

RETIREMENT BENEFITS FACT SHEET

FIRE TIER 1*

Contributions	
Employee	19.99% of Base Salary (Pension: 11.99%**; Retiree Healthcare: 8.00%) as of 6/25/23
City	Pension: 34.25% (Normal Cost) + Flat dollar amount (UAL); Retiree Healthcare: flat dollar amount) As of 6/25/2023
Service Required to Leave Contributions In Retirement Plan	10 years (20 years must have elapsed from date of entry into system to collect pension)
Service Retirement	
Age/Years of Service	50 with 25 years service 55 with 20 years service 30 yrs service at any age (with reciprocity, must be 50 yrs of age) Mandatory retirement at 70 years of age
Early Retirement (Not Available for Deferred Vested members without Reciprocity)	50-54 with 20 years of service (Discounted pension) Allowance reduced pursuant to Municipal Code Section 3.36.810
Deferred Vested Retirement	50 with 25 years service 55 with 10 years service only if 20 years have elapsed from date of membership
Allowance	First 20 years of Service: 50% of Final Compensation^ (2.5% per year) >20 years of service: All years convert to 3% for each full year x final compensation (90% max). ^Final Compensation is limited to 108% of your second year prior to retirement. This formula applies to Deferred Vested employees if they separated from the City of San José on or after 7/1/2008. Please contact ORS if your separation date was prior to 7/1/2008.
Disability Retirement (Service-Connected)	
Eligibility	No minimum years of service. Must apply when an active employee or within one year after retirement. At time of application, must be incapacitated from the performance of duty as a result of injury or disease arising out of and in the course of employment with the City of San José as approved by the Board.
Allowance	<20 years of service: 50% of Final Compensation >20 years of service: All years convert to 3% for each full year x Final Compensation, if service-connected disability retirement occurred or occurs on or after July 1, 2008 (90% max).
Disability Retirement (Non-Service Connected)	
Eligibility	Minimum 2 years of service. Must apply when an active employee or within one year after retirement. At time of application, must be incapacitated from the performance of duty as the result of injury of disease that did not arise out of or in the course of employment with the City of San José as approved by the Board.
Allowance	<20 years of service: 32% of Final Compensation plus 1% for each full year in excess of 2. (50% max) >20 years of service: 3% for each full year x Final Compensation (90% max). Reciprocity members may have a different formula, please contact ORS for details.
Medical Benefits***	
Eligibility	Retired for disability or service <u>directly</u> from active service with either 15 years of San José service or receive allowance that is at least 37.5% of final comp. Also eligible if member separates from service after 7/5/92 but prior to retirement with 20 years San José service and leaves contributions in retirement plan and former member receives allowance (i.e., applies & qualifies for retirement).
Premiums	Retirement System pays 100% of lowest cost plan that is available to active City employees. If member does not choose the lowest cost plan, member pays the difference between that premium and the premium of the lowest cost plan.
Medicare Eligibility	At age 65, Members will be required to enroll in Medicare Parts A & B. If Member does not meet this requirement within 6 months of the date Member turns 65, health care benefits will cease until such requirements are met. (SJMC 3.36.1920(M))
Dental Benefits***	
Eligibility	Retired for disability or service <u>directly</u> from active service with either 15 years of service or receive allowance that is at least 37.5% of final comp. Also eligible if member leaves City service after 7/5/92 but prior to retirement with 20 years San Jose service and leaves contributions in retirement plan and former member receives allowance (i.e., applies for retirement).
Premiums	Fully paid by retirement fund
Reciprocity	
Reciprocity	As of September 30, 1994, the City of San José adopted a reciprocal agreement with CalPERS. This may result in improved benefits for members who transfer between CalPERS and this retirement plan. Please call the Retirement Office or CalPERS for more information. Final eligibility for reciprocity is determined at the time of retirement.

