

ST. CLAIR COUNTY EMPLOYEES' RETIREMENT SYSTEM
SERVICE RETIREMENT STANDARD OPERATING PROCEDURES

Adopted: April 16, 2019

Pension Estimates

The **Pension System Administrator** will perform a preliminary estimate of your retirement benefit based upon anticipated service credit, final average earnings, and accumulated contributions. One estimate per year shall be provided upon request and you should refer to your pension benefit summary provided bi-annually by the System's actuary for other reference needs. The preliminary numbers provided in the benefit estimate will also be used to estimate your retirement benefit options. Upon completion of the estimate, the **Pension System Administrator** will email you a copy of the estimate. In the event there is an Eligible Domestic Relations Order (EDRO) on file with the Retirement System, the **Pension System Administrator** will attempt to estimate the impact of your EDRO on the benefit estimate. If you want this estimate performed by the Board's Actuary there is a cost associated with such a calculation that you will be expected to pay. In such event, the **Pension System Administrator** will forward your estimate to the Board's Actuary for calculation of your estimated benefits pursuant to the terms of your EDRO.

Special Note: This information is preliminary in nature and is subject to change upon your effective retirement date.

Separation of Employment/Pre-Retirement Meeting Discussions

If you are considering separating employment and/or retirement, you should contact the **Pension System Administrator** to schedule a phone consultation to discuss any questions you may have regarding benefit eligibility and retirement plan options. All discussions will remain strictly confidential.

Retirement Meeting; Packet and Forms

Upon your decision to retire, you should contact the **Pension System Administrator** to arrange a confidential meeting to review all retirement-related matters and health care insurance availability, generally between 30 and 90 days prior to your anticipated retirement date. Spouses are encouraged to attend the retirement meeting if possible and you may be requested to provide supporting documentation such as: driver's license, marriage license, and any applicable Judgements of Divorce and/or Eligible Domestic Relations Orders. At the time of the meeting, the **Pension System Administrator** will provide you with a retirement information packet containing the following for your review and consideration: Pension Benefit Estimate, a Retirement Application, Direct Deposit Authorization Form, Federal and State Income Tax Withholding Election Certificate Forms, a Death Benefit Form and retirement health care benefits forms when applicable. At the time of the meeting, the **Pension System Administrator** will review your benefit estimate, the available Forms of Pension Payments and all other forms included in your retirement information packet. You will have the opportunity to take all information and forms with you at the end of this meeting for further consideration and completion. However, the following forms, along with all related documents, must be completed and submitted to the **Pension System Administrator** no greater than 90 and

no less than 30 days prior to your anticipated retirement date: Retirement Application, Periodic Payment Direct Deposit Authorization Form, Federal and State Income Tax Withholding Election Certificate Forms, Death Benefit Form and retirement health care enrollment form if applicable.

Retirement Application

You must complete and forward the completed Retirement Application to the **Pension System Administrator**. You should specify your intended retirement date which must be consistent with your applicable collective bargaining agreement or Employee Handbook. Your pension effective date will be the 1st of the month following your attaining of retirement eligibility and date of last employment with your Employer. To elect your requested Form of Pension Payment, you will need to initial the box for the Form of Pension Payment you are electing and write the underlined Pension Option description on the line provided below as indicated on the Retirement Application.

Form of Payment.

Please note that the Retirement System provides the following Forms of Payment:

Form of Payment SL - Straight Life Pension. The retired member is paid a pension for life with no benefit paid to a beneficiary upon the retired member's death. All benefits, including pension, fringe, or medical insurance benefits, stop upon the death of the retired member.

Form of Payment A - Life Payments with Full Continuation to Survivor Beneficiary. The retired member is paid an actuarially reduced pension for life. Upon the death of the retired member during the lifetime of the named survivor beneficiary, 100% of the reduced pension is continued for the remainder of the named beneficiary's lifetime.

Form of Payment B - Life Payments with One-Half Continuation to Survivor Beneficiary. The retired member is paid an actuarially reduced pension for life. Upon the death of the retired member during the lifetime of the named survivor beneficiary, 50% of the reduced pension is continued for the remainder of the named beneficiary's lifetime.

