

## GLOSSARY

This glossary can help you understand some of the words and phrases you may encounter when dealing with CalPERS.

### **Benefit Factor**

The percentage of pay you are entitled to for each year of CalPERS-covered service. It is determined by your age at retirement and your retirement formula.

### **Beneficiary**

A person you designate to receive a benefit after your death or other benefit recipient. (Also, see survivor, which has a different definition. Your beneficiary and survivor may or may not be the same person.)

### **COBRA**

The Consolidated Omnibus Budget Reconciliation Act is federal legislation that allows you or a family member to continue your health plan enrollment when coverage is lost. A loss of coverage could include separation from employment, marriage of a dependent, a dependent reaching age 23, or divorce or legal separation.

### **Dependent**

Those family members who meet the specific eligibility criteria for coverage in the CalPERS Health Program.

### **Domestic Partner**

Registered domestic partners legally recognized by California law are qualified for benefits and rights that apply to a spouse.

### **Disability**

An inability to substantially perform the duties of your job due to illness or injury, which is determined to be permanent or of an extended and uncertain duration.

### **Final Compensation**

Your average full-time monthly pay rate and special compensation for the last consecutive 36 months of employment (or 12 months of your employer has contracted with CalPERS to provide one-year final compensation). We use your full-time pay rate, not your earnings, so if you work part time, we would use your full-time equivalent pay rate to determine your final compensation. If you think there was another period of 12- or 36-consecutive months during which your final compensation was higher, let us know when you apply for retirement. We will use that time period to determine your final compensation.

### **Fiscal Year**

CalPERS operates on a fiscal year calendar, which is July 1 to June 30.

**Health Insurance Portability & Accountability Act (HIPAA)**

This federal law protects health insurance coverage for workers and their families when they change or lose their jobs. It also includes provisions providing national standards to protect the privacy of personal health information.

**Member**

An employee who qualifies for membership in CalPERS and whose employer has become obligated to pay contributions into the Retirement Fund.

**Open Enrollment Period**

A period of time determined by the CalPERS Board when you can enroll or change health plans, or add eligible family members not currently enrolled in the CalPERS Health Program.

**Reciprocal Agreement**

An agreement between two public retirement systems on coordination of benefits.

**Service Credit**

Your credited years of employment with a CalPERS employer. This amount of service is credited to your CalPERS account and used in the formula to determine your retirement benefits.

**Special Compensation**

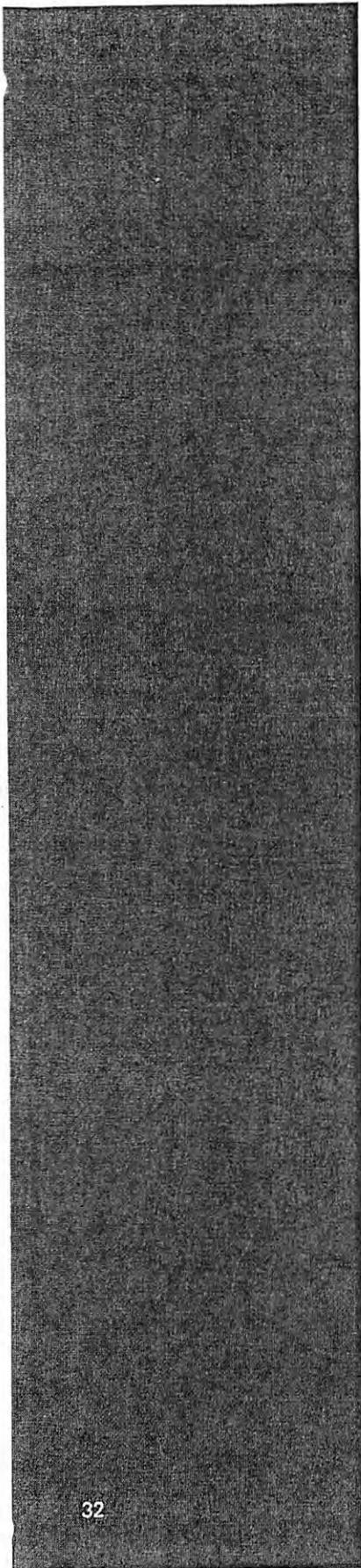
Additional income you might receive for uniform allowance, holiday pay, longevity pay, etc., and is reported separately from your base pay.

**Supplement to Original Medicare Plan**

For CalPERS members in Social Security and over age 65, Medicare becomes the primary payer of claims and the supplemental CalPERS health plan covers any costs not paid by Medicare (if you have CalPERS health benefits coverage in retirement).

**Survivor**

A family member defined by law as eligible to receive specific benefits at your death.





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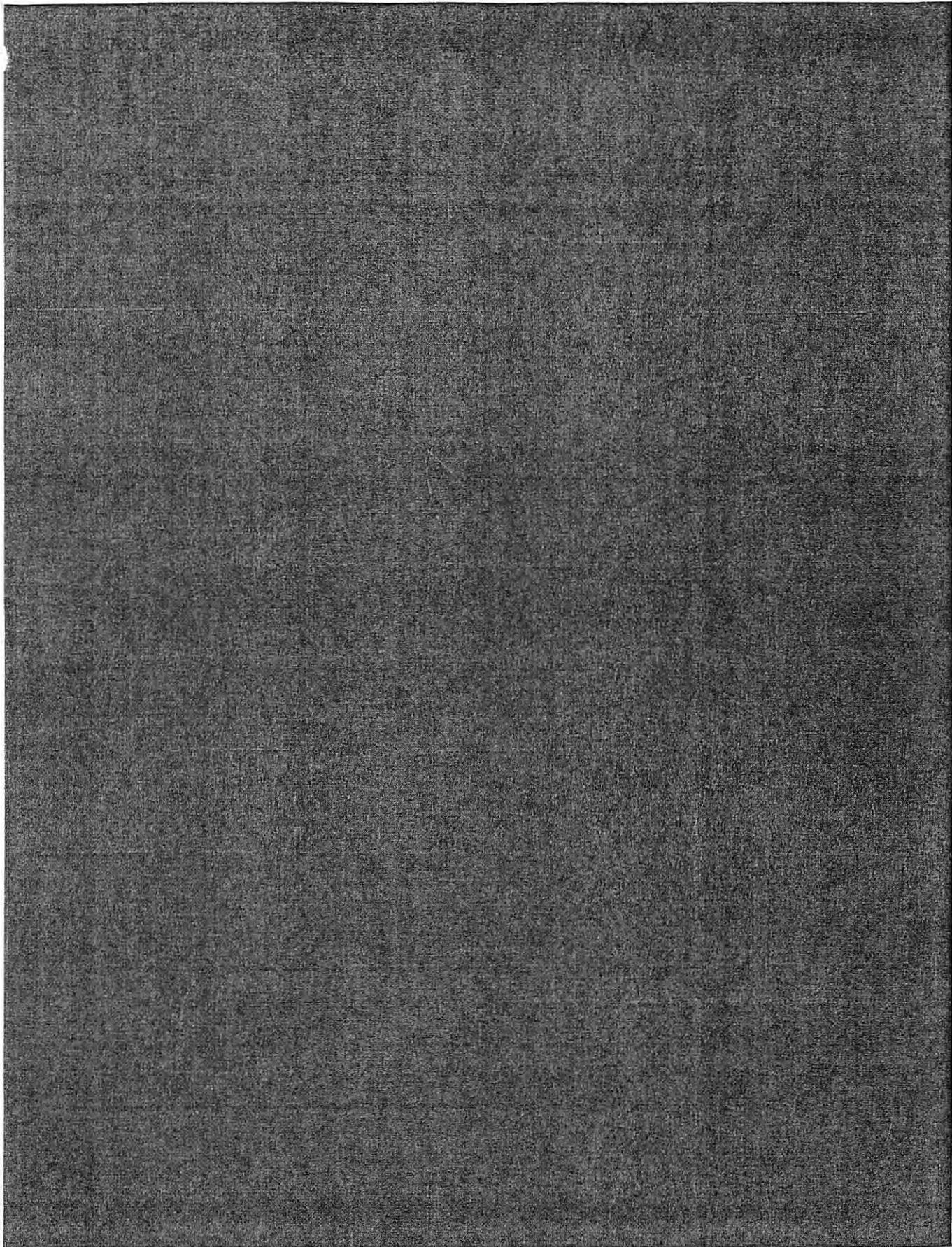


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YOUR BENEFITS | YOUR FUTURE

What You Need to Know About Your CalPERS  
**Local Miscellaneous Benefits**

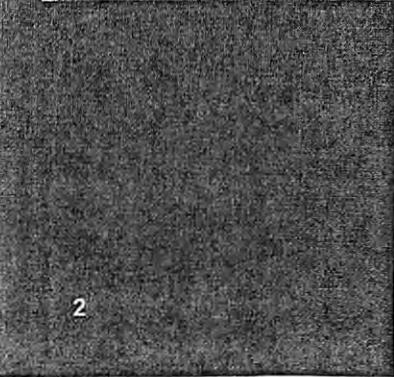
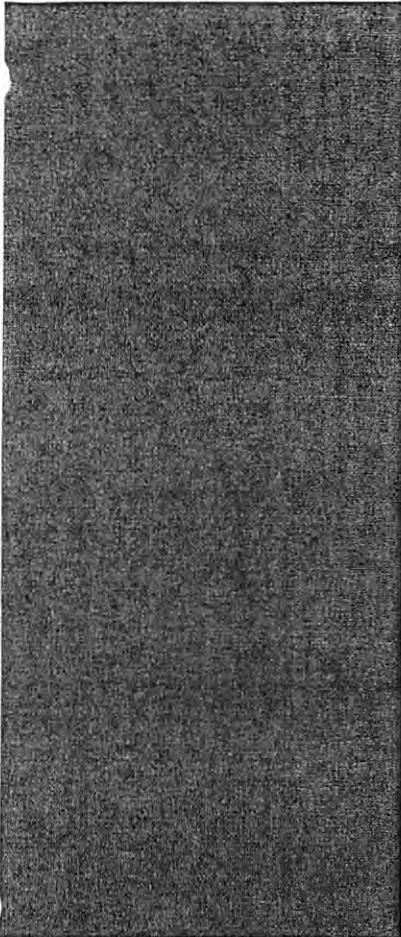




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## INTRODUCTION

Retirement can be one of the best stages of your life. It can also be complicated, and at times stressful, if you are not educated about your benefits and have not done the proper planning. Understanding the fundamentals of your CalPERS retirement benefits is a good first step toward a happy and fruitful retirement.

This publication describes retirement benefits and formulas for Local Miscellaneous Members. "Local Miscellaneous" members are those employed by a public agency or special district that has contracted with CalPERS who are not involved in law enforcement, fire suppression, the protection of public safety, or employed in a position designated by law as local safety.

You deserve to understand the full spectrum of retirement and death benefits available for you and your beneficiary(ies). This book will help educate you about your retirement formulas and benefits. It will also provide you information on contributions, health benefits, and other programs you should consider before and after retirement. It will help you to choose the best retirement option for you and your beneficiary(ies).

You may obtain a copy of any publications or forms referenced in this publication by calling CalPERS at 888 CalPERS (or 888-225-7377) or by visiting our Web site [www.calpers.ca.gov](http://www.calpers.ca.gov).

*While reading this material, remember that we are governed by the Public Employees' Retirement Law. The statements in this guide are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this guide.*

## YOUR RETIREMENT BENEFITS

There are three types of retirement benefits:

- Service Retirement or “Normal” Retirement
- Disability Retirement
- Industrial Disability Retirement.