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Cost-of-Living Adjustments (COLA)

COLA	Retirees are eligible for a 3% annual cost-of-living adjustment (COLA). Regular COLAs are compounded and paid each February. There is no proration of COLA.
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SURVIVORSHIP BENEFITS

Death Before Retirement****

Non-Service Connected Death with less than 2 years of service	Return of contributions, plus interest, to surviving spouse/domestic partner, surviving children, or estate or \$1,000, whichever is greater [SJMC 3.36.1250 (C-E)]
Non-Service Connected Death with more than 2 years of Service, but <u>not</u> eligible for a service retirement	<p><u>To surviving spouse/domestic partner:</u> 24% +.75% for each year in excess of 2 x Final Compensation (37.5% maximum) [SJMC 3.36.1270(E), 1280 (B)]</p> <p><u>and</u> to surviving children:</p> <p>1 Child: Final Comp x 25% [SJMC 3.36.1210 (G), 1300 (B1)]</p> <p>2 Children: Final Comp x 37.5% [SJMC 3.36.1210(G), 1300 (D1)]</p> <p>3 Children: Final Comp x 50% [SJMC 3.36.1210(G), 1300 (F1)]</p> <p>If no surviving spouse/domestic partner nor surviving children: Return of contributions, plus interest, to estate or \$1,000, whichever is greater [SJMC 3.36.1200 (E), 1200(I)]</p>
Non-Service Connected Death before retirement, but while eligible for service retirement	<p><u>To surviving spouse/domestic partner:</u> 37.5% to 45% of member's Final Compensation depending on the years of service [SJMC 3.36.1200(A),(F), 1270(D)]</p> <p>For example:</p> <p>Member's benefit = 81% Survivorship benefit = 40.5% of Final Compensation</p> <p>Member's benefit = 84% Survivorship benefit = 42% of Final Compensation</p> <p>Member's benefit = 87% Survivorship benefit = 43.5% of Final Compensation</p> <p>Member's benefit = 90% Survivorship benefit = 45% of Final Compensation</p> <p><u>and</u> to surviving children:</p> <p>1 Child: Final Comp x 25% [SJMC 3.36.1200 (G), 1300(B1)]</p> <p>2 Children: Final Comp x 37.5% [SJMC 3.36.1200(G), 1300(D1)]</p> <p>3 Children: Final Comp x 50% [SJMC 3.36.1200(G), 1300(F1)]</p> <p>If no surviving spouse/domestic partner nor surviving children: Return of contributions, plus interest, to estate or \$1,000, whichever is greater [SJMC 3.36.1200 (E), 1200(I)]</p>
Service-Connected Death regardless of years of service	<p><u>To surviving spouse/domestic partner:</u> 37.5% to 45% of member's Final Compensation depending on the years of service [SJMC 3.36.1200(F), 1270(B)]</p> <p><u>and</u> to surviving children :</p> <p>1 Child: Final Comp x 25% [SJMC 3.36.1200 (G), 1300 (B2)]</p> <p>2 Children: Final Comp x 50% [SJMC 3.36.1200 (G) , 1300 (D2)]</p> <p>3 Children: Final Comp x 75% [SJMC 3.36.1200 (G) , 1300 (F2)]</p> <p>If no surviving spouse/domestic partner nor surviving children: Return of contributions, plus interest, to estate or \$1,000, whichever is greater [SJMC 3.36.1200(E), 1200(I)]</p>
Deferred Vested Death before retirement, but <u>not</u> eligible for service retirement	Return of Contributions plus interest. [3.36.1680]
Deferred Vested Death Before retirement, but while eligible for service retirement	<p><u>To surviving spouse/domestic partner:</u> 1.875% x Years of Service x Final Compensation. Maximum 37.5% [SJMC 3.36.1640]</p> <p><u>and</u> to surviving children:</p> <p>1 Child: Final Comp x 1.25% x Years of Service, Maximum 25% [SJMC 3.36.1660(B2)]</p> <p>2 Children: Final Comp x 1.50% x Years of Service, Maximum 50% [SJMC 3.36.1660(B3)]</p> <p>3 Children: Final Comp x 2.50% x Years of Service, Maximum 75% [SJMC 3.36.1660(B4)]</p> <p>If no surviving spouse/domestic partner nor surviving children: Return of contributions interest, to estate. [SJMC 3.36.1660(A2)]</p>

