



# County of Santa Cruz

## Retirement Planning

### FAQ's

#### What paperwork must be submitted to retire?

##### 1) You must submit a CalPERS retirement application.

- You may submit your application online by login accessing your CalPERS account at [www.calpers.ca.gov](http://www.calpers.ca.gov)
- You may also mail your notarized application to CalPERS. It is recommended to attend a retirement education class before, followed by an appointment with CalPERS.

CalPERS applications are available online at [www.calpers.ca.gov](http://www.calpers.ca.gov) and in the Human Resources Department at 701 Ocean Street, Suite 510, Santa Cruz, California.

##### 2) You must submit a letter of resignation to your supervisor in a timely manner.

#### When is the earliest time I may retire?

For most people, the earliest you may retire is at age 50. If you became a member on or after January 1, 2013, you must be at least 52 years of age which is based on your retirement formula. If you are unsure of your CalPERS formula, check with Human Resources, 454-2600.

#### How do I determine my retirement date?

- Your retirement date can be any day of the week, even a Saturday or Sunday.
- If you leave employment and do not submit your retirement application within nine months, the law states that your retirement date can be no earlier than the first of the month CalPERS receives your retirement application.
- Your retirement date may be the following day of your last day in paid status. For example, if your last day of employment is Friday, April 1<sup>st</sup>, then your earliest retirement date may be Saturday, April 2<sup>nd</sup>. Your retirement date cannot be earlier than your last day in paid status.
- Your retirement date affects how soon you can receive a cost-of-living (up to 2% COLA) increase. You are eligible to receive your first COLA on May 1 of the second calendar year after your retirement year.

| If your retirement date is . . . | you become eligible for the COLA on . . . |
|----------------------------------|-------------------------------------------|
| December 31, 2026                | May 1, 2028                               |
| January 1, 2027                  | May 1, 2029                               |

#### What is the County's contribution toward retiree healthcare cost?

The County agrees to contribute a fixed contribution amount based on years of service with the County and the age at retirement for eligible retirees who are enrolled in a CalPERS health plan. The longevity schedule of the fixed contributions can be found in your bargaining unit's Memorandum of Understanding; they are also posted on the County's intranet under the Resources tab. The PEMHCA amount is included in the fixed amount.

### **What is PEMHCA?**

PEMHCA stands for the Public Employee's Medical and Hospital Care Act, which is the minimum employer contribution amount, prescribed by the Government Code section 22892. The calculation amount is based upon the medical care component of the Consumer Price Index-Urban and changes every January 1<sup>st</sup>. This amount is paid by the County directly to CalPERS each billing month.

### **May I change my health plan as a retiree?**

Yes, you may change your health plan as a retiree. You will have 60 days from your retirement date to change your health plan. You may also change your health plan during the annual CalPERS Open Enrollment period.

### **May I keep my dependents on my health plan when I retire?**

Yes, your qualifying dependents may remain on the health plan. Eligible dependents may also be added during the Open Enrollment period or may be added under special circumstances, for example: loss of other health benefits or a new eligible family member.

### **What happens if I waive or cancel my CalPERS retiree health plan due to other health benefits, but want to enroll in the future?**

To be eligible for the CalPERS health benefits as a retiree, you must meet the following criteria:

- You retire from an employer that contracts health benefits through CalPERS.

- You are eligible for health benefits at the time of separation from employment.

- You are receiving a monthly CalPERS retirement allowance.

- You retire within 120 days of the date of your separation of employment (**IMPORTANT**)

You may then enroll during the CalPERS annual Open Enrollment period or if you have a qualifying event, you may enroll outside the Open Enrollment period, for example: loss of other health benefits or a new eligible family member.

### **Am I still eligible for the County's contribution towards healthcare costs if I enroll in a non-CalPERS health plan?**

No, the County's contribution will only be applied towards a CalPERS health plan.

### **I am turning 65, when should I enroll in Medicare?**

If you are planning to retire and will be continuing your CalPERS health benefits into retirement, you and your spouse/domestic partner must enroll in Medicare Part A and Part B, around the time of employment separation. The County does not reimburse for Medicare share of cost.

If you plan to continue to work after the age of 65 and are enrolled in the County's health plan, you and your spouse/domestic partner may defer Medicare Part B enrollment until you decide to retire.

### **Can I purchase Service Credit after I retire?**

No, you must purchase all service credit during active employment; however, you may choose to retire at any time after entering into a Service Credit purchase agreement with CalPERS. Please contact CalPERS or Human Resources for additional information.

### How does the retirement formula work?

Your retirement formula is based on the date you were hired along with the negotiated benefit between the County and your bargaining unit found in your MOU.

Generally, the estimated value of your retirement is based upon the following criteria:

1. **CalPERS Service Credits** – earned credit for each year or partial year you work for a CalPERS covered employer.
2. **Benefit Factor** – your retirement formula (2%@55, 2%@60, or 2%@62 misc.) (3%@50, 3%@55, or 2.7%@57 safety)
3. **Final Compensation** - based on a consecutive 12- or 36-month period of employment of your average highest full-time base pay rate.

$$\text{Service Credit} \times \text{Benefit Factor} \times \text{Final Compensation} = \text{Unmodified Allowance}$$

### How do I obtain a CalPERS pension estimate?

To get an idea of what your monthly benefit might be, login into your CalPERS account, use the retirement estimate calculator, under the retirement tab. Contact Human Resources for other options.

### What is my final compensation and how is it calculated?

Your final compensation is your highest average annual compensation during any consecutive 12- or 36-month period of employment. CalPERS will use your full-time pay rate, not your earnings, to calculate your final compensation. If you work part time or are paid hourly, CalPERS will convert your pay rate to a monthly equivalent calculation.

