

FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM (FCERS) BENEFITS FACT SHEET – TIER 2*

Contributions	
Employee	14.8% (Pension: 6.04% Retiree Healthcare: 8.76%) As of 6/19/2016
City	15.45% (Pension: 6.04% Retiree Healthcare: 9.41%) As of 6/19/2016
Service Required to Leave Contributions in Retirement System	5 years Federated City Service
Service Retirement	
Age/Years of Service	65 years with 5 years Federated City Service May retire on or after 55 years with 5 years Federated City Service with actuarial equivalent reduction
"Deferred Vested" Retirement	May commence on or after 55 years with 5 years Federated City Service with actuarial equivalent reduction (This applies to members who separate from City service before retirement and leave their contributions in the retirement system.)
Allowance	2.0% x Years of Federated City Service x Final Compensation (65% max) <ul style="list-style-type: none"> • "Final Compensation" is the average monthly (or biweekly) base pay for the highest 3 consecutive Years of Federated City Service (year of service = 2080 hours worked) • Excludes premium pay or any other forms of additional compensation
Disability Retirement – (Service Connected)	
Minimum Service	NONE
Allowance	50% of Final Compensation less any deductions for income from service performed for other employers or for non-federated city service for member who has not yet attained age 65 if this income exceeds the amount that the member would receive if member had remained an active employee.
Disability Retirement - (Non-Service Connected)	
Minimum Service	5 years Federated City Service
Allowance	2% x Years of Federated City Service x Final Compensation. (Minimum of 20% and maximum of 50%, less any deductions for income from service performed for other employers or for non-federated city service for member who has not yet attained age 65 if this income exceeds the amount that the member would receive if member had remained an active employee.)
Medical Benefits	
Eligibility	Retired for disability or service with 15 years service or receive allowance that is at least 37.5% of final compensation. (Certain "Deferred vested" members are also eligible.)
Premiums	Retirement System pays 100% of lowest cost single or family premium that is available to active City employees. If retiree does not choose the lowest cost plan, retiree pays the difference between that premium and the premium for the lowest cost plan.
Medicare Eligibility	At age 65, Members of FCERS will be required to enroll in Medicare Parts A & B. If a 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.
Dental Benefits	
Eligibility	Must be enrolled at retirement with 5 years service or receive retirement allowance of at least 37.5% of final compensation. ("Deferred vested" members are not eligible.)
Premiums	Fully paid by retirement fund.
Reciprocity	
Reciprocity	As of December 9, 1994, the City of San José Federated City Employees' Retirement System adopted a reciprocal agreement with CalPERS. This may result in improved benefits for members who transfer between this retirement system and CalPERS or certain other public agency retirement systems that also have reciprocal agreements with CalPERS. Please call the Retirement Department or CalPERS for more information.
Cost-of-Living Adjustments (COLA)	
Cost-of-Living Adjustments	Retirees are eligible for annual cost-of-living adjustment (COLA) limited to the increase in the Consumer Price Index (San Jose-San Francisco-Oakland, U.S. Bureau of Labor Statistics index, CPI-U, December to December), capped at 1.5% per fiscal year. The first COLA will be prorated based on the number of months retired.

SURVIVORSHIP BENEFITS

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TIER 2	
Death Before Retirement	
Non-service-Connected Death Not Eligible for Retirement	Return of employee contributions, plus interest.
Eligible for Retirement	<p>To surviving spouse/domestic partner: 2.0% x Years of Federated Service x Final Compensation (65% max)</p> <p>If no surviving spouse/ domestic partner: Member's estate receives employee's contributions, plus interest.</p> <p>Employees killed in the line of duty – To surviving spouse/domestic partner: Monthly benefit equivalent to 50% of Final Compensation.</p>
Death After Retirement	
Survivorship allowance to surviving spouse/domestic partner or children that was elected by the member at retirement. (Minimum 5 years of service)	Retiree may choose survivorship allowance at retirement that reduces the retiree's allowance to provide a survivorship allowance determined by the FCERS actuary for a 50%, 75% or 100% continuance that is actuarially equivalent to the spouse/domestic partner or child(ren) designated at the time of retirement. No additional retirement benefits.

Note: For death before retirement, the survivorship allowance to surviving spouse/domestic partner lasts until death, remarriage, or establishment of a domestic partnership if member was at least 65 with at least 20 years of service (or 55 with actuarial equivalent reduction) at the time of death. For death after retirement, the survivorship allowance to surviving spouse/domestic partner lasts until death.

The information contained on this Fact Sheet is a summary for the Tier 2 members of the Federated City Employees' Retirement System. Please consult the Municipal Code for complete information.

For more information please contact the Department of Retirement Services at
(408) 794-1000 or 1 (800) 732-6477. Or, go online at www.sjretirement.com