

San Luis Obispo County  
Pension Trust

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*SLOOPT*

# Retirement 201

Members within about 5 years of retirement

**SLO County Pension Trust**

**805/781-5465**

1000 Mill St. San Luis Obispo, CA 93408

**SLOPensionTrust.org**

# Retirement Income Needed

- Rule-of-thumb for needed income
  - **70% to 80% of pre-retirement income**
- Spending in retirement not steady –
  - **Early years** – higher spending due to
    - More active lifestyle
    - Healthcare costs if pre-Medicare
  - **Middle years** – lower and steadier
  - **Later years** – lower spending, but may increase due to medical costs

# How Long Will I be Retired?

- **Latest Mortality data on Public Sector**
  - Tend to live longer than typical
  - Steady retirement income helps longer lifespan
  - Access to healthcare adds to lifespan
- **Life Expectancy at age 65 –**
  - Miscellaneous Men ~85.5, Women ~88.8
  - Public Safety Men ~85.3, Women ~87.7
- See <http://www.LongevityIllustrator.org/>

# Retirement Income Needed

- But – **Everyone is different**
  - No more work paycheck = no more Pension & Social Security contributions to pay!
  - Housing costs – steady? paid-off? increasing?
  - Medical costs (!) –
    - Higher pre-65 and Medicare eligibility
    - Increase with age (e.g., assisted living)
  - Other financial obligations, dependents
  - Lifestyle choices (e.g., travel)
  - Inflation
  - Employment post-retirement

# How will you pay for retirement?

- **Social Security**
- **Pension Plans**
  - Defined **Benefit** Retirement Plan(s)
    - County, State, City and/or other employers
- **Savings Plans – Tax-Deferred**
  - Defined **Contribution** Savings Plans
    - Deferred Compensation Plans (457 for governmental)
    - 401(k) or similar plans from other employers
- **Savings – non tax-deferred**
- **Other Assets – (e.g., real estate)**
- **Other income in retirement / part-time work**

# Social Security - Costs

- **SLO County participates in Social Security**
  - Not all public sector employers are in SS
    - Teachers, some Public Safety, etc.
  - Beware of your past SS non-participation years
- **Social Security costs**
  - 6.2% of pay from you
  - 6.2% of pay from your employer
- **“Paying now for a better retirement later”**

# Social Security - Benefits

- SS benefits a foundation – but not adequate
- **Can start at age 62, but benefits higher at full eligibility age or age 70**
- **Lifetime income – no matter how long you live**
- Social Security may replace **20% to 40%** of your pay depending on many factors (but everyone is different...)
- Possible SS offsets for other Govt. pensions
  - WEP and GPO reductions - vary depending on your case
  - Related to periods you did not pay into SS
  - Check with SSA for detailed estimate
- **Get your personal estimate at [www.SSA.gov](http://www.SSA.gov)**
- **Attend class on Social Security**

# What are Pensions?

- **Defined Benefit** (e.g., the SLOCPT)
  - Traditional pension
  - **Retirement benefit paid monthly for life** –
    - **No matter how long you live – age 74, age 87, age 105...**
  - Benefits going **OUT** set by a formula
    - **(years of service X pay X a retirement factor = benefit)**
  - Paid by employer & employee contributions and investments
- **Defined Contribution** (e.g., the Deferred Comp. Plan)
  - A **savings plan** – a way to accumulate assets tax deferred
  - Funds going **IN** are defined
  - Invested by participant
  - Contributed by employee, sometimes with employer “match”



# What Pensions might I have?

- **SLO County DB pension plan**
  - Mandatory participation
- **Another public sector DB pension?**
  - Before or after working in SLO County
  - Could be “reciprocal” with SLOCPT if another Calif. system (more on this later)
- **Corporate DB pension?**
- **Union pension?**

# Other retirement accounts?

- **SLO Deferred Compensation Plan?**
  - Voluntary participation
- **A previous job's 401(k) or 457 Plan?**
  - Can be a rollover to an IRA or the DC Plan
  - Don't forget about 'em!!! Lost accounts happen – so keep your address current
- **Individual Retirement Accounts?**
  - Regular IRA or Roth
  - Funded by you or inherited
- **Other investment and savings accounts**

# The Pension Trust

## SLOCPT is a “Trust”

– Independent entity administering the Retirement Plan

2,725 Active Members

2,868 Retired Members (retirees, survivors, beneficiaries, disabilities)

489 Deferred Members

6,082 Total Members (at 1/1/19)