### What is special compensation?

Special compensation is additional pay you receive while employed, like bilingual differential and longevity pay, which is reported separately from your base pay and is included in your retirement calculation.

### When will I receive my first CalPERS retirement check?

In most cases, you will receive your first check in the first part of the month after you have retired. For example, if your retirement date were September 4th, your first check would be paid to you in the first week of October. Because each case is different, contact CalPERS to know when you will receive your first. **Please note that CalPERS pays in arrears.**

### What if I decide to change my retirement date after completion and submission of my CalPERS retirement application?

If you decide to change your retirement date and have already submitted your application to CalPERS, contact CalPERS at 1-888-225-7377 immediately. You may be able to change your retirement date or rescind your application if your first CalPERS retirement check has not been issued.

### Do I qualify for Survivor Continuation benefits (1957/1959 Survivor Benefits)?

Only employees who are not covered under Social Security benefits while employed under a CalPERS-covered agency are eligible for survivor continuation benefits. Our safety/peace officers are eligible for this benefit since they are not paying Social Security benefits. Please refer to your Memorandum of Understanding or contact Human Resources if you are eligible for survivor continuation benefits.

**What is the difference between a beneficiary versus a survivor?**

A beneficiary is any person you choose to receive either a one-time, lump-sum payment or an ongoing monthly benefit upon your death. A survivor is defined by law. You cannot choose a survivor.

**Does the County offer dental and/or vision coverage to retirees?**

No, the County does not provide dental or vision coverage to retirees. However, you will have the option to continue your current coverage through COBRA.

**What happens to my remaining Flexible Spending Account (FSA) funds?**

Upon your separation of employment, your participation in FSA will cease and no further FSA deduction will be applied. You will be able to submit claims for health care expenses they were incurred before your separation date. Your further participation will be governed by COBRA.

**What is COBRA?**

The Consolidated Omnibus Budget Reconciliation Act (COBRA) is a federal law that allows separated employees the opportunity to continue their and their dependents current health coverage for a certain length of time (18-month or 36-month period) and where the separated employee pays 100% of the premiums plus a 2% administration fee.

**When will I receive information regarding COBRA?**

COBRA packets will be mailed once you officially separate from employment. They are typically mailed anywhere from 2 to 3 weeks after separation.

**What happens if I move? Who should I notify?**

You should notify CalPERS if you are receiving a monthly pension and/or health benefits. You may need to change your health plan option. CalPERS offers out-of-state health plans. You may also contact the County by calling the Retiree Voicemail at (831)454-3155 or emailing the [RetireeBenefits@santacruzcountyca.gov](mailto:RetireeBenefits@santacruzcountyca.gov).

**What happens with my vacation, sick, administrative hours accrued upon my separation from employment?**

**Option 1:** If you participate in the County's 457 deferred compensation plan, you may roll your hours into your deferred compensation account. You must submit the Deferral Election and Deferred Compensation forms at least 3-weeks prior to your separation to meet IRS rules & regulations and the Auditor's Office payroll deadlines. These forms can be found at [www.santacruzcountyca.gov/benefits](http://www.santacruzcountyca.gov/benefits) under Retirement Resource Planning or by contacting Human Resources at (831)454-2600.

**Option 2:** Otherwise, your accrued hours will be cashed out automatically and may be issued in a separate paper check. Typically, these paper checks are mailed to the address on file. Please contact your departmental payroll clerk to make other arrangements.

**I am currently contributing to the County's 457 Deferred Compensation plan, what are my options?**

You have several options available to you regarding your 457 deferred compensation account if you are planning to separate employment.

- **Option 1:** Commence a systematic (monthly/semi-annually/annually) distribution of your account balance.
- **Option 2:** Take a fully taxable lump sum distribution of your account balance.
- **Option 3:** Request a Direct Rollover to your new employer's plan or to an IRA.
- **Option 4:** Leave your money in the County's plan until you reach the age of 73, at which time the minimum distributions are required.

### **May I work for the County as an Extra-Help employee following my retirement?**

In some instances, retirees may return as extra-help employees after serving the 180-day waiting period after their retirement date and did not receive unemployment insurance payment for prior retired annuitant work for any CalPERS employer within 12-months prior to the Extra-Help appointment date. Extra-help retirees may only work 960 hours per fiscal year. See the CalPERS publication "A Guide to CalPERS Employment after Retirement" (PUB 33) found at [www.calpers.ca.gov](http://www.calpers.ca.gov) for more information.

### **May I accept other employment after retiring from the County of Santa Cruz?**

There are no restrictions if you choose to work for a **non-CalPERS employer**. However, if you accept a budgeted position with another CalPERS employer, you will be required to rescind your CalPERS retirement. See the CalPERS publication "A Guide to CalPERS Reinstatement from Retirement" (PUB 37) found at [www.calpers.ca.gov](http://www.calpers.ca.gov) for more information.

**CalPERS offers retirement planning videos, on various topics, on YouTube.**

**For more information on retirement planning, please contact:**

**Human Resources Department**  
**701 Ocean Street, Suite 510**  
**Santa Cruz, CA**  
**(831) 454-2600**  
**(831) 454-2245 fax**  
[RetireeBenefits@santacruzcountyca.gov](mailto:RetireeBenefits@santacruzcountyca.gov)

**CalPERS - San Jose Regional Office**  
**181 Metro Drive, Suite 520**  
**San Jose, CA**  
**888-225-7377**  
**800-959-6545 fax**  
[www.calpers.ca.gov](http://www.calpers.ca.gov)



Retirement is when you stop living at  
work and start working at living.