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Death After Retirement****	
Service Retirees and Service-Connected Disability Retirees	<p><u>To surviving spouse/domestic partner (unmodified):</u> 37.5% to 45% of member's Final Compensation depending on the years of service and date of retirement [SJMC 3.36.1230, 1270(B-E)]</p> <p><u>and</u> to surviving children:</p> <p>1 Child: Final Comp x 25% [SJMC 3.36.1230(D), 1300(B1)]</p> <p>2 Children: Final Comp x 37.5% [SJMC 3.36.1230(D), 1300 (D1)]</p> <p>3 Children: Final Comp x 50% [SJMC 3.36.1230 (D),1300(F1)]</p> <p>If no surviving spouse/domestic partner nor surviving children: \$1,000 death benefit to estate [SJMC 3.36.1230(E)]</p>
Non-Service Connected Disability Retirees	<p><u>To surviving spouse/domestic partner (unmodified):</u> 24% to 45% of member's Final Comp depending on years of service and date of retirement. [SJMC 3.36.1240(C),1280(B,C,D)]</p> <p><u>and</u> to surviving children:</p> <p>1 Child: Final Comp x 25% [SJMC 3.36.1240(D), 1300(B1)]</p> <p>2 Children: Final Comp x 37.5% [SJMC 3.36.1240(D), 1300(D1)]</p> <p>3 Children: Final Comp x 50% [SJMC 3.36.1240(D), 1300(F1)]</p> <p>If no surviving spouse/domestic partner nor surviving children: \$1,000 death benefit to estate [SJMC 3.36.1240(E)]</p>
Deferred Vested Retiree Death After Retirement	<p><u>To surviving spouse/domestic partner:</u> 1.875% x Years of Service x Final Compensation. Maximum 37.5% [SJMC3.36.1640]</p> <p><u>and</u> to surviving children:</p> <p>1 Child: Final Comp x 1.25% x Years of Service, Maximum 25% [SJMC 3.36.1670(B2)]</p> <p>2 Children: Final Comp x 1.50% x Years of Service, Maximum 50% [SJMC 3.36.1670(B3)]</p> <p>3 Children: Final Comp x 2.50% x Years of Service, Maximum 75% [SJMC 3.36.1670(B4)]</p> <p>If no surviving spouse/domestic partner nor surviving children: \$1,000 death benefit to estate [3.36.1670(A)]</p>
Optional Settlements	
Optional Settlements	Retiree may choose an optional settlement at retirement that reduces their allowance to provide a higher survivorship allowance to their spouse/domestic partner.
Post-Retirement Marriage	
Post-Retirement Marriage	If a retiree marries after retirement, the retiree can elect to take a reduction on their pension benefit to allow for a survivorship benefit to the surviving spouse/domestic partner. This election must be made within 90 days of marriage or establishment of domestic partnership. [3.36.1468(B3)]

*Fire Tier 1 employees are those hired before January 2, 2015.

**Fire Rehires (hired between January 2, 2015 and June 18, 2017) will have an additional contribution rate for the cost of the retroactive benefit.

***Fire Tier 1 Employees who opted-in to the VEBA are not eligible for the Defined Benefit Retiree Healthcare Plan (Medical or Dental Benefits). For more information about the VEBA, visit www.sanjoseca.gov/VEBA or email veba@sanjoseca.gov.

****The maximum total combined benefit payable to a surviving spouse/domestic partner and surviving children is 75% of final compensation. If necessary, the children's survivorship allowance will be reduced so that the total benefit does not exceed 75% of final compensation.

The information contained on this Fact Sheet is a summary for the Fire Tier 1 members of the Police and Fire Department Retirement Plan. Pension rules are complex and often difficult to understand. In the event of a conflict or inconsistency between the information on this document and the governing law, such as the San José Municipal Code, the governing law shall prevail.

For more information, please contact the Office of Retirement Services (ORS) at
(408) 794-1000; (800) 732-6477; retirement.dept@sanjoseca.gov, or www.sjretirement.com.