Total Assets = \$1.3 billion

Active Employees (at 1/1/19)

Avg. Active Employee Age = 44.7      Avg. Age at Hire = 35.1

Avg. Service = 9.0 years

Tier 1 = 1,250 (46%)      Tier 2 = 311 (11%)      Tier 3 = 1,164 (43%)

Current Monthly Retiree Payroll: \$8.0 million

Avg. Retiree Benefit approx. = \$33,600/yr

Avg. Retiree Age = 69.3

Avg. Age at Retirement = 59.2 (2018 new retirees avg. 60.1)

**80% of Retiree benefits paid in SLO County**

**Typical pension benefit ~ 1.5x spending in the area**

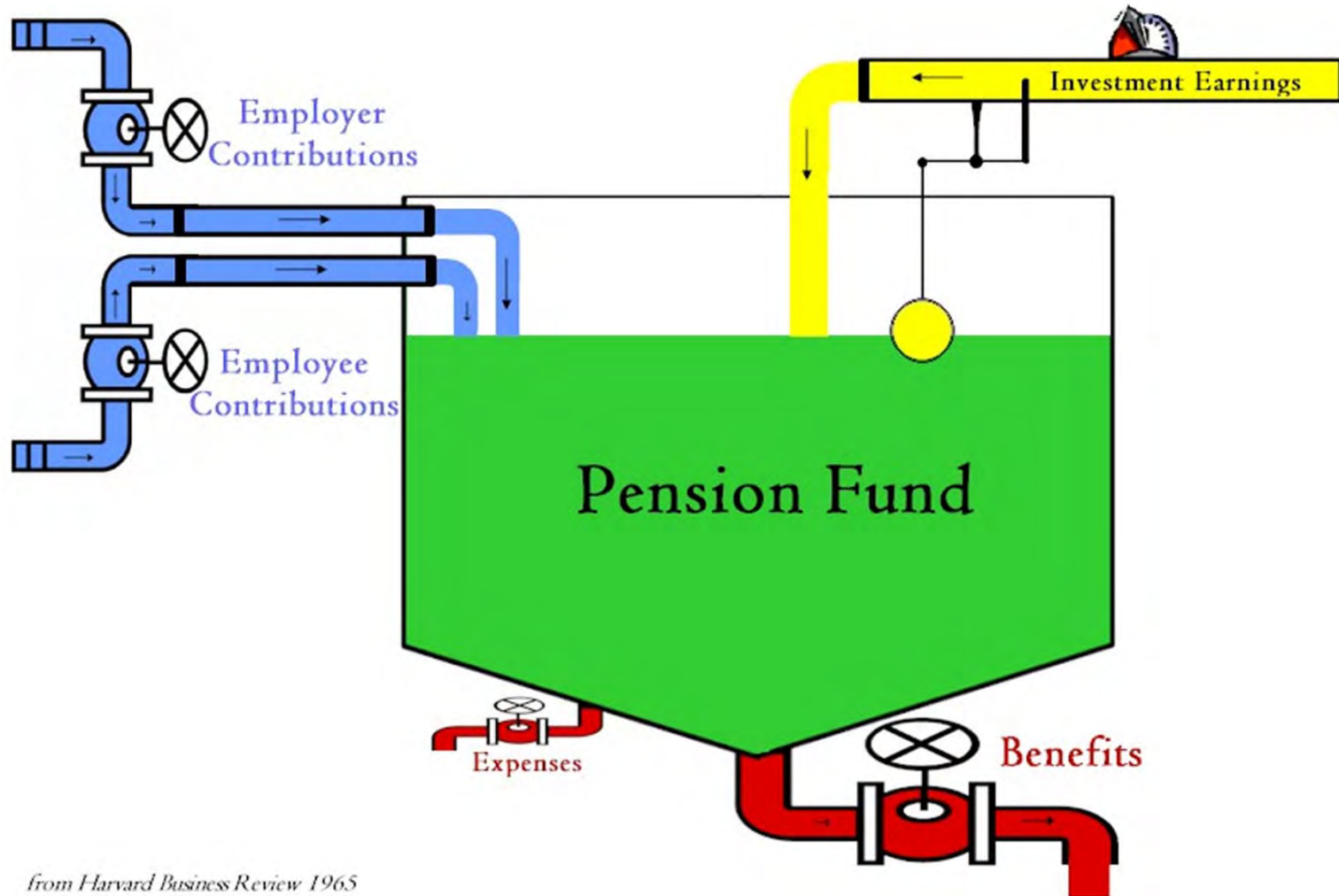
# Who sets the pension benefit levels?

