



**Local
Miscellaneous
2% at 55**

**Local
Member
Benefits**



California Public Employees' Retirement System

✕ Important

This symbol means that a benefit may or may not apply to you, depending on your employer's contract with CalPERS. If you see this symbol, check with your employer to see if the benefit has been provided for you.

Retirement Planning Workshops and Seminars

CalPERS offers two-hour Retirement Planning Workshops and full-day Financial Planning Seminars to help members plan for a better and healthier retirement. Contact your nearest CalPERS Regional Office for details. If you have a CalPERS PIN number, you can also use the Seminar, Workshop & Event Registration tool on our Web site.

Your Contributions

As a CalPERS member under this formula, a portion of your monthly pay is deducted each month and put into the Retirement Fund. The amount of your contributions, and the interest earned, is shown on your CalPERS Annual Member Statement. Your employer contributes a substantial amount each month on your behalf. However, this amount is not shown in your statement, as it is placed in a separate account. CalPERS uses your contributions and those of your employer, as well as income from investments, to pay for your benefits. Your contributions will remain on deposit as long as you work for a CalPERS-covered employer.

Changing Jobs

If you leave your present job, you may leave your contributions on deposit, or you may request a refund of your contributions and interest. If you elect a refund, 20 percent federal withholding is mandatory, unless you request your refund be

directly rolled over into a qualified defined contribution plan or an Individual Retirement Account. Remember, if you leave your contributions on deposit with CalPERS, you will continue to earn interest at the current interest crediting rate. You may then later apply for a refund (see below) or retirement (if you meet service and age requirements).

You cannot receive a refund if one of the following conditions applies:

1. you have entered CalPERS-covered employment;
2. you have accepted a position covered by the State Teachers', Legislators', or Judges' Retirement System II;
3. you became a member, within six months of leaving your CalPERS job, of a California public retirement system that has reciprocity with CalPERS (you must advise CalPERS if this applies to you). Reciprocity is an agreement between CalPERS and certain other systems that permits movement of members to and from CalPERS without the loss of certain retirement rights.

For more information, see *When You Change Retirement Systems* or contact a CalPERS Regional Office.

A refund terminates your CalPERS membership, and you will not be eligible for any benefits unless you return to CalPERS membership.

Redepositing Withdrawn Contributions

If you return to CalPERS membership, you may be eligible to redeposit your contributions, plus interest, and restore corresponding service credit. You may also be eligible to redeposit your contributions if you become a member of another California public retirement system that has reciprocity with CalPERS. This does not apply to all systems, so contact CalPERS for more information.

To Receive An Estimate

You can get a general idea of what your retirement allowance will be by using the information on your Annual Member Statement and the CalPERS Retirement Planning Calculator on our Web site. If you plan to retire within a year, you can also Request an Official CalPERS Estimate online. Or fill out a *CalPERS Retirement Allowance Estimate Request* form, available online or from your nearest CalPERS Regional Office. Having the estimate information will help you make an informed decision when you are selecting your retirement benefit option.

Remember, you must still file an application for retirement if you want to retire.

Temporary Annuity

Temporary annuity is an additional monthly income option you may choose to receive to augment your pension from CalPERS. This additional benefit may enable you to coordinate your CalPERS benefits with other income you may receive from deferred compensation or Social Security.

The temporary annuity benefit is payable from your retirement date to a specific age that you select – 59½ or any whole age from 60 to 68.

You can also, within certain limitations, specify the dollar amount you wish to receive. It is important to note that this benefit is not free. Your CalPERS lifetime retirement allowance is reduced to pay for your temporary annuity.

In order to be eligible for temporary annuity benefits, you must retire with a service retirement. You are not eligible for the temporary annuity benefit if you retire for disability. In addition, if you were hired after January 1, 2002, you must have service coordinated with Social Security to be eligible.

For more information on the qualifications, costs, and benefits under this plan, see *Temporary Annuity*.

Social Security

If you have ever contributed to Social Security, check with your local Social Security office to determine what your benefits may be under that program.

Health Insurance

Check with your employer to find out if you are covered by the Public Employees' Medical and Hospital Care Act (PEMHCA).

Not covered under PEMHCA: Ask your health benefits officer about keeping your present health plan or getting a new plan. It is important you do this before your retirement date.

Covered under PEMHCA: If you retire within 30 days after separation from employment, your CalPERS health plan will automatically continue. If you do not want it to continue, you must cancel your coverage.

If you retire more than 30, but within 120 days of separation from employment, your health coverage will not automatically continue. However, you may re-enroll within 60 days of your retirement date or during any Open Enrollment period. Contact the CalPERS Health Benefit Services Division.

