7.75%). You may purchase this in one lump sum or enter into a purchase contract (payroll deductions). If you pay by payroll deductions, you will be charged an additional 7.75% financing interest fee.
- Unpaid Leave of Absence for a Documented Medical Reason: You may purchase lost service credit during periods in which you were approved for an unpaid Leave of Absence (also called Personal Leave) for a documented medical reason. Departmental approval must be based on a Health Care Certification submitted at the time. This service credit may be purchased *at any time*. The cost is calculated based on your pay rate at the time of your leave and interest is applied at the assumed rate of investment return (currently 7.75%). You may purchase this in one lump sum or enter into a purchase contract (payroll deductions). If you pay by payroll deductions, you will be charged an additional 7.75% financing interest fee.

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.

You are 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

11. 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.

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

You should check with the State Unemployment Office.

13. 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 next section, *"Impact of Life Changes"* of the FAQ to review the limitations.

14. 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?

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 are not reinstated, your separation from the system will be finalized. At this point, if you have not withdrawn your accumulated contributions plus interest, you will only continue to earn interest for an additional 24 months.

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 plus interest in order for your previous service to be credited towards your retirement benefits.

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

To help you weigh your options, you may want to request an Estimate (this takes at least 6 to 8 weeks to prepare). The Estimate will help you assess the benefits you would 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. If you decide you want to proceed with retiring in-lieu-of layoff, you should contact the Retirement Office as soon as possible. Also, see the Preparing to Retire section on page 16.

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 Transition Session*. When you call, be sure to let the scheduler know whether you have requested and received a "*Estimate"* in the previous 12 months. If you haven't, ask the scheduler to complete a *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 and sign during a Retirement Transition Session 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.

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. Alternatively, the Retirement Office launched its new Retiree Self-Service in August 2012, and you may make certain changes such as your home address on-line through your secure, personal retirement account. Self service can be accessed from the main Retirement Office web page http://www.seattle.gov/retirement/. Be sure to include a home email address in your account information so the system can verify any changes or entries you make through self-service.

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; or changing it in your Retiree Self Service account.

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 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 D or E or a combination of Option D/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 comply 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 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 reduced monthly payment.

The specific outcome in the above scenarios is subject to the terms of the QDRO. 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.

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 him or 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.

15. I retired 6 months ago, but have been offered a temporary job with the City. Will my working for the City again impact my retirement benefits? Will I have to pay retirement contributions again?

In the event you retire and at some later point have the opportunity to return to City service, there are specific guidelines about which you should be aware. If you return as a temporary, there will be no impact on your pension and annuity retirement benefit *as long as you do not exceed 1,040 hours of work in any calendar year*. However, if you exceed this threshold, your benefits will be reduced and, depending on the amount of your temporary salary, you might only receive the annuity portion (the portion funded by your contributions and interest) of your retirement benefit. The reduction in your pension will continue until your temporary service ends or until the end of the year, whichever comes first. If your temporary position continues into the next calendar year, you may work an additional 1,040 hours before losing, again, some or all of the pension portion of your benefit. The pension portion of your benefit is the part of your benefit funded by the City, as explained in the answer to question 11 on page 24.

If you are re-hired after retirement, you will not be required to make contributions to the retirement system. If you notice retirement deductions coming out of your paycheck, alert your HR staff immediately.

16. I retired a year ago. However, my financial circumstances have changed so I applied for and was offered a regular full-time position in my former City Department. What will happen to my retirement when I take this permanent position? Will my new retirement contributions be considered once I retire again?

You actually do not "retire again". You will not be eligible to rejoin the retirement plan and you should not have contributions deducted from your paycheck. If you notice payroll deductions coming out of your check, notify your HR staff immediately. If you are appointed to a regular full-time position after you retire, you will only receive the annuity portion (your contributions and interest) of your retirement benefit; the pension portion of your benefit will be frozen until your City service ends. Since you will also have medical coverage as a regular employee, you should contact the Retirement Office to let them know you have City of Seattle Employee Medical Coverage in order to suspend your self-paid medical coverage through a Retirement Office plan.

When you separate from City employment again, be sure to notify the Retirement Office. At that point, your full retirement benefit (both annuity and pension) will resume with the same retirement option you originally selected as will your self-paid medical coverage.

17. If I return to permanent City employment after I retire, can I 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.