- **Pension benefits, like all employee compensation, are determined by the Board of Supervisors**
  - Subject to the collective bargaining processes
- **Pension benefits can be limited by IRS rules or State regulations**
- **Pension Trust Board of Trustees**
  - Administers the Retirement Plan
  - Sets the overall contribution rates to fund the Plan
  - Governs the investment of the Plan's assets
  - 7 Trustees: 3 appointed by Board of Supervisors, 3 elected from employees at large, County Treasurer

# Who Pays for the Benefits?

- **Investment earnings** on the pension assets
- **Employer Contributions**
- **Employee Contributions** – based on age at hire
  - Employee paid – pre tax payroll deduction
  - **Employee** contribution paid by employer “pick-up”
    - Depends on bargaining unit and Tier
- **County policy of splitting any increases in required pension contributions is 50/50 with employees**

# How Pensions are Funded



*from Harvard Business Review 1965*

# Pension Costs

(2018 Actuarial Valuation – rates as of 1/1/18)

## Average pension contribution rates (as % of pay)

		Tier 1	Tier 2	Tier 3	Combined
Misc.	Employee Employer Total	19% *	12% *	11%	16% <u>24%</u> 40%
Probation	Employee Employer Total	22% *	NA	13%	20% <u>23%</u> 43%
Safety	Employee Employer Total	23% *	18% *	17%	21% <u>37%</u> 58%
<b>Combined</b>	Employee Employer Total	20% *	13% *	12%	16% <u>26%</u> 42%

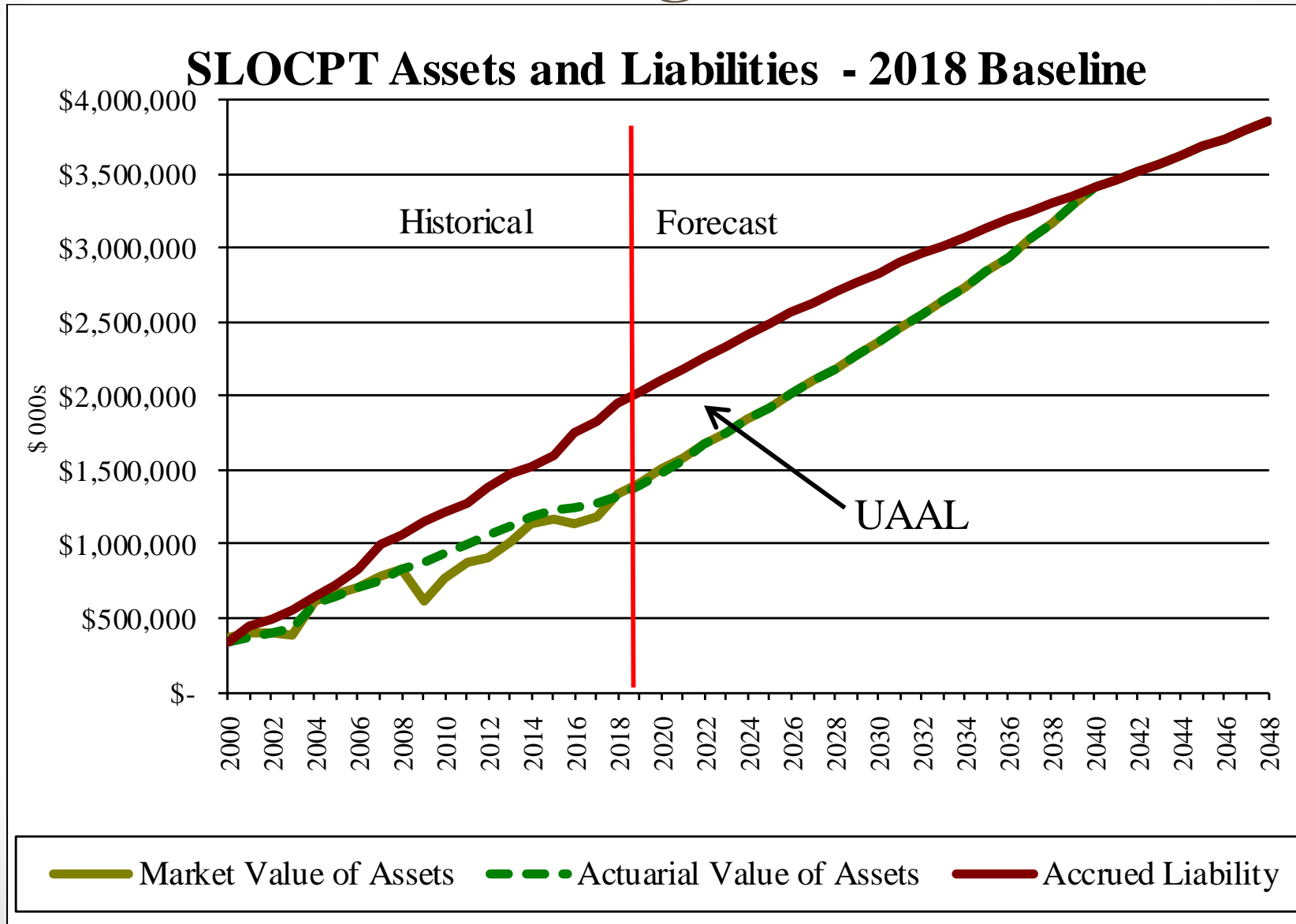
\* Some bargaining units in Tiers 1 & 2 have an Employer Paid Member Contribution (the “pick-up”) for a portion of employee cost

