



City of San Jose
Retirement Services Department
RECIPROCITY FACT SHEET

What is Reciprocity?	An agreement between PERS/Reciprocal agencies and San Jose that provides reciprocal benefits. The Police & Fire agreement went into effect 9/30/94. The Federated agreement went into effect 12/9/94.
Who is eligible?	Employees who transfer between P.E.R.S /reciprocal agency and the City of San Jose <u>within 6 mo. and who do not have concurrent service</u> (overlapping service). An employee cannot receive retirement credit from two systems for the same time. This includes time that is credited (i.e. paid for) even though an employee is not physically working. Example-- vacation.
Benefits	An employee can combine years of service from two reciprocal systems to meet minimum service requirements. The highest Final Average Salary at either system is used to calculate your pension. Note: If an employee transfers prior to the agreement date the member may only qualify for the <u>Final Average Salary benefit.</u>
Are the Contributions or years of service transferred from one system to another	No. Years of service and contributions stay in each system. When an employee retires, the employee will receive two separate checks.
Will San Jose pay me for the years I put in at a reciprocal agency?	No. San Jose will only pay for the number of years worked at San Jose. The reciprocal system will pay only for the number of years worked at the reciprocal system.
Will my reciprocal time count for medical benefits at San Jose?	No. Reciprocal time can only be combined to meet <u>minimum</u> service requirements. You must have 15 yrs. of San Jose service or receive 37.5% of Final Average Salary to qualify for medical benefits.
When do I have to claim Reciprocity?	An employee can claim Reciprocity anytime prior to Retirement. Note: Once an employee claims Reciprocity, the employee cannot withdraw his/her contributions as long as he/she is a member of a reciprocal system.
Will my reciprocal time qualify me to receive payment of accrued sick leave time with San Jose?	No. A member of the Police and Fire plan must have 20 years of San Jose time to qualify for payment of accrued sick leave. If you are a member of the Federated plan, you must have 15 years of San Jose service.
If I retire with Reciprocity and the Reciprocal system approves a disability (SCD or NSCD) retirement will my San Jose pension be affected?	Yes. San Jose will pay a pension within two limitations: <ol style="list-style-type: none"> 1. The San Jose pension cannot be <u>more than</u> what the reciprocal system would have paid for a Non-Service Connected Disability had all of the service been at the reciprocal system. 2. The San Jose pension cannot be <u>less than</u> an annuity, which is the actuarial equivalent of your San Jose contributions plus interest.



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<p>Will claiming Reciprocity affect Survivorship benefits?</p>	<p>Yes. Survivorship benefits will be affected only if a member leaves San Jose, claims reciprocity and dies while a member of a reciprocal system. In this situation San Jose will pay survivorship benefits within the following limitations:</p> <ol style="list-style-type: none"> 1. If the death is <u>Non-Service Connected</u>, the survivorship benefits cannot be <u>more than</u> an amount which when added to the benefits paid by the reciprocal system equals the maximum benefits paid under that system. However, the benefits must be <u>at least</u> the member's contributions plus interest. i.e. San Jose benefit + Reciprocal. benefit cannot be more than the max Reciprocal. Benefit. <p>If the death is Service-Connected in the reciprocal system. San Jose benefits shall be the member's contributions plus interest calculated as of the date of death.</p>
<p>INTRICACIES</p>	
<p>A person who does not meet requirements to retire on a service retirement retires on a disability from San Jose. Can this person retire from a reciprocal agency?</p>	<p>Yes. A reciprocal agency will allow reciprocal retirement. However, the benefit paid by the reciprocal agency is limited.</p> <p>The reciprocal benefit <u>cannot be more than</u> what San Jose would have paid on a Non-Service disability if all of the service had been here.</p> <p>Also, the reciprocal benefit <u>cannot be less than</u> the actuarial equivalent of the person's contributions.</p>
<p>A person who <u>does not meet requirements to retire on a service retirement</u> retires on a disability from a reciprocal agency. Can this person retire from San Jose?</p>	<p>Yes. San Jose will allow a reciprocal retirement. However, the benefit paid is limited.</p> <p>The benefit from San Jose <u>cannot be more than</u> what the reciprocal agency would have paid on a Non-Service disability if all of the service had been here.</p> <p>Also, the benefit from San Jose <u>cannot be less than</u> the actuarial equivalent of the person's contributions.</p>
<p>Can a person combine years of service from two or more reciprocal systems to meet eligibility requirements?</p>	<p>Yes. But only if the transfers between systems took place after San Jose went into agreement with PERS.</p>
<p>How does San Jose find out about highest final average salary?</p>	<p>When a person submits a retirement application with San Jose and lists they are retiring concurrently from a reciprocal agency, a "Reciprocal Retirement Information Request" is sent to the reciprocal agency to verify retirement date and final average salary.</p>