If you are retiring from an agency (or bargaining group) that contracts for health insurance with CalPERS, but you are not enrolled, you may request enrollment by contacting the CalPERS Health Benefit Services Division within 60 days of retirement, or during any Open Enrollment period.

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

If upon retirement you are eligible for Social Security Medicare benefits (after age 65), State law prohibits your continued enrollment in the "Basic" plan. You must enroll in a Supplement To Medicare or Managed Medicare plan. Contact the CalPERS Health Benefit Services Division immediately after receiving your federal Medicare card to determine your eligibility and coordinate the effective date of your Medicare coverage.

If you do not 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.

If your family members are included in your CalPERS health plan at the time of your death, their enrollment will be continued automatically if they receive a monthly allowance sufficient to cover their share of the cost, if any, or pay the difference between the employer's contribution and the total premium amount.

Non-enrolled surviving family members may be eligible to enroll in a CalPERS health plan within 60 days of your death or during any Open Enrollment period. Please contact the CalPERS Health Benefit Services Division for more information.

Surviving family members' eligibility for health coverage can change due to various circumstances. For example, a spouse who is receiving a 1959 Survivor Benefit payment may experience an interruption in health coverage due to loss of eligibility for dependent children. The spouse may re-enroll at age 60 or 62, upon receipt of a monthly allowance.

For more information on eligibility, refer to your health benefits booklet or call the CalPERS Health Benefit Services Division.

Long-Term Care

If you are enrolled in the CalPERS Long-Term Care Program and have premiums deducted from your check, you will need to call the Program's customer service line at (800) 982-1775 to find out what steps you need to take to continue your premium payments after retirement.

Choosing A Retirement Plan

At retirement you may choose to receive the highest retirement allowance (the Unmodified Allowance), or you may take a reduction and choose one of the optional settlements. These are explained in your member booklet.

✗ Regardless of the retirement plan you choose, upon your death CalPERS will pay a \$500 retired member death benefit to a named beneficiary. (An agency may change its contract to provide \$600, \$2,000, \$3,000, \$4,000, or \$5,000 for this benefit.)

Applying For Retirement

You must complete a *Service Retirement Election Application*. This form is available from your Personnel Office or any CalPERS Office. You may, at that time, request calculations for the Unmodified Allowance and all the options.

Mail or deliver your retirement application to CalPERS so that it arrives no more than 90 days before your retirement date.

If you are a member of a retirement system that has reciprocity with CalPERS, you will need to submit a separate retirement application to both retirement systems.

For further information on reciprocity, see *When You Change Retirement Systems*.

If you are married, you must provide a copy of your marriage certificate. If you plan to name a beneficiary to receive a monthly allowance, you must also present proof of your beneficiary's date of birth. Copies of required documents are acceptable.

✗ Sick Leave Credit

At retirement, any unused sick leave you have will be converted to additional service credit (the additional service will not change your age at retirement). You will receive credit for each day of unused sick leave certified by your employer. It takes 250 days of sick leave to receive one year's service credit. Eight hours of sick leave is one day, which converts to .004 of a year of service credit. For example, if your employer certified 120 days, your additional credit would be $120 \div 250$, or .480 of a year's service credit.

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

Taxes

In retirement, your benefits will be subject to both State and federal withholding. You will be given the opportunity to make an election regarding withholding.

Information on the taxability of your retirement is available from the Internal Revenue Service, the California State Franchise Tax Board, or the tax authority of the state you live in. You may also want to contact your tax advisor or attorney.

Each year after you retire, CalPERS will send you a Form 1099R, which is a tax statement of benefits paid to you during the year.

For more information, see *Taxes and Your Retirement*.

✗ Cost-of-Living Adjustments

CalPERS provides cost-of-living increases. The first increase will be made in the second calendar year following your retirement, and annually thereafter. Currently, these increases are limited to a maximum of 2 percent compounded annually, unless your employer has contracted to provide a 3, 4, or 5 percent increase.

Inflation Protection

Added protection against inflation is provided by the Purchasing Power Protection Allowance (PPPA). The PPPA is a supplementary cost-of-living benefit provided to retirees when the purchasing power of their benefits falls below minimum levels established by law.

Changing Beneficiaries for Lump Sum Benefits After Retirement

You may change your designation for Option 1, the retired lump sum benefit, or any unpaid temporary annuity payments at any time by filing a *Lump Sum Beneficiary Designation* form.

A change in your marital status, the birth or adoption of a child, or the death of your named beneficiary may, by law, revoke your beneficiary designation for lump sum death benefits.

