



## SFERS Disclaimer

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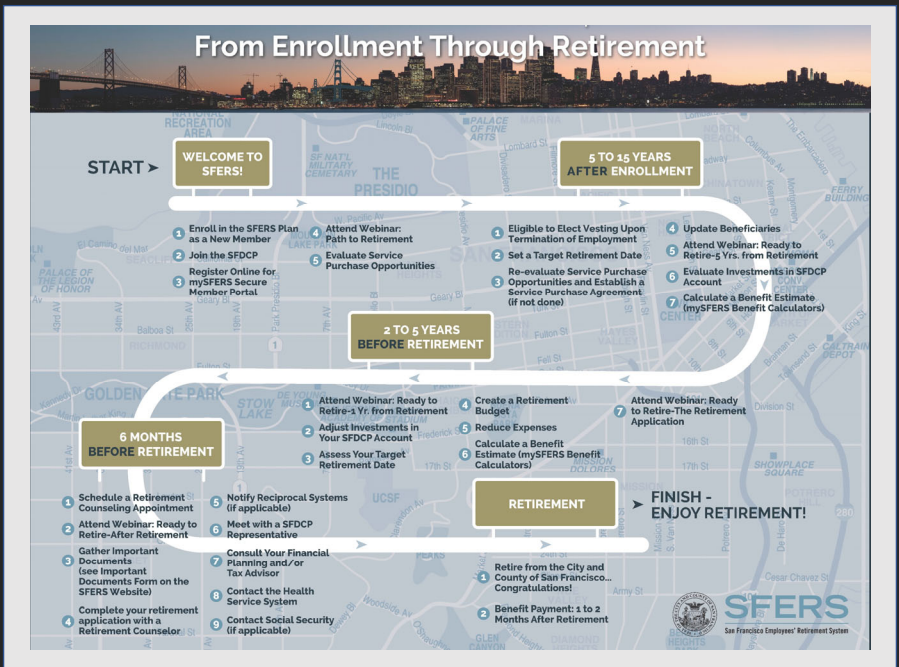
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Please use the “Chat” function to submit **QUESTIONS**. We will answer them at the end.

## In this webinar we will discuss...

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



# Calculating Your Pension

## SFERS Pension Formula



### Service Retirement Benefit Calculation:

$$\begin{aligned}
 &\text{Credited Service} \\
 &\quad \times \\
 &\text{Age Factor (see SPP)} \\
 &\quad \times \\
 &\text{Average Monthly Final Compensation} \\
 &= \\
 &\text{Monthly Service Retirement Benefit}
 \end{aligned}$$

# Calculating Your Pension

## Your Final Benefit Calculation

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

# Your Monthly Benefit Payment

## Your First Benefit Payment

- Your first benefit payment is always a physical check mailed to your home address
- Your first check is issued approximately 30-45 days after the latter of:
  - Your retirement date, *or*
  - Receipt date of last paycheck (payday), *or*
  - Your retirement application date
- You may establish direct deposit for future monthly pension payments (see SFERS website for the Electronic Funds Transfer (EFT) Form)

# Your Monthly Benefit Payment

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## Set up direct deposit

- Your first retirement check is always mailed to your home address.
- You may establish direct deposit for future monthly pension payments (visit the SFERS website to download and complete an EFT Form).
- Direct deposit is not available to banks outside the U.S.

# Taxes

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## Federal and State Withholding

- Your retirement benefit is subject to federal and state income taxes
- SFERS does not withhold taxes for states other than California. If you move out of California, submit a new tax withholding form to SFERS to stop the California deduction
- It's helpful if you know your current (working) withholding prior to completing your retirement application.
- You can change withholding at any time by the 10<sup>th</sup> of the month to be effective the current month.
- You will receive a 1099-R Form each January showing benefits paid to you in the prior year

# Work After Retirement

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## You can work while retired

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

# COLAs

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## Cost of Living Adjustments

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

# Beneficiary Designation

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## What is a Beneficiary?

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

# Qualified Survivor

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## New Plan Members (Charter Sec. A8.587, A8.600 & A8.603):

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

# Qualified Survivor

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## Old Plan Members (Charter Sec. A8.509):

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

# Recap

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## After Retirement:

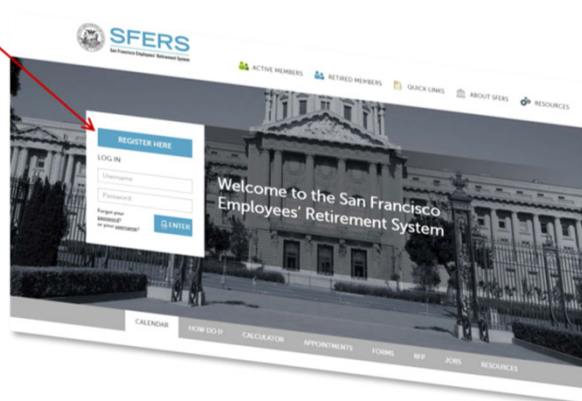
- You will receive your first benefit check within 30 – 45 days
- You can have your monthly benefit deposited directly into your bank account
- Your retirement benefit is subject to federal and state income taxes
- You can work while retired
- You may receive a COLA on July 1 of each year
- Your designated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



## Additional Resources

### mySFERS Member Portal:

- Update your address
- Print a duplicate 1099-R Form
- View and print a pension verification letter
- View and print your monthly advice notice (if you have direct deposit)



## How to Reach Us

**Email:** [sfersconnect@sfgov.org](mailto:sfersconnect@sfgov.org)  
[sfershelp@sfgov.org](mailto:sfershelp@sfgov.org) (member portal assistance)

**Main Phone:** 415-487-7000