Permanent & Temporary Disability Retirement

1. What are the requirements to be eligible to apply for permanent disability retirement?

A key requirement for receiving permanent 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 Isn't there a pre-existing condition provision in the Municipal Code that would disqualify a person from receiving disability retirement if their condition was connected to an illness or disability existing prior to entering City service?

There used to be a pre-existing condition provision. However, the Board of Administration recommended and City Council approved changes in this provision. Effective June 29, 2012, the pre-existing condition provision was eliminated from the Code. This means that any member applying for a disability retirement after June 29, 2012, whose disability is connected to an illness or disability existing prior to entering City service, cannot be denied a disability retirement on that basis.

3. 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 Transition Session.* 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 indicate you have a disabling on-the-job injury, you must sign your name on the line provided. Your signature authorizes the Retirement Office to obtain copies of your records from the City's Workers Compensation.
  - If you indicate that your disability is not from an on-the-job injury, you must describe the condition(s) that are disabling you.
- If you checked the second box, please consult with your doctor and provide the medical records that will show the complete 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, a 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 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 may 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.

4. Who decides whether I get disability retirement?

The Retirement Board makes the final and conclusive decision on a member's eligibility for permanent or temporary disability retirement. You may appeal the decision to the Board by submitting a written request to the Executive Director within 10 business days after receipt of the decision. The Board makes the final decision to grant or deny an appeal.

5. I submitted my Application for Disability Retirement along with my medical records from my primary physician. Why is the panel of doctors, that is 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.

6. ***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.

7. ***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, whether your disability involves an on-the-job injury and a workers' comp claim, 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.

8. ***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 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.

9. ***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. If you receive temporary disability, you will begin receiving your benefit after the termination of your sick leave, vacation, accumulated time, industrial insurance benefits, and other City benefits.

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

    You may appeal the decision to the Retirement Board by submitting a written request to the Executive Director within 10 business days after receipt of the 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. The Board's decision to grant or deny an application is final.

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

At a minimum, the benefit will be $140 per month. The calculation of the benefit is as follows:

- Those with 40 years or more of service credit receive 60% of the average of their highest 24 consecutive months of pay;

- Those with more than 22.2 but less than 40 years of service credit will receive:

1.5%	*	Years of Service Credit	*	Average of the highest 24 consecutive months of pay

- All others will receive the lesser of:

One-third of the average of the highest 24 consecutive months of pay; <u>and</u>

1.5%	*	Years of Service Credit together with years between retirement and age 62	*	Average of the highest 24 consecutive months of pay

12. 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, 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.

13. 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.

14. 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.

15. I am a 58-year-old disability retiree 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. (Your annuity is the portion of your benefit that is funded by your contributions and interest.) You will also receive credit for prior service in the same manner as if you had never been retired for a disability.

16. 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?

It depends on your age and the number of years of City service you have worked. You must be under age 65 and have at least 10 years of City service over a period not to exceed 15 years. If you meet this criterion, then you may submit an application for temporary disability retirement. The process mirrors that for permanent disability retirement. Whether your disability is permanent or temporary will be based on the medical assessment provided to the Disability Committee by the panel of doctors that reviews your medical history. If the Board's Disability Committee determines you are temporarily, 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. Based on the recommendation of the medical panel, the Disability Committee may set a date for a review of your condition by the medical panel. If you are subsequently assessed to no longer be disabled, your temporary 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 Disability Committee 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.

17. 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.

18. I have received a permanent disability retirement. Will my 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. 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

The City-sponsored plan descriptions and comparisons are available on the website: http://www.seattle.gov/retirement/medical_info.htm.

Note: Retirees, particularly those eligible for Medicare, are encouraged to consider securing medical and dental insurance on their own, independently of the insurance available through the City of Seattle. Independent plans might be more suitable. However, retirees should be certain that such plans are appropriate for them, as they will not be able to return to a City of Seattle plan once they have switched to an independent, non-group plan.

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, dental, and/or vision coverage when you have your retirement transition session 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, dental or vision 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 the retirement office.

   However, if you retired from the City on or before November 30, 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 or vision coverage under the City's retiree health plans since I will be covered under my wife's medical coverage. When she decides to retire, will we be 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. ***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 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.

5. ***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. Coverage is usually limited to 18 months. 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. Under the retiree medical plans, there are premium costs for each person covered; you, your spouse and each child. Depending on the number of your eligible dependents, this can be more costly than COBRA.