### Service Retirement or “Normal” Retirement

To be eligible for service retirement, you must be at least age 50 and have a minimum of five years of CalPERS-credited service. There are some exceptions to the five-year requirement. If you are 50 or older, employed on a part-time basis, and have worked at least five years, contact CalPERS to find out if an exception will apply to you. There is no mandatory retirement age for Local Miscellaneous members.

If you are considering applying for a service retirement, you should obtain the CalPERS publication *A Guide to Completing Your CalPERS Service Retirement Election Application*.

### Disability Retirement

This type of retirement applies to you if you become disabled and can no longer perform the duties of your job. Disability retirement has no minimum age requirement, and does not have to be job-related. However, you must have a minimum of five years of CalPERS service credit. If you are employed on a part-time basis and you have worked at least five years, contact CalPERS to find out if an exception will apply to you.

### Industrial Disability Retirement

*Talk to your employer to find out if they have contracted for this benefit.* This type of retirement applies to you if you become disabled from a job-related injury or illness and can no longer perform the duties of your job. Industrial disability retirement has no minimum age or service credit requirement.

You may apply for a disability or industrial disability retirement if:

- You are working for a CalPERS-covered employer; or
- You are within four months of separation from a CalPERS-covered employer; or
- You separated at any time from your CalPERS-covered employer because of a disability and you have remained disabled since then; or
- You are on military or approved leave.

Once a complete application package is received from either you or someone on your behalf, such as your employer, CalPERS will review your file to see if the information is current and complete. After verification for completeness, CalPERS can normally make a determination within three months.

### Emergency Retirement

CalPERS will expedite retirement processing for you if you are terminally ill or facing imminent death. Contact CalPERS or your employer immediately if there is a need for emergency retirement.

If you are considering applying for disability or industrial disability retirement, you should obtain the CalPERS publication *A Guide to Completing Your CalPERS Disability Retirement Election Application*.

#### How Your Retirement is Funded

Three sources fund a defined benefit retirement plan like CalPERS. First, employees generally make contributions into the System. The percentage of your contribution is fixed by statute and varies from about 5 to 9 percent of your earnings, depending on the plan type and whether you are covered by Social Security. The second source of funding is earnings from the investment of System assets in stocks, bonds, real estate, and other investment vehicles. The amount contributed from this source fluctuates from year to year. The balance of the funding is provided by employer contributions. Employer contributions decline when investment returns rise and increase when investment returns decline.

In a defined benefit retirement plan, you will receive a benefit determined by a set formula. CalPERS uses your years of service, age at retirement, and highest one-year or three-year compensation while employed. This contrasts with a defined contribution plan, in which the benefits are determined not by a formula, but solely by the amount of contributions in an account, plus earnings.

#### How Your Retirement Benefit is Calculated

Now that you understand the basic building blocks of a defined benefit retirement plan, it's time to learn how to calculate your retirement benefit. Three factors are multiplied together to calculate your service retirement:

- Service Credit
- Benefit Factor
- Final Compensation

##### Service Credit

You earn service credit for each year or partial year you work for a CalPERS-covered employer. Service credit accumulates on a fiscal year basis, July 1 through June 30. Refer to your CalPERS Annual Member Statement to verify your service credit as of June 30.

In some cases, you may be eligible for other types of service credit that can help you maximize your retirement benefits. Other types of service include:

- Unused sick leave at retirement;
- Redeposit of contributions you previously withdrew from CalPERS;
- Service with a CalPERS-covered employer prior to your date of membership;
- Service with a public agency prior to the date of that agency's contract with CalPERS;
- Certain types of leaves of absence, public service employment, military service; or
- Additional Retirement Service Credit (ARSC).

For more information about service credit, obtain the CalPERS publication *A Guide to Your CalPERS Service Credit Purchase Options*.

#### Benefit Factor

Your benefit factor is the percentage of pay to which you are entitled for each year of service. It is determined by your age at retirement and the retirement formula that your employer(s) has contracted for you. This guide explains the following Local Miscellaneous retirement formulas.

$2^{\text{percent}}_{@55}$      $2^{\text{percent}}_{@60}$      $2.5^{\text{percent}}_{@55}$      $2.7^{\text{percent}}_{@55}$      $3^{\text{percent}}_{@60}$

Refer to your CalPERS Annual Member Statement to verify your retirement formula.

#### Understanding Your Retirement Formula

Starting on page 22, you'll find two charts for each of the Local Miscellaneous retirement formulas. The first chart shows how the benefit factor increases for each quarter year of age. The second chart shows the percentage of final compensation you will receive. Not all benefit factors increase to age 63.

#### Final Compensation

Final compensation is your average full-time monthly pay rate and special compensation for the last consecutive 36 months of employment (or 12 months if your employer has contracted with CalPERS to provide one-year final compensation). We use your full-time pay rate, not your earnings. If you work part time, we will use your full-time equivalent pay rate to determine your final compensation. If you think there was another period of 12 or 36 consecutive months during which your final compensation was higher, let us know when you apply for retirement. We will use that time period to determine your final compensation.

If your CalPERS service was coordinated with Social Security, you did not contribute on the first \$133.33 of your monthly earnings. So, when computing your retirement allowance, you must reduce your final compensation by \$133.33.

#### Special Compensation

Certain items such as special compensation earned during your final compensation period may be included in your final compensation. Contact CalPERS if you are unsure which items of special compensation can be included.

#### Pay Rate

Pay rate is your base pay, paid on a full-time basis during normal working hours.





### Estimating Your Retirement Benefits

The easiest way to determine your benefits is to use the CalPERS Retirement Planning Calculators on our Web site [www.calpers.ca.gov](http://www.calpers.ca.gov). If you do not already have one, register for a User ID and Password to use the password protected online CalPERS Retirement Planning Calculator, or input all your data yourself by using your Annual Member Statement. These calculators allow you to utilize assumptions and projections to determine what your future retirement benefits may be. If you are within three years of your proposed retirement date, you may also request a CalPERS generated retirement estimate. This can be done online or by using the *Retirement Allowance Estimate Request* form.

## DECISIONS TO MAKE BEFORE YOU RETIRE

### Your Options at Retirement

At retirement, you can choose to receive the highest benefit payable, which is referred to as the "Unmodified Allowance." The Unmodified Allowance provides a monthly benefit to you that ends upon your death.

You also have the choice of requesting a reduction in the Unmodified Allowance to provide a lump-sum or monthly benefit for a beneficiary upon your death. This section gives you an overview of various options available to you at retirement.

#### Option 1

This retirement option provides a lump-sum payment of your remaining member contributions to your beneficiary after your death. The reduction to your monthly benefit to provide this payment is based on your life expectancy at retirement and the amount of your contributions. You may name one or more beneficiary(ies), and can name a new beneficiary at any time. If you name someone other than your spouse or registered domestic partner as your Option 1 beneficiary(ies), upon your death your spouse or domestic partner may still be entitled to a community property share of any remaining contributions.

*The following options 2, 2W, 3, 3W, and 4 provide lifetime monthly benefits to your designated beneficiary. The reduction to your monthly benefit to provide a monthly allowance to your beneficiary is based on both your life expectancy at retirement and your beneficiary's — the younger your beneficiary; the greater the reduction. If you have someone eligible for Survivor Continuance, the reduction is applied only to the option portion of your allowance. (See page 9 for more about Survivor Continuance.) In most cases, you may name only one beneficiary, and your designation may not be changed after retirement except under limited circumstances.*

*You may name someone other than your spouse or registered domestic partner for a lifetime death benefit allowance under options 2, 2W, 3, 3W or 4. However, your spouse or registered domestic partner may be entitled to a community property share of the beneficiary's monthly death benefit.*

#### Option 2

The same retirement allowance you receive will be paid to your beneficiary for life. If Survivor Continuance applies (See Page 9), and your beneficiary is not your eligible survivor, the beneficiary's allowance will not include the Survivor Continuance portion. Your retirement allowance will increase to the Unmodified Allowance if:

- Your beneficiary dies; or
- Your non-spouse or non-domestic partner beneficiary waives entitlement to the Option 2 benefit.

**Unmodified Allowance**  
The Unmodified Allowance is the highest amount payable and provides a monthly benefit to you that ends upon your death.

- Your beneficiary is your spouse or domestic partner legally recognized in California and upon a divorce, legal separation, termination of partnership, or annulment you provide CalPERS with a judgment that awards you the entire interest in your CalPERS benefits; and
- You notify CalPERS of the change.

#### Option 2W

As an alternative to the Option 2, you may elect the slightly higher allowance under Option 2W. However, your allowance will not increase to the Unmodified Allowance under the situations described in Option 2.

#### Option 3

In this option, one-half of your monthly retirement allowance will be paid to your beneficiary for life. If Survivor Continuance applies (See Page 9), and your beneficiary is not your eligible survivor, the beneficiary's allowance will not include the Survivor Continuance portion. Your retirement allowance will increase to the Unmodified Allowance if:

- Your beneficiary dies; or
- Your non-spouse or non-domestic partner beneficiary waives entitlement to the Option 3 benefit
- Your beneficiary is your spouse or domestic partner legally recognized in California and upon a divorce, legal separation, termination of partnership, or annulment you provide CalPERS with a judgment that awards you the entire interest in your CalPERS benefits; and
- You notify CalPERS of the change.

#### Option 3W

As an alternative to the Option 3, you may elect the slightly higher allowance under Option 3W. However, your allowance will not increase to the Unmodified Allowance under the situations described in Option 3.

#### Option 4

Option 4 is a somewhat flexible option. There are several unique variations of Option 4, each specifically designed to mesh with various situations that might apply to you. If you are interested in choosing a lifetime option, you should familiarize yourself with these options by obtaining the CalPERS publication *A Guide to CalPERS Retirement Option 4*. The amount payable to your beneficiary under Option 4 cannot exceed the amount payable under Option 2W. In addition, with any variation of Option 4, your allowance will not increase to the Unmodified Allowance under the situations described in Option 2 or 3.

## Survivor Continuance

In making a decision about whether to reduce your Unmodified Allowance to provide for a beneficiary, you will want to consider if your employer offers Survivor Continuance. This is a contracted employer-paid benefit that public agency employers can offer you. This benefit consists of a monthly allowance that automatically continues to an eligible survivor following your death after retirement regardless of the retirement option you select.

### Who is Eligible?

- Your spouse, if you were married for at least one year before your retirement and remained married until the date of your death, will receive the Survivor Continuance benefit for life. (For disability retirement, you need only to have been married at retirement and remained married until the date of your death.)
- Your domestic partner, if you were legally registered at least one year prior to your retirement and continuously until your death, will receive the Survivor Continuance benefit for life. (For disability retirement, you need only to have been registered as domestic partners at retirement and remained registered until the date of your death.)
- If you do not have an eligible spouse or registered domestic partner, your natural or adopted children under age 18, who have never been married, will receive this monthly benefit until marriage or age 18. A child who was disabled prior to age 18, never married, and whose disability has continued without interruption will receive this benefit until the disability ends or until marriage.
- Qualifying financially-dependent parents; if none of the above.

### Survivor Continuance

Survivor Continuance will apply only if you have an eligible family member as of the date of your death. To approximate the Survivor Continuance benefit, visit the CalPERS Web site and use the online Retirement Planning Tools or obtain the Retirement Allowance Estimate Request form from the Forms and Publications center. You can also log into my|CalPERS to calculate your own retirement estimate or request a CalPERS generated retirement estimate be mailed to you.

