

## SDCRAA TALENT STANDARDS AND PROCEDURES

Section: **Terminations**

Standard: **RETIREMENT**

Section #: **F-2**

Effective: September 29, 2014

Revised 9/29/14

See Also: Voluntary Terminations; Benefits Coverage and Eligibility

### GENERAL STANDARD

Eligible employees are entitled to retirement benefits through the Authority retirement plan administered by the City of San Diego Employees' Retirement System (SDCERS). In addition, the Authority participates in federal Social Security and offers eligible employees the option to participate in deferred compensation plans that may provide a source of income as employees plan their retirement.

### SPECIFIC STANDARDS

- ❑ Deferred compensation plans are intended to assist employees in saving for retirement. Subject to the terms, conditions, and limitations of the plans and applicable laws, employees may make voluntary pre-tax contributions up to plan maximums. Contributions are 100% vested in accordance with plan provisions. Allowable contribution levels that exceed federal annual maximums may be subject to the payment of state and federal income tax on the amounts of excess deferrals. An employee may receive a deferred compensation distribution in accordance with plan and prevailing IRS provisions and requirements. If an employee terminates employment, s/he will elect a payout option available under the deferred compensation plan or may choose to transfer his/her plan assets to another eligible plan.
- ❑ The Authority provides a defined benefit retirement plan that is administered through the San Diego City Employees' Retirement System. Both the Authority and the employee contribute to this plan. Contributions are calculated on the basis of the employee's age at entry, average base compensation, and other criteria. The plan provisions can be found on the SDCERS' website: [www.sdcers.org](http://www.sdcers.org).

- ❑ Prior to a service retirement, an employee may be able to take the remainder of leave (PTO) they have accrued as pre-retirement transition leave.

## **GUIDELINES**

Deferred Compensation Plan: A representative from the entity through which the Authority provides the deferred compensation plan can provide employees with information regarding contributions, available investment alternatives, and other benefit matters. Managers should advise the employee to contact the program sponsor for questions. Contact information can be obtained from the Talent, Culture, & Capability (TCC) Department.

Retirement Plan:

San Diego City Employees Retirement System representatives are available to provide pre-retirement counseling and to answer employee questions regarding retirement benefits and procedures. Managers should advise employees to contact a representative of SDCERS as soon as an employee contemplates retirement and announces intentions to terminate employment with the Authority. Information can be obtained by visiting [www.sdcers.org](http://www.sdcers.org) or from the TCC Department.

Transition Leave:

Transition leave is defined as a paid leave of absence extending over a period of time not exceeding thirty (30) days, unless an extension is granted for business necessity by written approval of the President & CEO, in which a full-time employee, eligible for retirement under SDCERS, is absent from work pending the effective date of a retirement. Prior to, or at the commencement of an approved transition leave, an employee must/will:

1. Have sufficient PTO balance to cover time requested;
2. Use accrued paid time off while on the transition leave;
3. Have completed all exit paperwork and return all Authority issued property;
4. Not be required to perform duties of any kind, administrative or otherwise, during the period of leave unless otherwise specified;
5. Work with his/her manager to develop a plan for the turnover of duties;
6. Have access to the Authority network including email suspended;
7. Change active work status to transition leave status;
8. Receive, unless otherwise stipulated, the same salary he/she would have received as an active employee;
9. Retain eligibility for all benefits associated with full-time employment, with the exception of annual leave accrual, until the official retirement date;
10. Not interfere with operational requirements regarding leave;
11. Not be granted leave in excess of accrued balance;

12. Not be eligible to participate in the performance review process or receive pay for performance increases or bonuses while on transition leave;
13. Retire on the date specified by SDCERS; and
14. End leave before the effective date of retirement..

While employees should seek retirement planning advice from a professional third party, the Authority may from time to time sponsor retirement planning workshops for employees.

Managers are responsible to ensure that notices of retirement and all related termination procedures are initiated as soon as possible so that the employee's final paycheck may be issued in a timely manner and the retirement process be completed on time.

## **REQUIRED ACTION**

### Employee

1. Meet with SDCERS at least 60 days prior to targeted retirement date;
2. Discuss retirement timeline with their manager;
3. Contact their TCC Business Partner for assistance in planning their exit;
4. Complete a PAF when retirement date is known, have manager sign or approve transition leave request, if applicable, and forward it to TCC; and
5. Contact their TCC business partner to discuss their transition leave, if applicable.

### TCC Business Partner

1. Inform manager of an employee retirement itinerary;
2. Schedule an exit meeting with employee prior to final day;
3. Talk with the employee about their anticipated retirement date;
4. Confirm amount of PTO available for transition leave request, if available; and
5. Create one PAF for leave, if applicable, and one for retirement.

### Manager

1. Refer the employee to the SDCERS for assistance in:
  - a. Understanding their benefit options;
  - b. Determining projected monthly retirement distributions, if applicable; and
  - c. Completing the necessary steps, supplying all required documents and submitting forms.
2. Refer the employee to the Deferred Compensation Plan carrier for guidance on available options.
3. Refer the employee to the TCC staff for assistance in:
  - a. Continuing health care coverage under COBRA and any applicable state law, and/or the Authority's retirement benefit plan, if applicable; and
  - b. Completing the exit process.
4. Review the retirement process and obtain information about specific responsibilities of all involved with TCC staff.

5. Complete the change of employee status section of the Personnel Action Form (PAF). For assistance in completing the “Comments” section for final check instructions, contact a representative of the TCC Department.
6. Obtain key(s), security badges, and all other Authority property from the employee on their final day.
7. Forward completed forms to the TCC representative.