# What causes Pension cost increases?

- **Benefit formula changes**
- **Demographic changes**
  - Mortality – increasing lifespan significantly increases pension costs – *good news / bad news kind of thing...*
- **Funding Assumptions**
  - Expected Investment Return – decreasing - now 7.00%
  - Paying down the projected Unfunded Liability (UAAL)
    - full funding targeted for 2040
- **Investments**
  - 2001 & 2008 market losses – factored in over time
  - SLOCPT invests in a diverse portfolio of stocks, bonds, real estate and other assets



# Pension Funding



# The Pension!

# Pension Benefit Formula

- Benefit Formulas set in the Retirement Plan
- Depends on:
  - What **Class**
    - Miscellaneous, Probation, Safety (sworn and non-sworn)
  - What **Tier** - When you were hired (approx. dates)
    - Tier 1: Hired before 2011
    - Tier 2: Hired 2011-2012 and some reciprocal
    - Tier 3: Hired 2013 and later
  - **Years of Service** (Pension Trust Service Credit or PTSCs)
  - **Pensionable Compensation** (highest 1 year or 3 years)
  - **Age at retirement**
  - Some benefit caps (e.g., 90% of final pay for Tier 2)

# Pension Benefit Formula

**Basic (Unmodified) Benefit** – the highest benefit amount  
(includes 50% survivor continuance)

**Three components:**

**PTSC** (years of paid work & leave)

x **Final Average Compensation**  
(highest 12 mth or 36 mth avg.)

x **Retirement Factor** - depends on  
Class of Member (Misc., Probation, Safety)  
Tier 1, Tier 2, or Tier 3  
Age at retirement (higher factors with older age)

= **Basic (Unmodified) Benefit**

May be reduced for various survivor continuance benefit options  
(e.g., “Option 2” is a 100% survivor continuance)