### Impact of Social Security

If your service is not coordinated with Social Security, the Survivor Continuance will be one-half of your Unmodified Allowance. If your service is coordinated with Social Security, the Survivor Continuance will be one-quarter of your Unmodified Allowance. If you have some time covered and some time not covered under Social Security, or if you have a combination of service under CalPERS with the State or a public agency, special consideration must be given to figure the Survivor Continuance benefit amount.

**Eligibility for Monthly Death Benefits**

To be eligible for any type of monthly pre-retirement death benefit, your spouse or domestic partner must have been either married to you or legally registered before the occurrence of the injury or the onset of the illness that resulted in your death or for at least one year prior to your death.

**Pre-Retirement Death Benefits Designations**

If you name a beneficiary other than your spouse or registered domestic partner, your spouse or registered domestic partner will still receive their community property share. The remainder will be paid to your designated beneficiary(ies). To designate a beneficiary, please obtain a CalPERS *Beneficiary Designation* form from your Personnel Office or from CalPERS On-Line. Note: (This designation will be valid only if your death is not job-related. Different rules apply to job-related death benefit eligibility.)

**PRE-RETIREMENT DEATH BENEFITS**

As a CalPERS member, you are eligible for various pre-retirement death benefits depending on your membership category, employer, retirement eligibility status, and other factors. The benefits range from a simple return of your contributions plus interest to a monthly allowance equal to what you would have received upon retirement payable to a spouse or domestic partner. To be eligible for any type of monthly pre-retirement death benefit, your spouse or domestic partner must have been either married to you or legally registered before the occurrence of the injury or the onset of the illness that resulted in your death or for at least one year prior to your death.

Each member's death benefits can vary significantly depending on circumstances and data. Questions relating to specific situations should be addressed to CalPERS for a more accurate description of individual benefits.

Upon a member's pre-retirement death, the employer and surviving family members are encouraged to immediately contact CalPERS for assistance.

For your convenience, we have divided the pre-retirement section into two parts:

- Not Eligible to Retire
- Eligible to Retire.

**Not Eligible to Retire**

You must be at least age 50 and have a minimum of five years of CalPERS-credited service or have worked part-time for at least five years to be eligible to retire. If you pass away before you are eligible to retire, your beneficiary(ies) are entitled to the following benefits.

**Basic Death Benefit**

Your beneficiary will receive a lump sum payment of:

- A refund of your contributions, plus interest; and
- Up to six months' pay (one month's salary rate for each year of current service to a maximum of six months).

Your beneficiary will be determined as follows:

- Named beneficiary, or if none;
- Spouse or registered domestic partner, or if none;
- Your children, or if none;
- Parents, or if none;
- Brothers and sisters, or if none;
- Estate if probated, or if not;
- Trust, or if none;
- Next of kin, as provided by law.

..... and .....

**1959 Survivor Benefit**

*Talk to your employer to find out if they have contracted for this benefit.* Applicable only for members not covered under Social Security while employed under a CalPERS-covered agency. The 1959 Survivor Death Benefit may not be payable if the Special Death Benefit is elected. (See page 12 for more information.)

**Eligible to Retire**

If you pass away at age 50 or over with a minimum of five years of CalPERS-credited service, your beneficiary(ies) are eligible for the following monthly benefits.

**Pre-Retirement Option 2W Death Benefit**

*Talk to your employer to find out if they have contracted for this benefit.* Your eligible spouse or registered domestic partner may choose to receive a monthly allowance equal to the amount you would have received if you had retired under a service retirement on the date of your death and elected Option 2W. The benefit is payable to your spouse or domestic partner until death. Upon the death of your spouse or domestic partner, the benefit will continue to your natural or adopted children under age 18 who have never been married.

..... or .....

**1957 Survivor Benefit**

This benefit provides a monthly allowance equal to one-half of what your highest service retirement allowance would have been had you retired on the date of your death. Those eligible to receive this allowance are your spouse or registered domestic partner, or if none; your natural or adopted children under age 18 who have never been married.

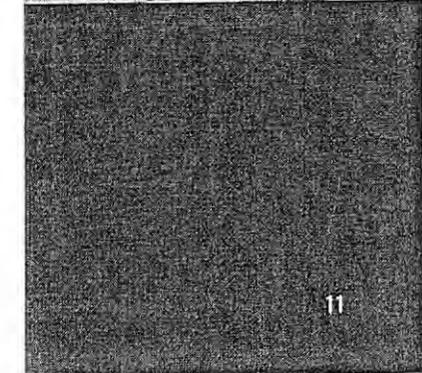
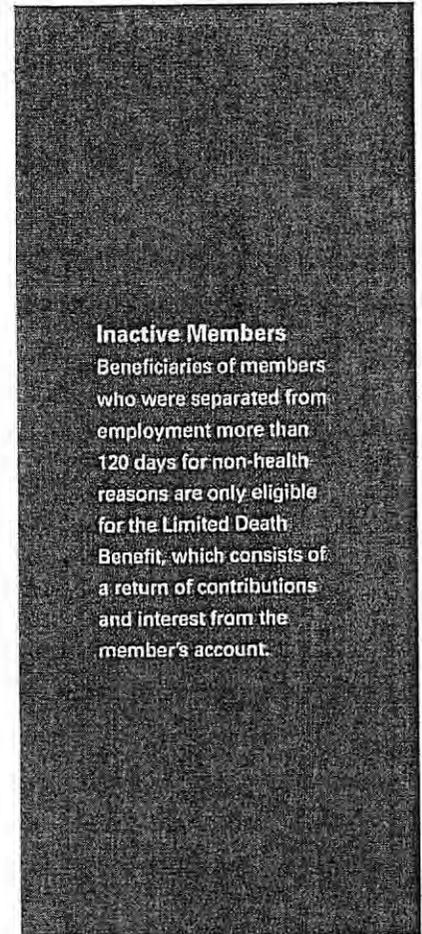
..... or .....

**Basic Death Benefit**

The Basic Death Benefit will be paid if:

- No one is eligible for either of the monthly allowances described above; or
- The person who is eligible for one of the monthly allowances above chooses instead to receive the Basic Death Benefit.
- A person other than a spouse or registered domestic partner is designated as a beneficiary to receive all or a portion of your lump sum death benefit.\*

\* No part of the Basic Death Benefit is payable if the Special Death Benefit is paid (see page 12).



**Special Death Benefit**

If your death is the direct result of a violent act while you were performing your official duties, your surviving spouse, registered domestic partner, or unmarried children or eligible stepchildren under age 22 may receive a monthly allowance equal to one-half of your final compensation. If there are eligible surviving children in addition to your spouse or registered domestic partner, the allowance may be increased to a maximum of 75 percent. The Special Death Benefit is payable to your surviving spouse or registered domestic partner until death, or to your children until age 22 who have never been married. Talk to your employer to find out if they have contracted for this benefit.

**Benefit Payments**

Your beneficiary will receive a lump-sum payment of:

- A refund of your contributions plus interest; and
- Up to six months' pay (one month's salary rate for each year of current service to a maximum of six months).

If no one is eligible for the Pre-Retirement Option 2W Death Benefit, the 1957 Survivor Benefit, or the Special Death Benefit (if applicable), your beneficiary will be determined as follows:

- Named beneficiary, or if none;
- Spouse or registered domestic partner, or if none;
- Children, or if none;
- Parents, or if none;
- Brothers and sisters, or if none;
- Estate if probated, or if not;
- Trust, or if none;
- Next of kin, as provided by law.

..... and .....

**1959 Survivor Benefit**

*Talk to your employer to find out if they have contracted for this benefit.* Applicable only for members not covered under Social Security while employed under a CalPERS-covered agency. The 1959 Survivor Death Benefit may not be payable if the Special Death Benefit is elected.

**1959 Survivor Benefit Program**

The 1959 Survivor Benefit coverage is available by contract amendment for those not covered by federal Social Security with their employer. Covered members are required to pay at least a \$2 monthly fee that is deducted from their salary specifically to fund the 1959 Survivor Benefit Program.

The program provides a monthly allowance to eligible survivors of members who were covered by this benefit program and died before retirement. The 1959 Survivor Benefit allowance is payable in addition to any other pre-retirement death benefit paid by CalPERS, with the possible exception of the Special Death Benefit. If the 1959 Survivor Benefit is greater than the Special Death Benefit, then the difference is paid as the 1959 Survivor Benefit.

**1959 Survivor Monthly Benefit Levels**

Currently, there are five different benefit levels for Local Miscellaneous members. Your coverage depends on your employer's contract with CalPERS. Please refer to the following chart to determine the amounts paid under each level depending on the number of eligible survivors.

Benefit Level	One Survivor	Two Survivors	Three or More Survivors
Level 1*	\$180	\$360	\$430
Level 2*	\$225	\$450	\$538
Level 3*	\$350	\$700	\$840
Level 4	\$950	\$1,900	\$2,280
Indexed Level**	\$574	\$1,149	\$1,723

**Eligible Survivors**

*Spouse*

A surviving spouse is a husband or wife who was legally married to the member at least one year before the member's death or before the occurrence of the injury or onset of the illness that resulted in the member's death. A surviving spouse is entitled to the 1959 Survivor Benefit as long as they have care of an eligible child or are at least age 62 (age 60 at Level 4 and under the Indexed Level, or if contracted by your employer for Level 1, 2, or 3). A surviving spouse may remarry and continue to receive the allowance.

