



RETURN OF CONTRIBUTIONS (ROC) FACT SHEET

Once we have received notice from Human Resources that you have separated from City service (generally 2-3 weeks after separation), you will receive a distribution packet. The packet will contain important information regarding the decision you must make concerning your retirement contributions. Be sure that you read all of the information in the packet carefully. Indicate your decision regarding your contributions on the Distribution Election Form included in the packet and return the form to our office.

It will take approximately 6-8 weeks for distribution to be made once your completed Distribution Election Forms have been received by Retirement Services.

NOTE: Please keep Retirement Services informed of any address or phone number changes in writing.

OPTIONS

1. DEFERRED VESTED: Members who are eligible to vest may elect to leave their contributions in the City of San Jose Retirement System. Members who choose this option will receive a lifetime monthly retirement pension when they become eligible to retire and then apply for retirement. (vesting for Federated: 5 years of service, vesting for Police and Fire: 10 years of service)
2. RECIPROCITY: Members who go to work for a California Public Employees Retirement System (CalPERS) reciprocal agency within 6 months of leaving San Jose City service or come from a reciprocal agency within 6 months of separation from a reciprocal agency may be able to elect to leave their money in the City of San Jose Retirement System even if they are not yet eligible to vest.
3. FULL DISTRIBUTION: Members may request a full distribution of their retirement contributions. The Plan is required to withhold 20% of the amount of distribution and send it to the Internal Revenue Service (IRS) on your behalf as income tax withholding for the current year. California State Tax withholding is optional. (Please note that you may owe more Federal and State tax than what has been withheld from your distribution.) If you are not at least 59 ½ when you receive payment, you may have to pay an additional 10% tax penalty for early withdrawal from a qualified retirement plan. The penalty is assessed by the IRS.
4. ROLLOVER TO IRA: Members may request a direct rollover of their Retirement contributions into an Individual Retirement Account (IRA). Under this option, the City of San Jose Retirement will send your money directly to the IRA (and not withhold the 20% for Federal Tax).
5. ROLLOVER TO QUALIFIED PLAN: Members may request a direct rollover of their Retirement contributions into another Qualified Retirement Plan.

FAQ

What if I am eligible for recall?

Even if you are eligible for recall, if you are not vested at the time of your separation from city service, your contributions can only remain in the retirement plan for a maximum of six months. Prior to the end of the six months, you will need to submit your Distribution Election Form or the Plan will make a mandatory distribution less 20% Federal Tax withholding. (If you are not at least 59 ½ when you receive payment, you may have to pay an additional 10% tax penalty for early withdrawal from a qualified retirement plan).

If you return to work beyond the six months or have withdrawn your contributions already, you may elect to redeposit your contributions. Please see next FAQ regarding returning to work.

What happens if I withdraw my contributions and return to work for the City at a later date?

If you return to work as a full-time employee, you can request a calculation from Retirement Services to redeposit contributions and re-establish your prior retirement service credit. You then have 30 days from the date of your calculation letter to decide:

- ◆ You can pay in the form of a lump sum check subject to post-tax IRS 415 limits, or
- ◆ You can authorize up to 78 pre-tax payroll deductions, or
- ◆ You can roll the money over from your 457 Deferred Compensation account, or
- ◆ You can choose not to redeposit your contributions and not reestablish your prior service credit. Once you decide not to redeposit you will not be able to redeposit at a later date (Federated only). You would then start over in the Retirement System upon rehire.

What happens if I go to work for another California City, County, or the State?

If you go to work for another City or other public agency that has their own pension plan and they have reciprocity with CalPERS, you can leave your contributions in the fund even though you are not vested. Generally, the rules for reciprocity are:

- ◆ You must transfer from plan to plan within six (6) months, and
- ◆ You must not have any over-lapping or concurrent service.

I am planning to move. Can I get my money sooner?

No. There is a review process that every distribution must go through before any money can be paid out of the Plan. Processing will take 6-8 weeks upon receipt of completed election forms. If you are planning to move, you will need to keep Retirement Services informed of any address or phone number changes in writing so that your distribution is not delayed.

How do I get answers to other retirement plan questions?

If you have access to the internet, then you have access to all your Retirement account information 24 hours a day! Simply navigate to www.sjretirement.com, choose "My Account" from the menu and logon to Web Member Services (WMS). WMS is a secure portal that was set up to allow Members of the Retirement fund to access their Retirement Account information. You can access your personal data, current demographics information, current employee contributions, years of service, nominated beneficiary information, there is a Benefit Estimator tool that enables you to run estimates for yourself, you can find forms, and answers to FAQ.

If you have already set up your account and forgot your username or password, call 408-794-1000 to speak to someone from our Information Technology team.

If you have any additional questions, you can call City of San Jose, Retirement Services @ 408-794-1000 to speak with a Benefits Analyst.