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 that 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 offers include:

- Aetna
- Group Health, and
- United Health Care - Secure Horizons.

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 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.

15. 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).

16. 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.

17. 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: http://www.seattle.gov/retirement/medical_info.htm, then select either the 2014 Rate Sheet or 2014 COBRA Rates listed under "Monthly Medical Rates".

18. 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 at: http://www.seattle.gov/retirement/medical_info.htm, then select "2014 Under 65 Retiree Medical Benefit Highlights".

If you are over age 65, the City offers three Medicare Supplemental medical plans: Aetna-Medicare Plan (PPO), Group Health Clear Care HMO Plan and United Health Care Secure Horizons. 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 at: http://www.seattle.gov/retirement/medical_info.htm, then select "2014 Over 65 Retiree Benefit Highlights".

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. As explained in the note at the beginning of this section, you should investigate non-City plans too.

19. If I return to permanent City employment after I retire, can I 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.

20. If my official last day on the active payroll is in the middle of the month (e.g., October 8) and my official retirement day is October 9, 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 premiums for November will be deducted from this check.

If your last day on the payroll was October 9th and your official retirement date was October 10, 2013, you would not receive your first pension check until November 30, 2013. (It would be prorated to include compensation from October 10th 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.

21. 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.

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

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

23. 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 26th birthday is 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.

24. What factors should I consider before adding my spouse to 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.

25. 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.

26. 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.

27. 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.

28. 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 (this means you are no longer working or applying leave time, you have received your last pay check and you have received any vacation/sick leave cash out you are entitled to receive). Once separated, then the Retirement Office can add you to the Retiree payroll system and process your first pension check.

   The following schedules should help you with your planning:

   City of Seattle SCERS' Members:

Last Day on Payroll	First Pension Check
May 6, 2014	May 31, 2014
June 3, 2014	June 30, 2014
July 1, 2014	July 31, 2014
July 29, 2014	August 31, 2014
August 26, 2014	September 30, 2014
October 7, 2014	October 31, 2014
November 4, 2014	November 30, 2014
December 2, 2014	December 31, 2014

   King County SCERS' Members:

Last Day on Payroll	First Pension Check
May 9, 2014	June 30, 2014
June 6, 2014	July 31, 2014
July 4, 2014	August 31, 2014
August 1, 2014	September 30, 2014
September 12, 2014	October 31, 2014
October 10, 2014	November 30, 2014
November 7, 2014	December 31, 2014
December 5, 2014	January 31, 2015

   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/sick leave balances (which cannot be done until the following pay period). Generally, the total separation process could take 4-6 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 6-8 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. The Direct Deposit form can be accessed at http://www.seattle.gov/retirement/forms.htm. Alternatively, you can log on to Retiree Self-Service and submit your Direct Deposit information on-line.

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

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, 2013, you will receive your first pension check on December 30, 2013. 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. However, my next check was not deposited, but instead 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 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 available from the Seattle City Clerk's Online Information site (http://clerk.seattle.gov/~public/toc/table.htm). 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.

   We also launched a new series of training resources. We are now providing 3 different training opportunities.

   - ***Saving for Retirement:*** Offered as a lunch and learn workshop, this training is designed to give new employees an understanding of Seattle's pension plan and what it offers for their future.
   - ***Planning for Retirement:*** Offered as a lunch and learn workshop, this training is designed for members 4-7 years from retirement to gain an understanding of what they need to be thinking about and how to prepare to navigate through the retirement process.
   - ***Retirement Seminar:*** This is a sequence of three evening seminars designed for members who are 1-3 years from retirement and their spouses. It includes an overview of City Retirement benefits, SHIBA (the Statewide Health Insurance Benefits), Financial Planning, and Social Security

   Information about the dates and times of the above sessions can be found at http://www.seattle.gov/retirement/class.htm. Also on this page is a link to the document ***"Planning for Retirement".*** This will provide you with critical information to help you evaluate your readiness for retirement and walk you through the steps you might want to consider as you plan for the future. Key planning questions are explored, including: Can I afford to retire? When am I eligible to retire? What should I do in preparation for retirement? Which Retirement Option is best for me? And what are my Health Care options? If you want to be prepared for retirement, this comprehensive presentation will guide you through planning and decision-making.

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: 1-800-772-1213. You may also find general information on their website at www.SSA.Gov .

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