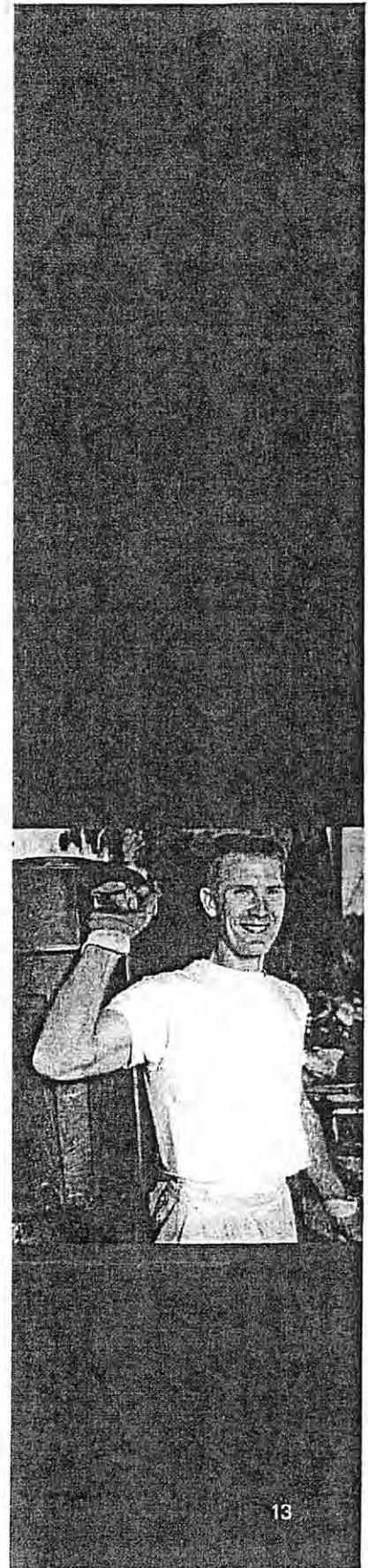
*Domestic Partner*

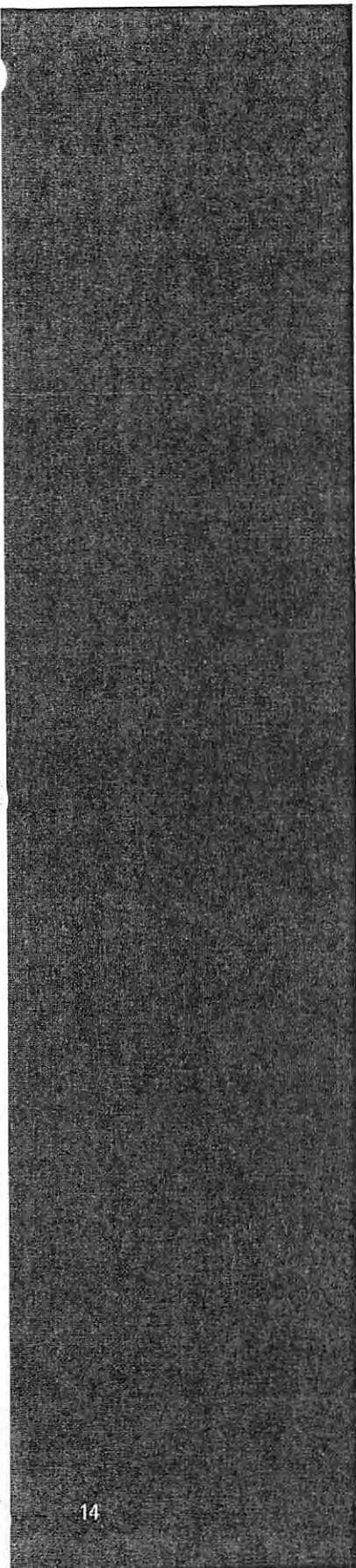
To be eligible, a surviving domestic partner must have been in a legally registered domestic partnership with the member at least one year before the member's death or before the occurrence of the injury or onset of the illness that resulted in the member's death. A surviving registered domestic partner is entitled to the 1959 Survivor Benefit as long as they have care of an eligible child or are at least age 62 (age 60 at Level 4 and under the Indexed Level, or if contracted by your employer for Level 1, 2, or 3.) A surviving registered domestic partner may register as a domestic partner to someone else and continue to receive the allowance.

*Children*

A child of the member who has never been married or a stepchild (if the child was living with the member in a parent-child relationship) who has never been married is eligible for benefits while under age 22. A child who has never been married and is incapacitated because of a disability that began before attaining age 22 may be entitled to the benefit until married or the disability ends. If a child is in the care of a guardian or is living alone, the child's portion of the benefit is payable to the guardian or to the child directly, rather than to the surviving spouse.

\* Levels 1, 2, and 3 are closed to new agency contract amendments.  
 \*\* The amounts quoted are effective January 1, 2007. These amounts will increase by 2 percent on January 1, 2008 and each year thereafter.  
 \*\*\* Amounts can differ if all children are not in the spouse's or domestic partner's care.





*Parents*

A parent who is at least age 62, (age 60 for Level 4 and under the Indexed Level, or if contracted by your employer for Level 1, 2, or 3) may be eligible if there is no surviving spouse, registered domestic partner, or eligible children, and the parent(s) was dependent on the member for at least half of their support at the time of the member's death.

## HEALTH INSURANCE, COVERED UNDER PEMHCA

### How Retirement Affects Your Health Benefits

If you are nearing retirement, you should read this section to gain an understanding of how retirement will affect your health benefits. Any questions can be directed to your Health Benefits Officer or Personnel Office.

If, upon retirement, you are enrolled in a CalPERS "Basic" health plan and you are eligible for Part A and Part B of Medicare, State law does not allow you to remain enrolled in your "Basic" plan. You must switch to in a Supplement to Medicare or Managed Medicare health plan. Contact CalPERS immediately after receiving your Medicare card to coordinate the effective date of your Medicare coverage.

Once you are retired, contact CalPERS if you have any questions about your health benefits or if you need to make changes to your plan or dependents.

### Your Separation Date and Your Retirement Date

As retirement approaches, you should check your calendar to determine the best way to maintain your health coverage. Two dates are particularly important: your separation date and your retirement date. If you are not sure when these dates occur, talk to your employer. The following are your health plan enrollment options when you retire:

- If your separation date and your retirement date are within 30 days of each other and you are enrolled in a CalPERS health plan at the time of retirement, your coverage will continue into retirement without a break. If you do not want your health benefits to continue into retirement, you need to cancel your coverage by submitting a *Health Benefits Plan Enrollment* form (HBD-12) through your employer.
- If your separation date and your retirement date are between 30 and 120 days of each other, your coverage will not automatically continue. You may re-enroll by either writing to the CalPERS Employer and Member Health Services Division within 60 days of your retirement date and requesting re-enrollment, or waiting for the next Open Enrollment period.
- You can pay monthly premiums directly to your health plan when you are not on a regular pay status. You can avoid having your coverage suspended between your last day of work and your retirement date by paying the full monthly premium. Contact the Health Benefits Officer where you worked and complete a *Direct Payment Authorization* form (HBD-21) within 30 days of your last day on pay status.

### PEMHCA

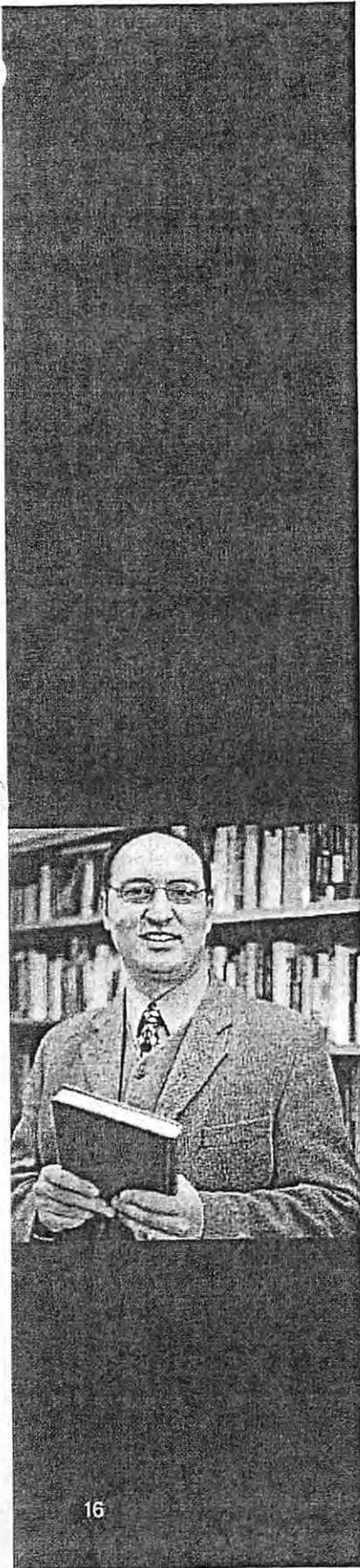
Public Employees' Medical and Hospital Care Act.

### Your Retirement Date

If the effective date of your retirement is more than 120 days after separation from employment, you are not eligible to be enrolled in a CalPERS health plan at retirement or at any future date.

### Medicare Health Plans

If at retirement you are enrolled in a CalPERS health plan and you are eligible for Social Security Medicare benefits, State law prohibits your continued enrollment in the Basic plan. However, you can continue your CalPERS health care by enrolling in a CalPERS Medicare health plan. Contact CalPERS immediately after receiving your federal Medicare card to determine your eligibility and to coordinate the effective date of your Medicare coverage.



- If you are not enrolled in a health plan at retirement and your retirement date is within 120 days of separation, you may enroll within 60 days of retirement or during a future Open Enrollment period. Contact your Health Benefits Officer if you are an active employee or CalPERS if you are retired.
- If your retirement effective date is more than 120 days after separation from employment, you are not eligible for coverage at retirement or at any future date.

There are some exceptions to this rule for exempt State employees. Contact CalPERS at 888 CalPERS (or 888-225-7377) if you have questions about your eligibility.

- If you are retiring within 90 days of your own or your spouse's 65th birthday, contact the Social Security Administration (SSA) at (800) 772-1213 or TTY (800) 325-0778 about signing up for Medicare. In addition to signing up for Medicare, you will have to change from a Basic health plan to a plan that combines your Medicare benefits with your CalPERS-sponsored health benefits. CalPERS Medicare health plan members who have prescription drug coverage that is good or better than Medicare Part D prescription coverage do not need to enroll in an external Medicare Part D plan. If you do enroll in a non-CalPERS Medicare part D plan, you will lose your CalPERS health coverage.
- If you were covered as a dependent through another health plan when you retired, or you canceled coverage to participate in the State's FlexElect Program, you may be eligible to enroll in a CalPERS health plan. Contact CalPERS for more information.

If you have questions about your CalPERS health benefits and you are an active member, contact your Personnel Office or Health Benefits Officer. If you are a retiree, contact CalPERS at 888 CalPERS (or 888-225-7377).

## Making Changes to Your Health Plan After Retirement

Once you retire, CalPERS becomes your Health Benefits Officer or Personnel Office. This means you can make most changes to your health enrollment by calling CalPERS at 888 CalPERS (or 888-225-7377). For some changes, we will ask you to send additional information to CalPERS, as indicated below.

If you prefer, you can correspond with us in writing. Please include your (or the member's) name, Social Security number, a copy of your Medicare card, and daytime phone number with area code. Be sure to include the following information when you request changes:

### *Changing Your Address*

Include both the old and new address.

### *Adding or Deleting a Dependent*

Include the dependent's name, Social Security number, birth date, a copy of the Medicare card, relationship to member, and reason you are adding or deleting the dependent.

### *Adding a Spouse Due to Marriage*

Include a copy of the *Marriage Certificate* and your spouse's Social Security number with your request.

### *Deleting a Spouse Due to Divorce*

Include a complete signed copy of the *Divorce Decree* with your request.

### *Adding a Domestic Partner*

Submit a copy of the *Declaration of Domestic Partnership*, that has been approved by the California Secretary of State's Office.

### *Deleting a Domestic Partner*

Submit a complete signed copy of the *Termination of Domestic Partnership* that you submitted to the California Secretary of State's Office.

### *Adding an Economically Dependent Child*

Complete an *Affidavit of Eligibility* form (HBD-35).

### *Applying for a CalPERS-Sponsored Medicare Plan*

Upon your retirement and three months before you turn 65, CalPERS will send you this form. Submit a *Certification of Medicare Status* form (PERS08M0021) to validate Medicare eligibility, ineligibility, or deferment.

### **Making Direct Payment for Health Premiums to Cover Delays**

If you don't apply for retirement 90 days before you intend to retire, or you are aware of a delay in receiving your first retirement check, you should contact your Personnel Office to discuss making direct payments for your health premiums. The direct payments will ensure continuation of services and claim payments for your current PEMHCA coverage. You will be reimbursed for the direct payment amounts by the plan as soon as the payments are made by CalPERS.

**Reciprocity**

This agreement between retirement systems does not apply to health vesting requirements.

## ADDITIONAL BENEFITS TO CONSIDER

### Reciprocity— Other California Public Retirement Systems

CalPERS has an agreement with many public retirement systems in California that allows movement from one public employer to another, within a specified time limit, without losing valuable retirement rights and related benefits. This is called “reciprocity”.

