Important tips to know from SDCERS

We are continuously evolving in our methods to best serve our members. In the past, we have sent printed (and costly) newsletters on a quarterly basis. As part of our new, comprehensive communication plan, keep an eye out for:

- Event invitation postcards
- Website featured news at www.sdcers.org
- Social media posts: Facebook, Twitter and LinkedIn
- Summer newsletter
- Annual financial reports
- Retirement seminars

Be sure to create a Member Portal account at www.sdcers.org and remember to open mail from SDCERS—we don’t send junk mail!

SDCERS Names New CEO

Gregg Rademacher has been selected to serve as SDCERS’ Chief Executive Officer, taking over for Mark Hovey, who retired after eight years at the helm of your pension system. Mr. Rademacher served for the last 20 years as an officer of the Los Angeles County Employees’ Retirement Association, including 11 years as the CEO of that pension system. With over $53 billion in assets, LACERA, as it is known, is one of the largest public employee pension systems in California.

Important Steps to Take if Considering Divorce

California is a community property state, which means that if you were married at any time while you were contributing to SDCERS and you divorce, your former spouse or domestic partner has a property interest in your benefits.

If your former spouse or partner makes a written claim to your benefits or serves SDCERS with a Joinder (a court order joining SDCERS) in your dissolution case, SDCERS will place a hold on your account and stop you from retiring, entering DROP or withdrawing contributions until SDCERS receives a Domestic Relations Order (DRO). If your former spouse or partner has an interest in your SDCERS benefit, SDCERS must receive a DRO from a California court in order to pay your former spouse or partner. If you’ve already retired, SDCERS will set aside your former spouse or partner’s estimated share of the benefit from each monthly payment.

Because a divorce can complicate your retirement, it is important that you address the division of your SDCERS benefit immediately.

There are many ways a court can divide your SDCERS benefits. The most common way to divide your monthly retirement benefit is by a service fraction, where your former spouse will generally receive 50 percent of the community property portion of your benefits. The community property portion is determined by calculating the years of service credit you have accumulated while married or in a domestic partnership and divide that by the total years of service you have obtained prior to retirement or entering DROP. For example, if you earned 10 years of service while married but worked a total of 30 years, the service fraction would be 1/3 and your former spouse would receive half of the community property benefit. So, if your retirement benefit is $50,000 per year, your former spouse’s share of the benefit would be $8,333 per year.

There are many other issues to think about when dividing your benefits. For example, who gets the continuance benefit when you die? Do you have to name your former spouse or partner for the continuance benefit? What happens if you get remarried? What about DROP monies? SDCERS recommends you seek the advice of an attorney who is trained in handling DROs.

For more information on this process, review the Community Property Handbook under the Benefits section at www.sdcers.org, contact an attorney, and provide your attorney with the handbook.
Understanding

Upon your death, your spouse, children or other named beneficiaries may be entitled to money; this is called a “death benefit.” The type of death benefit your beneficiary would receive depends primarily on whether you were still working or retired at the time of your death and if the death was caused by your work.

Death Benefits While Actively Employed

If you die while you are still working and you are not age and service eligible to retire, then your spouse or children may be entitled to an “active death benefit.” Your beneficiary will receive your retirement contributions with interest plus one month of pay for each year of service credit (not to exceed one-half of your final compensation). You can choose to have this paid in a lump sum or in monthly installments up to 120 months.

Death While Eligible To Retire

If you are still working when you die, but you are age and service eligible to retire, then your beneficiaries may receive a “death while eligible benefit.” This benefit is paid to your surviving spouse monthly for life or in a lump sum, or to your minor children until they are 18 years old for City Members, and 21 years of age for Port and Airport Members. Your spouse or minor children will receive a monthly allowance of about half of your monthly salary.

Industrial Death Benefit

If you are working and your work caused your death, then your beneficiary may be entitled to the “industrial death benefit.” This benefit is paid to your surviving spouse by lump sum or monthly for life, or to your minor children until they are 18 years old for City Members, and 21 years of age for Port and Airport Members. Your spouse or minor children will receive a monthly allowance of about half of your monthly salary.

Death While In Deferred Retirement Option Plan (DROP)

If you pass away while in DROP your beneficiar(ies) will receive your DROP account monies as well as a $2,000 death benefit. You may designate separate beneficiaries to receive the DROP account and the $2,000 death benefit. Also, depending on your retirement options, your beneficiary may be eligible for a continuance benefit.

Limited Death Benefit

If you die while you are no longer working for the plan sponsor but have not retired from SDCERS, then your beneficiar(ies) will receive a return of your contributions with interest.

Retiree Death Benefit

If you are retired and pass away, your designated beneficiary will receive a $2,000 death benefit, and any additional monies owed at that time. Additional monies owed may include 13th Check and Corbett benefits, and any unpaid retirement allowance.

Continuance Benefit

If you selected a retirement benefit option that includes a lifetime continuance benefit, when you die your designated continuance beneficiary will receive a monthly benefit for the remainder of their lifetime, per the terms of your benefit option. The continuance designation is made when you retire, is irrevocable, and cannot be changed under any circumstance.

Sending Documents to SDCERS

When emailing documents to SDCERS, please be sure to only send PDFs. For security reasons, only PDFs are accepted through our firewall.

Update Your Beneficiaries

Remember, it’s important to keep your beneficiary information current. Having accurate information will ensure your benefits are distributed according to your wishes at death. Update your beneficiaries today by using the Member Portal on the SDCERS website at www.sdcers.org.

CONTACT US

Should you have any questions, call SDCERS at (619) 525-3600 or submit a “contact us” request at www.sdcers.org

Disability Benefits

If you are currently working and your work causes you to become disabled, then you may be entitled to an industrial disability retirement. If you have at least 10 years of service credit and your disability was caused by something other than work, then you may be entitled to a non-industrial disability retirement.

If you think you qualify for a disability retirement and want to apply, you need to schedule an appointment with an SDCERS retirement counselor. The retirement counselor will assist you with the application process, but you should also seek the advice of an attorney. You may be required to undergo further medical evaluations of your incapacity before a determination can be made. Also, if there is a question, your application may go to a hearing to determine whether your application should be denied or granted. This process is completely separate from Worker’s Compensation.