# What are the Retirement Factors?



# Example – 20 year career Tier 1

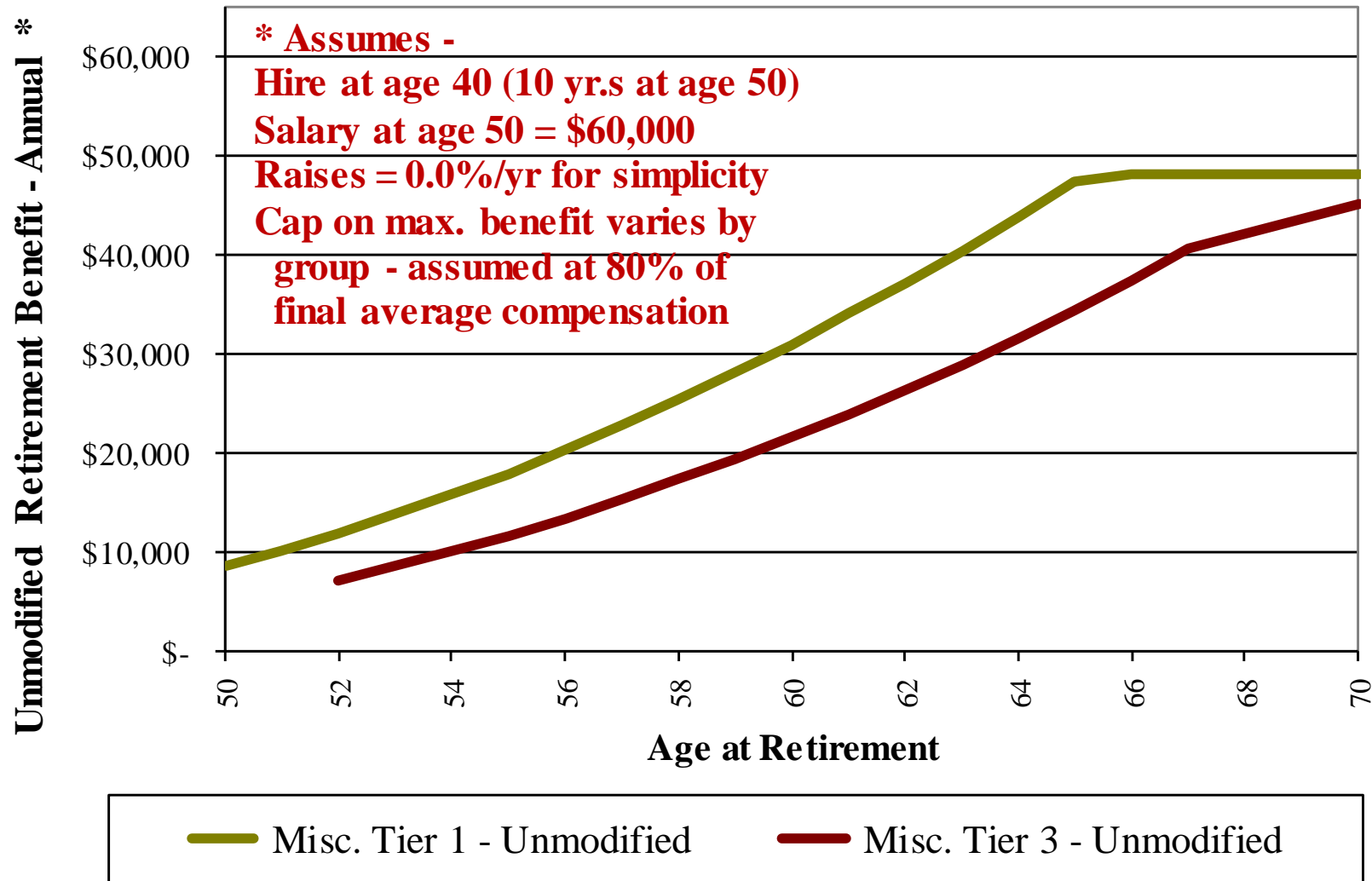
- **Tony is ready to retire, really ready to retire...**
  - **Tier 1**, Miscellaneous category, bargaining unit 01
  - **20** years of service
  - **Age 60**
  - Highest 12 month average salary = \$5,000/month or \$60,000/year
  - Married – spouse age 58, no prior divorces
  
- **Tony's basic (unmodified) retirement benefit**
  - Step 1: Retirement Factor = 2.583% (at age 60)
  - Step 2: 2.583% x 20 (earned PTSCs) = **51.66%**
    - (less than the 80% cap for this bargaining unit, no reduction)
  - Step 3: 51.66% x \$5,000 (highest monthly 12 month average)
  - = \$2,583/month
    - **Basic Benefit (includes 50% continuance to Eligible Survivor upon Tony's death)**

# Example – 20 year career Tier 3

- **Sally is ready to retire**
  - **Tier 3**, Miscellaneous category, bargaining unit 01
  - **20** years of service
  - **Age 60**
  - Highest 36 month average salary = \$5,000/month or \$60,000/year
  - Married – spouse age 58, no prior divorces
  
- **Sally's basic (unmodified) retirement benefit**
  - Step 1: Retirement Factor = 1.800% (at age 60)
  - Step 2: 1.800% x 20 (earned PTSCs) = **36.00%**
  - Step 3: 36.00% x \$5,000 (highest monthly 36 month average)
  - = **\$1,800/month**
    - **Basic Benefit (includes 50% continuance to Eligible Survivor upon Sally's death)**

# Illustration of Pension Benefit

## Illustrative Retirement Benefit - Miscellaneous Emp.





# Am I eligible to retire?

## Eligibility

- Must be vested (accumulation of 5 PTSCs)
- Attained minimum retirement age of 50 (52 for Tier 3), there is no maximum retirement age

## What happens if I leave County employment before I'm eligible?

- **Leave before vested:**
  - Refund of your employee contributions and accumulated interest
  - Or – may be eligible for reciprocity if you go to work for another California public agency within 6 months
- **Leave after vested but before retirement age eligibility:**
  - Refund of your employee contributions and accumulated interest
  - Or - Leave funds in Plan – retire when age eligible (may be eligible for reciprocity)