Form of Payment C - Life Payments with Full Continuation to Survivor Beneficiary With Pop-Up. The retired member is paid an actuarially reduced pension for life. Upon the death of the retired member during the lifetime of the named survivor beneficiary, 100% of the reduced pension is continued for the remainder of the named beneficiary's lifetime. Should the named survivor beneficiary die before the retired member, the retired member's pension shall be recomputed (pop-up) to a straight life pension (Form of Payment SL noted above).

Form of Payment D - Life Payments with One-Half Continuation to Survivor Beneficiary With Pop-Up. The retired member is paid an actuarially reduced pension for life. Upon the death of the retired member during the lifetime of the named survivor beneficiary, 50% of the reduced pension is continued for the remainder of the named beneficiary's lifetime. Should the named survivor beneficiary die before the retired member, the retired member's pension shall be

recomputed (pop-up) to a straight life pension (Form of Payment SL noted above).

Form of Payment E - Life Payments with Ten Year Certain. The retired member is paid an actuarially reduced pension for life. Upon the death of the retired member during the lifetime of the named survivor beneficiary, the named survivor beneficiary shall be paid a commuted lump sum balance of the 120 monthly pension payments, if the retired member had received fewer than 120 monthly pension payments. No continuing pension, fringe, or medical insurance benefits will be provided to the survivor beneficiary. If the named survivor beneficiary predeceased the retired member, the retired member's estate shall be paid the commuted lump sum balance of the 120 monthly pension payments, if the retired member had received fewer than 120 monthly pension payments.

Please Note: If you are eligible for the retirement health care benefit upon your retirement, in order for your spouse to be eligible for continued health care benefits upon your death, **you must** select a Joint and Survivor Annuity form of benefit (i.e. Form of Payment A, B, C, or D) and designate your spouse as your named beneficiary. **You must** also notify the Pension System Administrator of your Form of Payment election or elections before your effective retirement date.

Acceptance and Approval of Pension Application

The **Pension System Administrator** will forward the completed Retirement Application to the Retirement System **Board of Trustees** at their next regular meeting. The Retirement Board of Trustees regular meetings are generally conducted on the third Tuesday of each month in the St. Clair County Administration Building at 8:00 am. Upon presentation of the Retirement Application, the **Board** will take formal action to acknowledge receipt of the application and approve or deny benefit commencement as presented. The **Pension System Administrator** will notify you in writing after the Board meeting.

Special Notation: Upon submission of your application for retirement to the Retirement Board of Trustees meeting, your application will become a Public document.

Separation of Employment Matters

All matters regarding your final separation of employment and final employment payouts should be addressed and will be handled directly through your Employer. You may choose to consult your collective bargaining agreement, Business Unit Representative, Supervisor, Human Resource Representative, Benefit Specialist, Payroll Specialist and/or any other employer related resources or business professionals to answer any questions you may have regarding separation of employment matters.

After your separation of employment, your **Employer Payroll Specialist** will process your final payroll and notify the **Pension System Administrator** of the final payroll.

Final Pension Benefit Calculation

The **Pension System Administrator** will calculate your final average compensation, verify your service credit, and verify retirement option details according to your collective bargaining agreement, Retirement System Ordinance and any other applicable documents and/or agreements. The **Pension System Administrator** will input the

retirement benefit information in the final benefit calculation software package provided by the Retirement System's Actuary for final calculation of your pension benefit and then in the payroll system for payment. However, for all retirements that include an EDRO, use of the Reciprocal Retirement Act, or other special circumstances as determined by the **Pension System Administrator**, the **Pension System Administrator** will send all retirement information to the Board's Actuary for final calculation. The **Pension System Administrator** will notify you if there will be a cost to you regarding any additional actuarial review. The **Pension System Administrator** will prepare correspondence to you summarizing your final benefits after your benefits are finalized. You will receive any retroactive amounts due with your first pension payment. The System's Actuary perform annual audits of all pension payments disbursed.

Retirement Board Approval of Calculation and Amount

The **Pension System Administrator** will submit a copy of your pension calculation to the **Board** who will review and approve your retirement calculation and amount at its next regular meeting.

Changes

You must notify the **Pension System Administrator** of any changes that may affect your retirement benefits (i.e., death of a beneficiary, divorce, etc.) and any changes to your address.

Note: Compliance with the foregoing procedures and prompt submission of the required forms and information to the Board will facilitate the timely processing of your retirement. Questions regarding the foregoing procedures should be directed to the Pension System Administrator.