



Frequently Asked Questions – SEIU Retirement Incentive Program

Q1: What are the Eligibility Requirements to participate in the Retirement Incentive Program?

- A1:***
- 1) Be an active SEIU General Unit employee
 - 2) Be at least 50 years of age
 - 3) Have a minimum 15 years of service credit

Q2: What is the Retirement Incentive?

A2: Employees who meet the eligibility requirements and retire from the City of Riverside will receive \$20,000 towards one of the following options:

- 1) An individually structured Supplemental Employee Retirement Plan (SERP-Annuity); or Other Retirement Account in accordance with applicable laws;
or
- 2) Cash Payment; or
- 3) Cash Payment for the purchase of CalPERS service credit.

Q3: Is there a deadline to participate in the Retirement Incentive Program?

A3: The Retirement Incentive Program is open during the term of the SEIU – General Unit MOU which ends June 30, 2011.

Q4: How do I initiate this process?

A4: Eligible employees who have decided to participate in the program must initiate the process by submitting an “SEIU Retirement Incentive Form” to the Human Resources Department. Forms can be obtained from the HR Department in person, on the HR Benefits website or by calling 826-5808.

In addition to the “SEIU Retirement Incentive Form”, an employee selecting the SERP option must complete a SERP enrollment package. Completed enrollment packets must be submitted to the Human Resources Department.

Q5: If I elect the “cash” option, how will I receive payment? What are the tax implications?

A5: Employees electing the “cash” option will receive the \$20,000 incentive payment minus legally required taxes with their final pay-off check, which includes any eligible sick leave and vacation leave accrual pay-offs. Mandatory taxes include: 25% Federal, 6% State and 1.1% SDI (other mandatory taxes may apply, including Medicare at 1.45%). Please note that effective 11/1/09, State mandatory taxes will increase to 6.6%.



Q6: *If I elect the cash payment to purchase CalPERS service credit, can my payment be transferred to my Deferred Compensation account?*

A6: Yes, you may elect to roll-over the entire or partial amount to your deferred compensation account with Great-West or ICMA-RC up to the defined maximum annual contribution of \$22,000. For example if you have contributed \$15,000 to your deferred compensation account during 2009, you can only transfer \$7,000 to this account; the remainder \$13,000 will be paid out as cash with your final pay-off check.

Q7: *If I retire 12/31/2009 and receive my settlement payment in calendar year 2010, does my maximum contribution reset for 2010?*

A7: Yes, if you receive your settlement payment after December 31, 2009, your max-out contribution resets and you can transfer up to \$22,000 into your Deferred Compensation account.

CalPERS Questions

Q8: *How do I calculate my retirement benefits?*

A8: To calculate retirement benefits you need a CalPERS Member Benefit Booklet. The CalPERS benefit booklet for the “Local Miscellaneous” group is available on the Benefits website under “Retirement” then “CalPERS” (www.riversideca.gov/human/benefits). You can also do an estimate on the CalPERS Retirement Planning Calculator or Request an Official CalPERS estimate via the Online Service at www.calpers.ca.gov.

Q9: *What do I need to do to initiate the retirement process with CalPERS?*

A9: You may submit the Service Retirement Election Application Form to CalPERS no earlier than 90 days from your retirement date. Section 7 (Employer Certification) of the form must be completed by the Human Resources Department. Please be sure to contact us at 826-5808 to let us know you will be stopping by.

Q10: *How do I initiate the process to purchase additional service credit from CalPERS?*

A10: If you are considering purchasing service credit from CalPERS, please contact CalPERS directly at (888) 225-7377 to ensure you meet the eligibility requirements. Once eligibility is determined, you must complete a “Request for Service Credit Cost Information” form **while you are still an active City employee** and submit directly to CalPERS. CalPERS will then provide you with the cost information and additional steps to complete the process. The process may take up to 120 days.



Q11: *How do I find out the status of my retirement application?*

A11: The status of a retirement application can only be determined by a phone call or visit to CalPERS. Typically, for a service retirement, it takes 30 days to process. However, if there is a buy back of service or an imbalance of contributions that should be credited to your account, this process may take longer. Call (888) 225-7377 for more information.

Q12: *Does the City of Riverside offer retirement planning sessions?*

A12: Yes, the HR Benefits Division offers retirement planning sessions. Please contact the HR Benefits Division at (951) 826-5639 or email at citybenefits@riversideca.gov for more information.

Supplemental Employee Retirement Plan (SERP)

Q13: *What is the SERP Plan?*

A13: The SERP Plan is an annuity plan purchased by the employer that provides supplemental monthly income benefits based on the negotiated contribution of \$20,000.

Q14: *What are the benefit options provided within the SERP Plan?*

A14: **Life Only** - Benefits will be distributed in monthly payments during the retiree's life only. No payments will be made to retiree's spouse or other beneficiary after retiree's death, even if retiree dies soon after payment begins.

Joint & 50% Survivor – Benefits will be distributed in monthly payments as long as the retiree lives. Upon the retiree's death, payments continue to the retiree's joint annuitant for the rest of his or her life equal to 50% of the monthly payment the retiree was receiving prior to their death.

Life & 10 Year Certain – Benefits will be distributed in monthly payments for the retiree's lifetime, or if longer over a period of 10 years. If retiree dies before 10 years of payments have been made, the balance of the payment will continue so that a total of 120 payments are made to the retiree and his/her beneficiaries. No further payments will be made to any beneficiary.

5-10 Year Monthly Payments – Benefits will be distributed in monthly installments over a guaranteed period of 5, 6, 7, 8, 9 or 10 years, as the retiree elects. However, the period certain elected may not exceed the retiree's life expectancy or joint life expectancy of the retiree and the retiree's designated beneficiary. If the retiree dies during the guaranteed period, payments continue to the retiree's beneficiary until the end of the guaranteed period.



Q15: What are the requirements to participate in the SERP Plan?

A15: Eligible employees will need to submit the “SEIU Retirement Incentive Form” and SERP Enrollment package to the Human Resources Department.

Q16: Where can I obtain more information about the SERP Plan?

A16: The City of Riverside will be conducting informational sessions on the Retirement Incentive Program; a SERP Representative will also be providing an overview of the SERP Plan. The sessions are scheduled as follows:

- Public Utilities Board Room, Tuesday, October 20, 9-11 a.m.
- Water Quality Control Plant, Admin Room, Tuesday, October 20, 2-4 p.m.
- Corporation Yard, Blue Room, Thursday, October 22, 2-4 p.m.
- City Hall, Mayor’s Ceremonial Room, Friday, October 23, 2-4 pm.

Please contact Keenan and Associates at (800) 444-9995 x3612 to sign up for an individual informational meeting.