There is no transfer of funds or service credit between retirement systems when you establish reciprocity. You become a member of both systems and are subject to the membership and benefit obligations and rights of each system.

You must retire from each system separately, but it must be on the same date for all the benefits of reciprocity to apply. Once you’ve retired, you will receive separate retirement checks from each system.

For more information, or to establish reciprocity, you should obtain the CalPERS Publication *When You Change Retirement Systems*.

### Cost-of-Living Adjustments

Cost-of-living adjustments are provided by law and are based on the Consumer Price Index for all United States cities. Cost-of-living adjustments are paid the second calendar year of your retirement and then every year thereafter.

The standard cost-of-living adjustment is a maximum of 2 percent per year. If the Consumer Price Index registers a lower rate of inflation, you could receive a lower percentage.

Public agency members like yourself can receive a 2 percent, 3 percent, 4 percent, or 5 percent cost-of-living adjustment, depending upon your employer’s contract.

### Inflation Protection (PPPA)

Added protection against inflation is provided by the Purchasing Power Protection Account (PPPA), created to restore your monthly allowance to 80 percent of its original purchasing power.

You will automatically receive PPPA supplemental payments on a monthly basis if your allowance falls below the 80 percent purchasing power level.

### Sick Leave Credit

*Talk to your employer to find out if they have contracted for this benefit. At retirement, any unused sick leave you have may be converted to additional service credit. (The additional service will not change your age at retirement.)*

You will receive credit for unused sick leave as certified by your employer. It takes 250 days of sick leave to receive one year of service credit. For example, if your employer certified 120 days of sick leave, your additional service credit would be 0.480 ( $120 \times .004 = 0.480$ ) of a year's service credit. If the leave amount is certified on your retirement application, the service credit is added to the first retirement check. If not, an adjustment is calculated after your retirement date and paid retroactively once your employer certifies the unused leave.

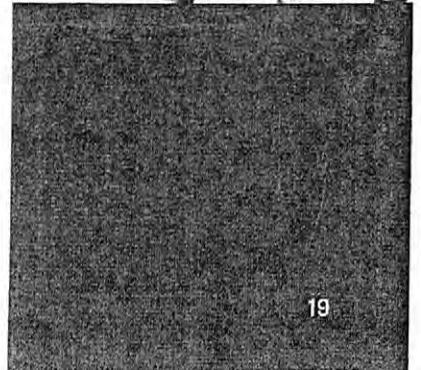
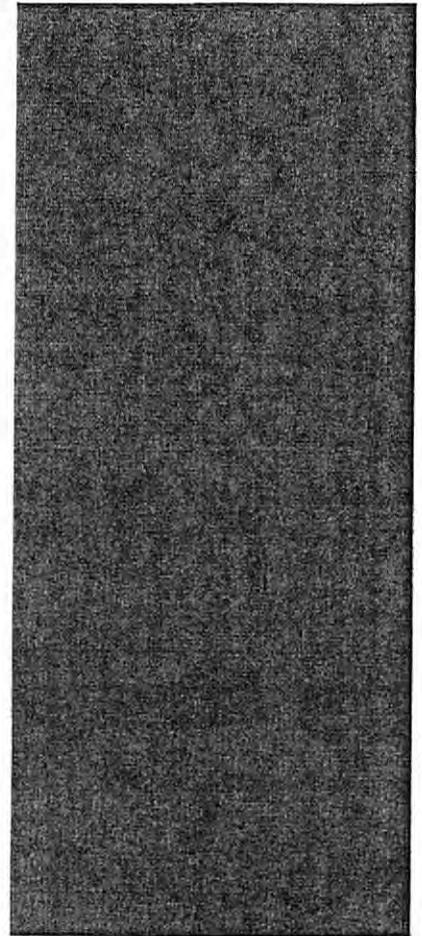
To receive sick leave credit, your retirement date must be within 120 days of the date of separation from employment.

### Internal Revenue Code (IRC) Section 401 (a)(17) Contribution Limit

If you first became a member of CalPERS on or after July 1, 1996 IRC section 401 (a)(17) places limitations on the amount of member contributions you can pay into a tax-qualified retirement plan such as CalPERS. For calendar year 2007, member contributions cannot be paid on earnings more than \$230,000. This dollar amount limit is set every year by the Internal Revenue Service. This section does not limit or "cap" the salary an employer can pay an employee. It does specify the highest salary on which member contributions can be paid into an employee's CalPERS account. Your employer is responsible for identifying and monitoring when your salary reaches or exceeds this annual limit.

At retirement, the highest average salary (final compensation amount) used to calculate your benefit cannot exceed the section 401 (a)(17) salary limit.

**Example:** If you became a member of CalPERS in August 1996 and earn \$300,000 in 2007, you will pay contributions on \$225,000 of your salary and, if you retired in 2007, your retirement benefit calculation would use \$225,000 as your highest final compensation.



### Internal Revenue Section (IRC) 415 (b) Retirement Benefit Limit

IRC section 415 (b) places a dollar limit on the annual benefit you can receive from a tax-qualified pension plan such as CalPERS. Under section 415 (b), the maximum annual retirement benefit payable if you retire at your Social Security "normal retirement age" is \$185,000 for calendar year 2008. This dollar limit is set every year by the Internal Revenue Service. Determination of whether your retirement benefit will be subject to this limit can only be made at retirement.

If you first became a CalPERS member on or before December 31, 1989 and if at retirement, your benefit must be limited under section 415 (b), you will be enrolled in a replacement benefit plan and paid a monthly amount that will, to the extent possible, make up the amount your CalPERS benefit is limited.

## RETIREMENT FORMULAS & BENEFIT FACTORS

### Understanding Your Retirement Formula

Your benefit factor is the percentage of pay to which you are entitled for each year of service. It is determined by your age at retirement and the retirement formula that your employer(s) has contracted for you. This guide explains the following Local Miscellaneous retirement formulas:

$2^{\text{percent}}_{@55}$      $2^{\text{percent}}_{@60}$      $25^{\text{percent}}_{@55}$      $2.7^{\text{percent}}_{@55}$      $3^{\text{percent}}_{@60}$

You can refer to your CalPERS Annual Member Statement to verify your retirement formula.

Starting on the following page you'll find two charts for each of the Local Miscellaneous formulas. The first chart shows how the benefit factor increases for each quarter year of age. The second chart for each formula shows the percentage of final compensation you will receive. There is no cap and it can exceed 100 percent. Not all benefit factors increase to age 63.

If your retirement formula has changed after you began employment, be aware that some retirement formula changes contracted by your employer may not enhance retirement benefits for all members. To take full advantage of your retirement benefits, carefully review your benefit information and request an estimate of your retirement allowance.

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2 percent  
 @55

### BENEFIT FACTORS

The chart below shows how the benefit factor increases for each quarter year of age from 50 to 63.

Age	Exact Year	¼ Year	½ Year	¾ Year
50	1.426	1.450	1.474	1.498
51	1.522	1.550	1.576	1.602
52	1.628	1.656	1.686	1.714
53	1.742	1.772	1.804	1.834
54	1.866	1.900	1.932	1.966
55	2.000	2.014	2.026	2.040
56	2.052	2.066	2.078	2.092
57	2.104	2.118	2.130	2.144
58	2.156	2.170	2.182	2.196
59	2.210	2.222	2.236	2.248
60	2.262	2.274	2.288	2.300
61	2.314	2.326	2.340	2.352
62	2.366	2.378	2.392	2.404
63 or older	2.418	—	—	—

PERCENTAGE OF FINAL COMPENSATION

2<sup>percent</sup>  
 @55

Age	50	51	52	53	54	55	56	57	58	59	60	61	62	63+
Benefit Factor	1.426	1.522	1.628	1.742	1.866	2.000	2.052	2.104	2.156	2.210	2.262	2.314	2.366	2.418
Years of Service	Percentage of Final Compensation													
5	7.13	7.61	8.14	8.71	9.33	10.00	10.26	10.52	10.78	11.05	11.31	11.57	11.83	12.09
6	8.56	9.13	9.77	10.45	11.20	12.00	12.31	12.62	12.94	13.26	13.57	13.88	14.20	14.51
7	9.98	10.65	11.40	12.19	13.06	14.00	14.36	14.73	15.09	15.47	15.83	16.20	16.56	16.93
8	11.41	12.18	13.02	13.94	14.93	16.00	16.42	16.83	17.25	17.68	18.10	18.51	18.93	19.34
9	12.83	13.70	14.65	15.68	16.79	18.00	18.47	18.94	19.40	19.89	20.36	20.83	21.29	21.76
10	14.26	15.22	16.28	17.42	18.66	20.00	20.52	21.04	21.56	22.10	22.62	23.14	23.66	24.18
11	15.69	16.74	17.91	19.16	20.53	22.00	22.57	23.14	23.72	24.31	24.88	25.45	26.03	26.60
12	17.11	18.26	19.54	20.90	22.39	24.00	24.62	25.25	25.87	26.52	27.14	27.77	28.39	29.02
13	18.54	19.79	21.16	22.65	24.26	26.00	26.68	27.35	28.03	28.73	29.41	30.08	30.76	31.43
14	19.96	21.31	22.79	24.39	26.12	28.00	28.73	29.46	30.18	30.94	31.67	32.40	33.12	33.85
15	21.39	22.83	24.42	26.13	27.99	30.00	30.78	31.56	32.34	33.15	33.93	34.71	35.49	36.27
16	22.82	24.35	26.05	27.87	29.86	32.00	32.83	33.66	34.50	35.36	36.19	37.02	37.86	38.69
17	24.24	25.87	27.68	29.61	31.72	34.00	34.88	35.77	36.65	37.57	38.45	39.34	40.22	41.11
18	25.67	27.40	29.30	31.36	33.59	36.00	36.94	37.87	38.81	39.78	40.72	41.65	42.59	43.52
19	27.09	28.92	30.93	33.10	35.45	38.00	38.99	39.98	40.96	41.99	42.98	43.97	44.95	45.94
20	28.52	30.44	32.56	34.84	37.32	40.00	41.04	42.08	43.12	44.20	45.24	46.28	47.32	48.36
21	29.95	31.96	34.19	36.58	39.19	42.00	43.09	44.18	45.28	46.41	47.50	48.59	49.69	50.78
22	31.37	33.48	35.82	38.32	41.05	44.00	45.14	46.29	47.43	48.62	49.76	50.91	52.05	53.20
23	32.80	35.01	37.44	40.07	42.92	46.00	47.20	48.39	49.59	50.83	52.03	53.22	54.42	55.61
24	34.22	36.53	39.07	41.81	44.78	48.00	49.25	50.50	51.74	53.04	54.29	55.54	56.78	58.03
25	35.65	38.05	40.70	43.55	46.65	50.00	51.30	52.60	53.90	55.25	56.55	57.85	59.15	60.45
26	37.08	39.57	42.33	45.29	48.52	52.00	53.35	54.70	56.06	57.46	58.81	60.16	61.52	62.87
27	38.50	41.09	43.96	47.03	50.38	54.00	55.40	56.81	58.21	59.67	61.07	62.48	63.88	65.29
28	39.93	42.62	45.58	48.78	52.25	56.00	57.46	58.91	60.37	61.88	63.34	64.79	66.25	67.70
29	41.35	44.14	47.21	50.52	54.11	58.00	59.51	61.02	62.52	64.09	65.60	67.11	68.61	70.12
30	42.78	45.66	48.84	52.26	55.98	60.00	61.56	63.12	64.68	66.30	67.86	69.42	70.98	72.54
31	44.21	47.18	50.47	54.00	57.85	62.00	63.61	65.22	66.84	68.51	70.12	71.73	73.35	74.96
32	45.63	48.70	52.10	55.74	59.71	64.00	65.66	67.33	68.99	70.72	72.38	74.05	75.71	77.38
33	47.06	50.23	53.72	57.49	61.58	66.00	67.72	69.43	71.15	72.93	74.65	76.36	78.08	79.79
34	—	51.75	55.35	59.23	63.44	68.00	69.77	71.54	73.30	75.14	76.91	78.68	80.44	82.21
35	—	—	56.98	60.97	65.31	70.00	71.82	73.64	75.46	77.35	79.17	80.99	82.81	84.63
36	—	—	—	62.71	67.18	72.00	73.87	75.74	77.62	79.56	81.43	83.30	85.18	87.05
37	—	—	—	—	69.04	74.00	75.92	77.85	79.77	81.77	83.69	85.62	87.54	89.47
38	—	—	—	—	—	76.00	77.98	79.95	81.93	83.98	85.96	87.93	89.91	91.88
39	—	—	—	—	—	—	80.03	82.06	84.08	86.19	88.22	90.25	92.27	94.30
40	—	—	—	—	—	—	—	84.16	86.24	88.40	90.48	92.56	94.64	96.72

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*2* percent  
 @  
 60

**BENEFIT FACTORS**

The chart below shows how the benefit factor increases for each quarter year of age from 50 to 63.