Changing Beneficiaries for Monthly Benefits After Retirement

Under certain circumstances you may re-elect an option after retirement and name a new beneficiary. However, this will result in a reduction to your allowance.

- If you choose the Unmodified or Option 1 allowance and later marry, you may elect to receive an optional settlement naming your new spouse as beneficiary. Contact CalPERS immediately for the most current provisions of law.
- If you choose Option 2, 2W, 3, 3W, or 4, and your beneficiary dies, you may elect to receive an optional settlement and name a new beneficiary.
- If you choose Option 2, 2W, 3, 3W, or 4, and your spouse is the beneficiary, but your marriage is later terminated, you may (in limited circumstances) elect to receive an optional settlement and name a new beneficiary.

Power of Attorney

CalPERS has a durable special power of attorney form for use by members and beneficiaries. The power of attorney enables you to appoint another individual to deal with CalPERS on your behalf. This person may select a retirement option, a beneficiary, change your mailing address, sign tax withholding forms, and conduct other retirement business on your behalf.

The Power of Attorney is a complex issue. To fully understand it, you should obtain a copy of *The Power of Attorney*. This booklet also contains the needed *CalPERS Special Power of Attorney* form.

Working After Retirement

After your service retirement, you may work for private industry or any non-CalPERS agency without affecting your retirement allowance.

Before you enter into CalPERS-covered employment, check with CalPERS on how this would affect your retirement status.

If you retire for disability, your allowance may be reduced by outside employment.

Reinstatement To Membership

If you wish to accept employment requiring membership in CalPERS, you must be reinstated from retirement.

CalPERS must approve your reinstatement before it becomes effective, and you will have to comply with certain requirements to be reinstated. When your reinstatement becomes effective, you will stop receiving your allowance until you retire again. Reinstatement will affect future benefit payments and cost-of-living allowances. You must contact CalPERS prior to reinstating.

**Your
Member
Booklet**

CalPERS Headquarters

Customer Call Center (888) CalPERS (225-7377)
Telecommunications Device for the Deaf (916) 326-3240

FAX Numbers

Benefit Services Division (916) 326-3933
Health Benefit Services Division (916) 658-1313
Member Services Division (916) 558-4019
Other CalPERS Offices
 Fresno Regional Office (559) 440-4901
 Glendale Regional Office (818) 662-4304
 Mountain View Regional Office (650) 428-4601
 Orange Regional Office (714) 939-4701
 Sacramento Regional Office (916) 231-7878
 San Bernardino Regional Office (909) 806-4820
 San Diego Regional Office (619) 220-7201
 San Francisco Regional Office (415) 369-8501

CalPERS Addresses

Sacramento Regional Office
2750 Gateway Oaks Dr., Room 140
Sacramento, CA 95833

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

Glendale Regional Office
655 North Central Ave., Suite 1400
Glendale, CA 91203

Mountain View Regional Office
650 Castro Street, Suite 240
Mountain View, CA 94041

Orange Regional Office
500 North State College Blvd.,
Suite 750
Orange, CA 92868

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

San Diego Regional Office
7676 Hazard Center Dr., Suite 350
San Diego, CA 92108

San Francisco Regional Office
301 Howard St., Suite 2020
San Francisco, CA 94105

CalPERS On-Line
www.calpers.ca.gov

About the cover:
California Mussel; Mytilus californicus
The California Mussel can be found attached to rocks in clusters along our Pacific Coast from Canada to Mexico. This mussel is one of the larger equivalves, growing up to five inches long. Although most mussels are edible, they are not commonly eaten in America. In Europe, however, mussels like this one are "farmed" and eaten in great quantity.

This is PERS-PUB-5 to be used with Booklets PUB 5A, 5B, 5C, 5D, 5E, 5F, 5G, and 5H
August 2002

Here is your California Public Employees' Retirement System (CalPERS) member benefit booklet. This two-part booklet tells you about your retirement program. The outside portfolio contains information on contributions, health insurance, and other considerations. The booklet inside tells you about your specific formula and benefits. It will help you choose the best retirement plan for you and your beneficiaries. As you think about retirement, you should get a copy of *Planning Your Service Retirement*, available from your Personnel Office or CalPERS.

We urge you to attend a Retirement Planning Workshop several months before you retire to help with this decision. Your Personnel Office can help you arrange an appointment at the nearest CalPERS Regional Office or with CalPERS staff who travel to your area.

We hope this booklet will help you understand your retirement program and the benefits it provides you and your beneficiaries.

While reading this material, remember that we are governed by the Public Employees' Retirement Law. The statements in this booklet 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 booklet.

All CalPERS publications mentioned in these materials are available on our Web site at www.calpers.ca.gov