How SDCERS Handled the COVID-19 Pandemic

SDCERS exists because we have members to serve, and that purpose does not go away even when there is a public health crisis. When state and local health officials implemented the stay-at-home order in late March, SDCERS was quite concerned about our members and how we would address their daily needs. It hurt our hearts to think of our members feeling worried, and we came up with many ideas to serve virtually.

The first big hurdle was figuring out how to communicate with our members and finding ways for them to communicate with us. From March 20 - May 26, SDCERS had no choice but to close our Call Center completely. In lieu of contacting us by phone, our members were encouraged to send us their inquiries via the “Contact Us” page on our website. Staff was assigned to monitor incoming submissions and to respond via email or by calling the member from their personal cell phones. In late May, we were able to bring some of our Call Center representatives back into the office on a rotating basis (after establishing appropriate social distancing protocols and taking other precautions). This allowed us to reopen the Call Center with limited operating hours.

Although the Call Center was able to close at the beginning of the quarantine, we still had hundreds of retirement counseling appointments scheduled over the next several months and, as they say, the show must go on! We did have to reschedule some appointments right in the beginning, but SDCERS staff was able to quickly and efficiently transition to remote telephonic counseling appointments such that most members who already had appointments scheduled were not significantly affected. Counseling appointments will continue to take place over the phone for the foreseeable future. If you'd like to schedule a counseling appointment, please log in to your Member Portal account and submit an electronic retirement application. Once we receive your electronic application, a staff member will contact you to schedule your appointment.

Reflecting on the many positive and appreciative comments we’ve received from members since the beginning of this crisis, SDCERS staff is proud of everything we’ve accomplished under unprecedented circumstances. While working remotely, staff has continued to ensure pension benefits are paid accurately and on time every month. We believe we adapted as quickly and efficiently as possible given the obstacles we were facing, and hope you feel the same way. Thank you to all of our members for the patience and understanding you exhibited during these confusing times.

FY 2021 Cost of Living Adjustment (“COLA”)

You received a COLA for Fiscal Year 2021 if your retirement or DROP entry date was on or before June 30, 2020. As usual, two separate COLAs were approved by SDCERS’ Board of Administration, as follows:

Members whose retirement or DROP entry date was before July 1, 2020 received a COLA increase of 2.0%, and 0.3% was added to their COLA banks (see below for more details).

The two members who are in the 1981 retirement plan received a COLA increase of 1.0%.

Per San Diego Municipal Code section 24.1505 and section 1301 of the Port and Airport Plans, the COLA is calculated every year based on the change in the cost of living between the two previous January firsts, as published by the Bureau of Labor Statistics Consumer Price Index, United States – All items. This year, the change in cost of living between January 1, 2019 and January 1, 2020 was 2.3%.

However, the maximum allowable increase in any given year is 2.0%. In years where the COLA is greater than the
maximum 2.0% (such as this year), the excess is added to a "COLA bank." A retiree’s COLA bank accumulates based on their fiscal year of retirement (or DROP entry), and each annual retiree group has its own COLA bank.

Retirees and Active DROP members can view their COLA bank history through their SDCERS Member Portal Account. Once logged in to your secure personal account, from the left menu, under Member Account Details, select “Cost of Living Adjustments (COLA).” If you have not yet registered for the Member Portal, go to www.sdcers.org and follow the instructions.

SDCERS’ 2020 Annual Membership Meeting

Like so many other events, this year’s Annual Membership Meeting will be different due to the COVID-19 pandemic. Instead of an in-person meeting, members of SDCERS leadership team (including the Board President, CEO, Deputy CEO, Chief Investment Officer, and other staff) have done a series of remote presentations for SDCERS’ members and make the recording of these combined presentations available on our website and YouTube channel. We intend to post the video on October 26th. All SDCERS members will be mailed a postcard ahead of time with additional details about the virtual meeting and how to access it.

Remote SDCERS Board & Committee Meetings

Since March, SDCERS’ Board of Administration and its Committees have been holding their meetings remotely, with Board members attending telephonically. Only SDCERS’ staff whose presence is necessary to run the meeting are allowed onsite, which means the Boardroom has been closed to the public. We anticipate Board and Committee meetings will continue to be held remotely through the end of 2020. Although the public has been unable to physically attend these meetings, SDCERS has made the meetings available for the public to attend remotely.