Age	Exact Year	¼ Year	½ Year	¾ Year
50	1.092	1.108	1.124	1.140
51	1.156	1.172	1.190	1.206
52	1.224	1.242	1.260	1.278
53	1.296	1.316	1.336	1.356
54	1.376	1.396	1.418	1.438
55	1.460	1.482	1.506	1.528
56	1.552	1.576	1.600	1.626
57	1.650	1.678	1.704	1.730
58	1.758	1.786	1.816	1.846
59	1.874	1.906	1.938	1.970
60	2.000	2.034	2.068	2.100
61	2.134	2.168	2.202	2.238
62	2.272	2.308	2.346	2.382
63 or older	2.418	—	—	—

PERCENTAGE OF FINAL COMPENSATION

2<sup>percent</sup>  
@60

Age	50	51	52	53	54	55	56	57	58	59	60	61	62	63+
Benefit Factor	1.092	1.156	1.224	1.296	1.376	1.460	1.552	1.650	1.758	1.874	2.000	2.134	2.272	2.418
Years of Service	Percentage of Final Compensation													
5	5.46	5.78	6.12	6.48	6.88	7.30	7.76	8.25	8.79	9.37	10.00	10.67	11.36	12.09
6	6.55	6.94	7.34	7.78	8.26	8.76	9.31	9.90	10.55	11.24	12.00	12.80	13.63	14.51
7	7.64	8.09	8.57	9.07	9.63	10.22	10.86	11.55	12.31	13.12	14.00	14.94	15.90	16.93
8	8.74	9.25	9.79	10.37	11.01	11.68	12.42	13.20	14.06	14.99	16.00	17.07	18.18	19.34
9	9.83	10.40	11.02	11.66	12.38	13.14	13.97	14.85	15.82	16.87	18.00	19.21	20.45	21.76
10	10.92	11.56	12.24	12.96	13.76	14.60	15.52	16.50	17.58	18.74	20.00	21.34	22.72	24.18
11	12.01	12.72	13.46	14.26	15.14	16.06	17.07	18.15	19.34	20.61	22.00	23.47	24.99	26.60
12	13.10	13.87	14.69	15.55	16.51	17.52	18.62	19.80	21.10	22.49	24.00	25.61	27.26	29.02
13	14.20	15.03	15.91	16.85	17.89	18.98	20.18	21.45	22.85	24.36	26.00	27.74	29.54	31.43
14	15.29	16.18	17.14	18.14	19.26	20.44	21.73	23.10	24.61	26.24	28.00	29.88	31.81	33.85
15	16.38	17.34	18.36	19.44	20.64	21.90	23.28	24.75	26.37	28.11	30.00	32.01	34.08	36.27
16	17.47	18.50	19.58	20.74	22.02	23.36	24.83	26.40	28.13	29.98	32.00	34.14	36.35	38.69
17	18.56	19.65	20.81	22.03	23.39	24.82	26.38	28.05	29.89	31.85	34.00	36.28	38.62	41.11
18	19.66	20.81	22.03	23.33	24.77	26.28	27.94	29.70	31.64	33.73	36.00	38.41	40.90	43.52
19	20.75	21.96	23.26	24.62	26.14	27.74	29.49	31.35	33.40	35.61	38.00	40.55	43.17	45.94
20	21.84	23.12	24.48	25.92	27.52	29.20	31.04	33.00	35.16	37.48	40.00	42.68	45.44	48.36
21	22.93	24.28	25.70	27.22	28.90	30.66	32.59	34.65	36.92	39.35	42.00	44.81	47.71	50.78
22	24.02	25.43	26.93	28.51	30.27	32.12	34.14	36.30	38.68	41.23	44.00	46.95	49.98	53.20
23	25.12	26.59	28.15	29.81	31.65	33.58	35.70	37.95	40.43	43.10	46.00	49.08	52.26	55.61
24	26.21	27.74	29.38	31.10	33.02	35.04	37.25	39.60	42.19	44.98	48.00	51.22	54.53	58.03
25	27.30	28.90	30.60	32.40	34.40	36.50	38.80	41.25	43.95	46.85	50.00	53.35	56.80	60.45
26	28.39	30.06	31.82	33.70	35.78	37.96	40.35	42.90	45.71	48.72	52.00	55.48	59.07	62.87
27	29.48	31.21	33.05	34.99	37.15	39.42	41.90	44.55	47.47	50.60	54.00	57.62	61.34	65.29
28	30.58	32.37	34.27	36.29	38.53	40.88	43.46	46.20	49.22	52.47	56.00	59.75	63.62	67.70
29	31.67	33.52	35.50	37.58	39.90	42.34	45.01	47.85	50.98	54.35	58.00	61.89	65.89	70.12
30	32.76	34.68	36.72	38.88	41.28	43.80	46.56	49.50	52.74	56.22	60.00	64.02	68.16	72.54
31	33.85	35.84	37.94	40.18	42.66	45.26	48.11	51.15	54.50	58.09	62.00	66.15	70.43	74.96
32	34.94	36.99	39.17	41.47	44.03	46.72	49.66	52.80	56.26	59.97	64.00	68.29	72.70	77.38
33	36.04	38.15	40.39	42.77	45.41	48.18	51.22	54.45	58.01	61.84	66.00	70.42	74.98	79.79
34	—	39.30	41.62	44.06	46.78	49.64	52.77	56.10	59.77	63.72	68.00	72.56	77.25	82.21
35	—	—	42.84	45.36	48.16	51.10	54.32	57.75	61.53	65.59	70.00	74.69	79.52	84.63
36	—	—	—	46.66	49.54	52.56	55.87	59.40	63.29	67.46	72.00	76.82	81.79	87.05
37	—	—	—	—	50.91	54.02	57.42	61.05	65.05	69.34	74.00	78.96	84.06	89.47
38	—	—	—	—	—	55.48	58.98	62.70	66.80	71.21	76.00	81.09	86.34	91.88
39	—	—	—	—	—	—	60.53	64.35	68.56	73.09	78.00	83.23	88.61	94.30
40	—	—	—	—	—	—	—	66.00	70.32	74.96	80.00	85.36	90.88	96.72

082007 MH 0.1

25 percent  
@55

### BENEFIT FACTORS

The chart below shows how the benefit factor increases for each quarter year of age from 50 to 55.

Age	Exact Year	¼ Year	½ Year	¾ Year
50	2.000	2.025	2.050	2.075
51	2.100	2.125	2.150	2.175
52	2.200	2.225	2.250	2.275
53	2.300	2.325	2.350	2.375
54	2.400	2.425	2.450	2.475
55 or older	2.500	—	—	—

PERCENTAGE OF FINAL COMPENSATION

25<sup>percent</sup>  
@55

Age	50	51	52	53	54	55+
Benefit Factor	2.000	2.100	2.200	2.300	2.400	2.500
Years of Service	Percentage of Final Compensation					
5	10.00	10.50	11.00	11.50	12.00	12.50
6	12.00	12.60	13.20	13.80	14.40	15.00
7	14.00	14.70	15.40	16.10	16.80	17.50
8	16.00	16.80	17.60	18.40	19.20	20.00
9	18.00	18.90	19.80	20.70	21.60	22.50
10	20.00	21.00	22.00	23.00	24.00	25.00
11	22.00	23.10	24.20	25.30	26.40	27.50
12	24.00	25.20	26.40	27.60	28.80	30.00
13	26.00	27.30	28.60	29.90	31.20	32.50
14	28.00	29.40	30.80	32.20	33.60	35.00
15	30.00	31.50	33.00	34.50	36.00	37.50
16	32.00	33.60	35.20	36.80	38.40	40.00
17	34.00	35.70	37.40	39.10	40.80	42.50
18	36.00	37.80	39.60	41.40	43.20	45.00
19	38.00	39.90	41.80	43.70	45.60	47.50
20	40.00	42.00	44.00	46.00	48.00	50.00
21	42.00	44.10	46.20	48.30	50.40	52.50
22	44.00	46.20	48.40	50.60	52.80	55.00
23	46.00	48.30	50.60	52.90	55.20	57.50
24	48.00	50.40	52.80	55.20	57.60	60.00
25	50.00	52.50	55.00	57.50	60.00	62.50
26	52.00	54.60	57.20	59.80	62.40	65.00
27	54.00	56.70	59.40	62.10	64.80	67.50
28	56.00	58.80	61.60	64.40	67.20	70.00
29	58.00	60.90	63.80	66.70	69.60	72.50
30	60.00	63.00	66.00	69.00	72.00	75.00
31	62.00	65.10	68.20	71.30	74.40	77.50
32	64.00	67.20	70.40	73.60	76.80	80.00
33	66.00	69.30	72.60	75.90	79.20	82.50
34	—	71.40	74.80	78.20	81.60	85.00
35	—	—	77.70	80.50	84.00	87.50
36	—	—	—	82.80	86.40	90.00
37	—	—	—	—	88.80	92.50
38	—	—	—	—	—	95.00

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**2.7** percent  
 @ **55**

**BENEFIT FACTORS**

The chart below shows how the benefit factor increases for each quarter year of age from 50 to 55.

Age at Retirement	Exact Year	¼ Year	½ Year	¾ Year
50	2.000	2.035	2.070	2.105
51	2.140	2.175	2.210	2.245
52	2.280	2.315	2.350	2.385
53	2.420	2.455	2.490	2.525
54	2.560	2.595	2.630	2.665
55+	2.700	—	—	—

PERCENTAGE OF FINAL COMPENSATION

2.7%  
 @55

Age	50	51	52	53	54	55+
Benefit Factor	2.00	2.14	2.28	2.42	2.56	2.70
Years of Service	Percentage of Final Compensation					
5	10.00	10.70	11.40	12.10	12.80	13.50
6	12.00	12.84	13.68	14.52	15.36	16.20
7	14.00	14.98	15.96	16.94	17.92	18.90
8	16.00	17.12	18.24	19.36	20.48	21.60
9	18.00	19.26	20.52	21.78	23.04	24.30
10	20.00	21.40	22.80	24.20	25.60	27.00
11	22.00	23.54	25.08	26.62	28.16	29.70
12	24.00	25.68	27.36	29.04	30.72	32.40
13	26.00	27.82	29.64	31.46	33.28	35.10
14	28.00	29.96	31.92	33.88	35.84	37.80
15	30.00	32.10	34.20	36.30	38.40	40.50
16	32.00	34.24	36.48	38.72	40.96	43.20
17	34.00	36.38	38.76	41.14	43.52	45.90
18	36.00	38.52	41.04	43.56	46.08	48.60
19	38.00	40.66	43.32	45.98	48.64	51.30
20	40.00	42.80	45.60	48.40	51.20	54.00
21	42.00	44.94	47.88	50.82	53.76	56.70
22	44.00	47.08	50.16	53.24	56.32	59.40
23	46.00	49.22	52.44	55.66	58.88	62.10
24	48.00	51.36	54.72	58.08	61.44	64.80
25	50.00	53.50	57.00	60.50	64.00	67.50
26	52.00	55.64	59.28	62.92	66.56	70.20
27	54.00	57.78	61.56	65.34	69.12	72.90
28	56.00	59.92	63.84	67.76	71.68	75.60
29	58.00	62.06	66.12	70.18	74.24	78.30
30	60.00	64.20	68.40	72.60	76.80	81.00
31	62.00	66.34	70.68	75.02	79.36	83.70
32	64.00	68.48	72.96	77.44	81.92	86.40
33	66.00	70.62	75.24	79.86	84.48	89.10
34	—	72.76	77.52	82.28	87.04	91.80
35	—	—	79.80	84.70	89.60	94.50
36	—	—	—	87.12	92.16	97.20
37	—	—	—	—	94.72	99.90
38	—	—	—	—	—	102.60

082007 MH 0.1

*3* percent  
 @  
 60

**BENEFIT FACTORS**

The chart below shows how the benefit factor increases for each quarter year of age from 50 to 60.

Age at Retirement	Exact Year	¼ Year	½ Year	¾ Year
50	2.000	2.025	2.050	2.075
51	2.100	2.125	2.150	2.175
52	2.200	2.225	2.250	2.275
53	2.300	2.325	2.350	2.375
54	2.400	2.425	2.450	2.475
55	2.500	2.525	2.550	2.575
56	2.600	2.625	2.650	2.675
57	2.700	2.725	2.750	2.775
58	2.800	2.825	2.850	2.875
59	2.900	2.925	2.950	2.975
60 or older	3.000	—	—	—

PERCENTAGE OF FINAL COMPENSATION

3<sup>percent</sup>  
@60

Age	50	51	52	53	54	55	56	57	58	59	60
Benefit Factor	2.00	2.10	2.20	2.30	2.40	2.50	2.60	2.70	2.80	2.90	3.00
Years of Service	Percentage of Final Compensation										
5	10.00	10.50	11.00	11.50	12.00	12.50	13.00	13.50	14.00	14.50	15.00
6	12.00	12.60	13.20	13.80	14.40	15.00	15.60	16.20	16.80	17.40	18.00
7	14.00	14.70	15.40	16.10	16.80	17.50	18.20	18.90	19.60	20.30	21.00
8	16.00	16.80	17.60	18.40	19.20	20.00	20.80	21.60	22.40	23.20	24.00
9	18.00	18.90	19.80	20.70	21.60	22.50	23.40	24.30	25.20	26.10	27.00
10	20.00	21.00	22.00	23.00	24.00	25.00	26.00	27.00	28.00	29.00	30.00
11	22.00	23.10	24.20	25.30	26.40	27.50	28.60	29.70	30.80	31.90	33.00
12	24.00	25.20	26.40	27.60	28.80	30.00	31.20	32.40	33.60	34.80	36.00
13	26.00	27.30	28.60	29.90	31.20	32.50	33.80	35.10	36.40	37.70	39.00
14	28.00	29.40	30.80	32.20	33.60	35.00	36.40	37.80	39.20	40.60	42.00
15	30.00	31.50	33.00	34.50	36.00	37.50	39.00	40.50	42.00	43.50	45.00
16	32.00	33.60	35.20	36.80	38.40	40.00	41.60	43.20	44.80	46.40	48.00
17	34.00	35.70	37.40	39.10	40.80	42.50	44.20	45.90	47.60	49.30	51.00
18	36.00	37.80	39.60	41.40	43.20	45.00	46.80	48.60	50.40	52.20	54.00
19	38.00	39.90	41.80	43.70	45.60	47.50	49.40	51.30	53.20	55.10	57.00
20	40.00	42.00	44.00	46.00	48.00	50.00	52.00	54.00	56.00	58.00	60.00
21	42.00	44.10	46.20	48.30	50.40	52.50	54.60	56.70	58.80	60.90	63.00
22	44.00	46.20	48.40	50.60	52.80	55.00	57.20	59.40	61.60	63.80	66.00
23	46.00	48.30	50.60	52.90	55.20	57.50	59.80	62.10	64.40	66.70	69.00
24	48.00	50.40	52.80	55.20	57.60	60.00	62.40	64.80	67.20	69.60	72.00
25	50.00	52.50	55.00	57.50	60.00	62.50	65.00	67.50	70.00	72.50	75.00
26	52.00	54.60	57.20	59.80	62.40	65.00	67.60	70.20	72.80	75.40	78.00
27	54.00	56.70	59.40	62.10	64.80	67.50	70.20	72.90	75.60	78.30	81.00
28	56.00	58.80	61.60	64.40	67.20	70.00	72.80	75.60	78.40	81.20	84.00
29	58.00	60.90	63.80	66.70	69.60	72.50	75.40	78.30	81.20	84.10	87.00
30	60.00	63.00	66.00	69.00	72.00	75.00	78.00	81.00	84.00	87.00	90.00
31	62.00	65.10	68.20	71.30	74.40	77.50	80.60	83.70	86.80	89.90	93.00
32	64.00	67.20	70.40	73.60	76.80	80.00	83.20	86.40	89.60	92.80	96.00
33	66.00	69.30	72.60	75.90	79.20	82.50	85.80	89.10	92.40	95.70	99.00
34	—	71.40	74.80	78.20	81.60	85.00	88.40	91.80	95.20	98.60	102.00
35	—	—	77.00	80.50	84.00	87.50	91.00	94.50	98.00	101.50	105.00
36	—	—	—	82.80	86.40	90.00	93.60	97.20	100.80	104.40	108.00
37	—	—	—	—	88.80	92.50	96.20	99.90	103.60	107.30	111.00
38	—	—	—	—	—	95.00	98.80	102.60	106.40	110.20	114.00
39	—	—	—	—	—	—	101.40	105.30	109.20	113.10	117.00
40	—	—	—	—	—	—	—	108.00	112.00	116.00	120.00

## BECOME A MORE INFORMED MEMBER

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Visit our Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov) for more information on all your benefits and programs.

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TTY: For Speech & Hearing Impaired (916) 795-3240

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- Update your contact information and online account profile.
- View, print and save online statements.
- Check statuses of requests to purchase service credit or applications for disability retirement.
- Use planning tools to calculate your retirement estimate, estimate your service credit cost, and request a CalPERS generated retirement estimate.
- Access financial planning tools to help you create a forecast for your future.

Log in today at [my.calpers.ca.gov](http://my.calpers.ca.gov).

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Our new CalPERS Education Center offers you quick access to all of the classes and instruction you need to be prepared and informed while making important decisions about your CalPERS benefits and your future. Take advantage of the convenience of anytime, anywhere access to our educational resources. Be empowered with all the necessary and important information you need today.

It's easy to get started. Access the CalPERS Education Center from CalPERS On-Line directly from our home page at [www.calpers.ca.gov](http://www.calpers.ca.gov). Retirement planning classes are available, whether you are in the early stages of your career, just starting to plan your retirement, or getting ready to retire.

Visit Your Nearest CalPERS Regional Office

Visit the CalPERS Web site for directions to your local office.  
Monday to Friday, 8:00 a.m. to 5:00 p.m.

**Fresno Regional Office**  
10 River Park Place East, Suite 230  
Fresno, CA 93720

**Glendale Regional Office**  
Glendale Plaza  
655 North Central Avenue, Suite 1400  
Glendale, CA 91203

**Orange Regional Office**  
500 North State College Boulevard, Suite 750  
Orange, CA 92868

**Sacramento Regional Office**  
Lincoln Plaza East  
400 Q Street, Room E1820  
Sacramento, CA 95811

**San Bernardino Regional Office**  
650 East Hospitality Lane, Suite 330  
San Bernardino, CA 92408

**San Diego Regional Office**  
7676 Hazard Center Drive, Suite 350  
San Diego, CA 92108

**San Jose Regional Office**  
181 Metro Drive, Suite 520  
San Jose, CA 95110

**Walnut Creek Regional Office \***  
1340 Treat Blvd., Suite 200  
Walnut Creek, CA 94597

\* Walnut Creek Regional Office  
will be open January 2008.

## GLOSSARY

This glossary can help you understand some of the words and phrases you may encounter when dealing with CalPERS.

### **Benefit Factor**

The percentage of pay you are entitled to for each year of CalPERS-covered service. It is determined by your age at retirement and your retirement formula.

### **Beneficiary**

A person you designate to receive a benefit after your death or other benefit recipient. (Also, see survivor, which has a different definition. Your beneficiary and survivor may or may not be the same person.)

### **COBRA**

The Consolidated Omnibus Budget Reconciliation Act is federal legislation that allows you or a family member to continue your health plan enrollment when coverage is lost. A loss of coverage could include separation from employment, marriage of a dependent, a dependent reaching age 23, or divorce or legal separation.

### **Dependent**

Those family members who meet the specific eligibility criteria for coverage in the CalPERS Health Program.

### **Domestic Partner**

Registered domestic partners legally recognized by California law are qualified for benefits and rights that apply to a spouse.

### **Disability**

An inability to substantially perform the duties of your job due to illness or injury, which is determined to be permanent or of an extended and uncertain duration.

### **Final Compensation**

Your average full-time monthly pay rate and special compensation for the last consecutive 36 months of employment (or 12 months of your employer has contracted with CalPERS to provide one-year final compensation). We use your full-time pay rate, not your earnings, so if you work part time, we would use your full-time equivalent pay rate to determine your final compensation. If you think there was another period of 12- or 36-consecutive months during which your final compensation was higher, let us know when you apply for retirement. We will use that time period to determine your final compensation.

### **Fiscal Year**

CalPERS operates on a fiscal year calendar, which is July 1 to June 30.

**Health Insurance Portability & Accountability Act (HIPAA)**

This federal law protects health insurance coverage for workers and their families when they change or lose their jobs. It also includes provisions providing national standards to protect the privacy of personal health information.

**Member**

An employee who qualifies for membership in CalPERS and whose employer has become obligated to pay contributions into the Retirement Fund.

**Open Enrollment Period**

A period of time determined by the CalPERS Board when you can enroll or change health plans, or add eligible family members not currently enrolled in the CalPERS Health Program.

**PEMHCA**

Public Employees' Medical and Hospital Care Act. Government Code §§22751 et seq.

**Reciprocal Agreement**

An agreement between CalPERS and many public retirement systems within California that allows movement from one public employer to another, within a specified time limit, without losing valuable retirement rights and benefits.