To attend an Audit, Disability, and/or Investment Committee meeting, you will find Zoom links to each meeting on the front page of SDCERS’ website (www.sdcers.org) no later than the Friday before the week of the meetings. Shortly before the start time of the meeting you are interested in joining, please click on the corresponding link in the website article. You will have to download the Zoom application in order to attend. Once you are in the meeting, you can click the “View Options” bar at the top of the screen and then “Side-by-side mode” in order to see both the presenter’s screen and the webcams of Committee members and panelists.

Even before the COVID-19 outbreak and corresponding ban on public gatherings, SDCERS always live streamed its Board and Business & Governance Committee meetings. We have continued to do so throughout the COVID-19 crisis, and you can access the live stream by going to our website shortly before the meeting starts, clicking on the “Board Meeting Agenda,” and then opening the agenda link corresponding to the meeting you wish to attend. This will open a new tab with the agenda for that meeting, which includes an embedded video player that will automatically begin the live stream once the meeting starts. Video recordings of the meetings will also be available on this same page the week following the meeting, as well as on our YouTube page.

Please note that members of the public are unable to speak in person during these meetings. If you would like to participate in a meeting, please use the “Contact Us” page under the “About SDCERS” tab on our website to submit public comment in advance of the meeting and identify to which meeting your comment is directed. We will be accepting public comments for each meeting up to an hour before the meeting begins. Any appropriate messages timely received will be read aloud for the record and/or distributed to the Committee members or Board of Administration at the relevant meeting.

Webinar vs. Seminars

SDCERS has been holding three types of educational retirement seminars for several years: 1) Pre-Retirement seminars are intended for those members who are either ineligible for DROP or who have no interest in DROP; 2) DROP Entry seminars include all of the information covered in the Pre-Retirement seminar as it pertains to members who are eligible for DROP (City members hired before July 1, 2005, Airport members hired before October 2, 2006, and Port members hired before October 1, 2005), plus additional information about DROP; and 3) DROP Exit seminars go through the different ways members can choose to receive their DROP account funds when they exit DROP, as well as retiree health options.

However, due to the COVID-19 outbreak and subsequent ban on gatherings, in-person seminars have not been an option since March. Instead, SDCERS switched to a remote webinar format and, between March 17th and July 31st, offered 20 webinars for City Members and nine webinars for Airport Members. We anticipate offering webinars and/or seminars to Port Members as early as next spring. These webinars have replaced our in-person seminars for the foreseeable future and upcoming webinars are typically announced a month or so in advance via email – so keep an eye out.

One benefit of the webinar format is that the presenter is able to more easily review the registered attendees’ member accounts prior to each webinar and, in some ways, can adapt the webinar according to who is attending. For example, if she can see that no safety members are present when a City webinar starts, she can skip all of the information that is only relevant to police, fire, and lifeguard members. Many members have also commented that they like not having to drive anywhere and can instead attend from home. Of course, there are inherent drawbacks to remote webinars compared to in-person seminars – for example, the question and answer process during webinars takes much longer than in seminars and webinar users find it difficult of confusing to be remote. We also lose the personal touch that seminars offer, since we cannot speak face-to-face with our members.

Overall, these webinars have been exceedingly well-received by our members and the demand was much higher than anticipated – so much so, in fact, that we doubled the number of webinars we originally planned on having in April and May. After every webinar, the attendees are prompted to take a survey, allowing them to provide feedback and let us know what they liked and/or disliked. The responses have been overwhelmingly positive, with only a few members indicating they prefer the in-person seminar format.

PSC Litigation is Over

The lawsuits involving purchase of service credit (“PSC”) contracts brought about a very difficult era for SDCERS’ members, as well as staff who had to administer the corrections. In 2003, SDCERS’ Board of Administration voted to implement new rates for PSC contracts, but allowed three months for members to purchase service credit at the lower rate. Before the price increases were implemented, many members purchased service credit at the lower prices, which caused underfunding to the pension plans. The City of San Diego filed a lawsuit against SDCERS and the Court determined that SDCERS could not underfund the plans by allowing members to purchase service credit at lower than required prices. To implement the Court’s decision, SDCERS corrected the matter by allowing members to rescind their PSC contracts completely or re-purchase the service credit at the increased prices. This correction resulted in many of the affected members filing several lawsuits against SDCERS. In 2016, most of these lawsuits were resolved in SDCERS’ favor. The remaining lawsuits went to trial in 2018. After the trial court ruled in SDCERS’ favor, the plaintiffs appealed. In March 2020, the California Supreme Court has expired. Therefore, this long-running matter is finally closed.

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