**Service Credit**

Your credited years of employment with a CalPERS employer. This amount of service is credited to your CalPERS account and used in the formula to determine your retirement benefits. In some cases, other types of service credit (i.e. sick leave and service credit purchases) can be credited to your retirement account and used to enhance your retirement benefits.

**Special Compensation**

Additional income you might receive for uniform allowance, holiday pay, longevity pay, etc., and is reported separately from your base pay.

**Supplement to Original Medicare Plan**

For CalPERS members in Social Security and over age 65, Medicare becomes the primary payer of claims and the supplemental CalPERS health plan covers any costs not paid by Medicare (if you have CalPERS health benefits coverage in retirement).

**Survivor**

A family member defined by law as eligible to receive specific benefits at your death.





**California Public Employees' Retirement System**  
400 Q Street  
P.O. Box 942701  
Sacramento, California 94229-2701

888 CalPERS (or 888-225-7377)  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

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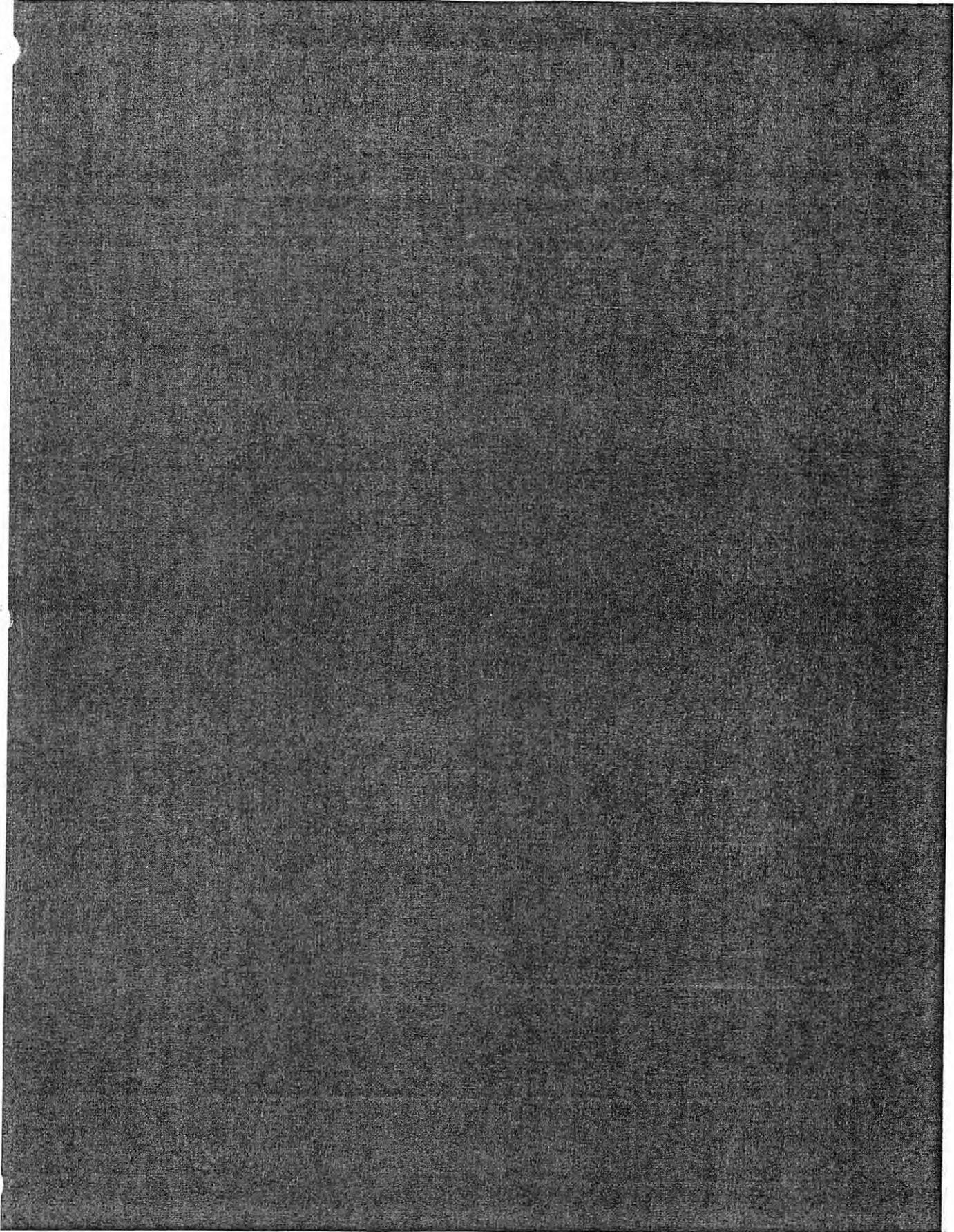


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YOUR BENEFITS | YOUR FUTURE

What You Need to Know About Your CalPERS  
**Local Miscellaneous Benefits**





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## INTRODUCTION

Retirement can be one of the best stages of your life. It can also be complicated, and at times stressful, if you are not educated about your benefits and have not done the proper planning. Understanding the fundamentals of your CalPERS retirement benefits is a good first step toward a happy and fruitful retirement.

This publication describes retirement benefits and formulas for Local Miscellaneous Members. "Local Miscellaneous" members are those employed by a public agency or special district that has contracted with CalPERS who are **not** involved in law enforcement, fire suppression, the protection of public safety, or employed in a position designated by law as local safety.

You deserve to understand the full spectrum of retirement and death benefits available for you and your beneficiary(ies). This book will help educate you about your retirement formulas and benefits. It will also provide you information on contributions, health benefits, and other programs you should consider before and after retirement. It will help you to choose the best retirement option for you and your beneficiary(ies).

You may obtain a copy of any publications or forms referenced in this publication by calling CalPERS at 888 CalPERS (or 888-225-7377) or by visiting our Web site [www.calpers.ca.gov](http://www.calpers.ca.gov).



## YOUR RETIREMENT BENEFITS

There are three types of retirement benefits:

- Service Retirement or “Normal” Retirement
- Disability Retirement
- Industrial Disability Retirement.

### Service Retirement or “Normal” Retirement

To be eligible for service retirement, you must be at least age 50 and have a minimum of five years of CalPERS-credited service. There are some exceptions to the five-year requirement. If you are 50 or older, employed on a part-time basis, and have worked at least five years, contact CalPERS to find out if an exception will apply to you. There is no mandatory retirement age for Local Miscellaneous members.

If you are considering applying for a service retirement, you should obtain the CalPERS publication *A Guide to Completing Your CalPERS Service Retirement Election Application*.

### Disability Retirement

This type of retirement applies to you if you become disabled and can no longer perform the duties of your job. Disability retirement has no minimum age requirement, and does not have to be job-related. However, you must have a minimum of five years of CalPERS service credit. If you are employed on a part-time basis and you have worked at least five years, contact CalPERS to find out if an exception will apply to you.

### Industrial Disability Retirement

*Talk to your employer to find out if they have contracted for this benefit.* This type of retirement applies to you if you become disabled from a job-related injury or illness and can no longer perform the duties of your job. Industrial disability retirement has no minimum age or service credit requirement.

You may apply for a disability or industrial disability retirement if:

- You are working for a CalPERS-covered employer; or
- You are within four months of separation from a CalPERS-covered employer; or
- You separated at any time from your CalPERS-covered employer because of a disability and you have remained disabled since then; or
- You are on military or approved leave.

Once a complete application package is received from either you or someone on your behalf, such as your employer, CalPERS will review your file to see if the information is current and complete. After verification for completeness, CalPERS can normally make a determination within three months.

### Emergency Retirement

CalPERS will expedite retirement processing for you if you are terminally ill or facing imminent death. Contact CalPERS or your employer immediately if there is a need for emergency retirement.

If you are considering applying for disability or industrial disability retirement, you should obtain the CalPERS publication *A Guide to Completing Your CalPERS Disability Retirement Election Application*.

#### How Your Retirement is Funded

Three sources fund a defined benefit retirement plan like CalPERS. First, employees generally make contributions into the System. The percentage of your contribution is fixed by statute and varies from about 5 to 9 percent of your earnings, depending on the plan type and whether you are covered by Social Security. The second source of funding is earnings from the investment of System assets in stocks, bonds, real estate, and other investment vehicles. The amount contributed from this source fluctuates from year to year. The balance of the funding is provided by employer contributions. Employer contributions decline when investment returns rise and increase when investment returns decline.

In a defined benefit retirement plan, you will receive a benefit determined by a set formula. CalPERS uses your years of service, age at retirement, and highest one-year or three-year compensation while employed. This contrasts with a defined contribution plan, in which the benefits are determined not by a formula, but solely by the amount of contributions in an account, plus earnings.

#### How Your Retirement Benefit is Calculated

Now that you understand the basic building blocks of a defined benefit retirement plan, it's time to learn how to calculate your retirement benefit. Three factors are multiplied together to calculate your service retirement:

- Service Credit
- Benefit Factor
- Final Compensation

##### Service Credit

You earn service credit for each year or partial year you work for a CalPERS-covered employer. Service credit accumulates on a fiscal year basis, July 1 through June 30. Refer to your CalPERS Annual Member Statement to verify your service credit as of June 30.

In some cases, you may be eligible for other types of service credit that can help you maximize your retirement benefits. Other types of service include:

- Unused sick leave at retirement;
- Redeposit of contributions you previously withdrew from CalPERS;
- Service with a CalPERS-covered employer prior to your date of membership;
- Service with a public agency prior to the date of that agency's contract with CalPERS;
- Certain types of leaves of absence, public service employment, military service; or
- Additional Retirement Service Credit (ARSC).

For more information about service credit, obtain the CalPERS publication *A Guide to Your CalPERS Service Credit Purchase Options*.

#### Benefit Factor

Your benefit factor is the percentage of pay to which you are entitled for each year of service. It is determined by your age at retirement and the retirement formula that your employer(s) has contracted for you. This guide explains the following Local Miscellaneous retirement formulas.

2<sup>PERCENT</sup>@55    2<sup>PERCENT</sup>@60    2.5<sup>PERCENT</sup>@55    2.7<sup>PERCENT</sup>@55    3<sup>PERCENT</sup>@60

Refer to your CalPERS Annual Member Statement to verify your retirement formula.

#### Understanding Your Retirement Formula

Starting on page 22, you'll find two charts for each of the Local Miscellaneous retirement formulas. The first chart shows how the benefit factor increases for each quarter year of age. The second chart shows the percentage of final compensation you will receive. Not all benefit factors increase to age 63.

#### Final Compensation

Final compensation is your average full-time monthly pay rate and special compensation for the last consecutive 36 months of employment (or 12 months if your employer has contracted with CalPERS to provide one-year final compensation). We use your full-time pay rate, not your earnings. If you work part time, we will use your full-time equivalent pay rate to determine your final compensation. If you think there was another period of 12 or 36 consecutive months during which your final compensation was higher, let us know when you apply for retirement. We will use that time period to determine your final compensation.

If your CalPERS service was coordinated with Social Security, you did not contribute on the first \$133.33 of your monthly earnings. So, when computing your retirement allowance, you must reduce your final compensation by \$133.33.

#### Special Compensation

Certain items such as special compensation earned during your final compensation period may be included in your final compensation. Contact CalPERS if you are unsure which items of special compensation can be included.

#### Pay Rate

Pay rate is your base pay, paid on a full-time basis during normal working hours.