# What if I came from another public agency?

- **Incoming Reciprocity**
- **You must apply to be eligible!**
- **If you worked for a CalPERS State agency or some Counties –**
  - If there is less than a 6 month gap in service with no overlap
  - If you apply with the new employer
  - If you leave your funds with the prior employer's Plan
- **There can be significant advantages to your total retirement income if you establish reciprocity**

# What if I leave for another public agency?

- **Outgoing Reciprocity**
- You may be eligible for reciprocal service if you hire on with a CalPERS State agency or some Counties – **You must apply to be eligible!**
  - If there is less than a 6 month gap in service with no overlap
  - If you apply with the new employer
  - If you leave your funds with the SLOCPT Plan
- **Not guaranteed – lengthy process between plans**
- **Reciprocity may shorten your time to become vested in the new employer's plan, it may get you a lower age-at-entry contribution rate, and it may allow both retirements to be based on your final pay at the new employer**
- **ASK YOUR NEW EMPLOYER**

# Other Pension Benefits

- **Disability**
  - A lifetime benefit if you are disabled and can't perform the duties of your job
  - Must apply before separating employment!
- **Death benefits**
  - **Keep your Beneficiary form up to date!**
- **Survivor Benefit after you are retired**
  - More on this later
  - Continues some % of your pension benefit to a surviving spouse or RDP or to a beneficiary you name

# Disability Benefits

- **Two types of Disability**
  - **Ordinary Disability** – for any reason
  - **Industrial Disability** –only for Public Safety and Probation – higher level of benefit for Service-Connected disability. No “heart presumption” like some other systems.
- **Disability Eligibility**
  - Vested in the Plan for ordinary disability
  - Vesting not required for industrial disability
  - Permanently unable to perform your job duties
  - Burden of proof is on the Member
  - All Retirement Options are available for Disability Retirement
  - **MUST APPLY FOR DISABILITY BEFORE QUITTING OR RETIRING**

# Death Benefits

- **NOT YET ELIGIBLE TO RETIRE Active member**
  - **Basic Death Benefit**
    - Return of all contributions and interest **PLUS** 1 ½ months salary for each accumulated PTSC up to 12
    - Payable to your beneficiary or your estate
- **ELIGIBLE TO RETIRE Active member**
  - **Eligible Survivor has choice of:**
    - Basic Death Benefit
    - Option 2 - Monthly Allowance
- **AFTER RETIREMENT**
  - \$1,000 Death Benefit
  - Monthly Surviving Spouse or Beneficiary Continuance Allowance based on the Option selected at retirement

# Survivor Benefits (in retirement)

## Eligible Survivor:

- Spouse or Registered Domestic Partner (RDP)
- Married/registered for at least 1 year at retirement
- If no Spouse or RDP, a Beneficiary can be named for all Options but the basic unmodified allowance or Option 1 continuance

## Options (irrevocable choice at point of retirement):

- **Basic (Unmodified) Allowance** – provides for a 50% continuance benefit to Eligible Survivor – This is the highest benefit option

# Survivor Benefits (in retirement)

## Other Options:

- **Option 1** – reduced monthly allowance for your lifetime and either:
  - **Eligible Survivor:** 50% continuance of reduced benefit, + return of any contributions remaining (start with  $\frac{1}{2}$  employee accrual balance at retirement, reduced with each of your monthly benefit payments). - OR -
  - **Beneficiary:** return of any contributions remaining (start with entire employee accrual balance at retirement, reduced with each of your monthly benefit payments).
- **Option 2** – reduced monthly allowance for your lifetime and continuing **100% continuance** benefit to Eligible Survivor or Beneficiary. A popular option.
- **Option 3** – reduced monthly allowance for your lifetime and a monthly allowance to your Eligible Survivor or Beneficiary of  $\frac{1}{2}$  to approximately  $\frac{2}{3}$  of your allowance.
- **Options to coordinate with SS** – pre-age 62



# Deferred Retirement Option Program (DROP)

- Available only to **Tier 1 Members** (certain BUs excluded)
- An alternative way of taking pension benefit while still working
- Irrevocable commitment to retire
  - 6 month minimum, 5 year maximum
- **Monthly Pension Benefit** paid into a separate investment account while still working
  - You choose investments just like the **Deferred Comp Plan**
  - No access to funds accumulated until official retirement
- Payroll pension contribution deductions cease when you enter **DROP**
- Once retired, must withdraw accumulated **DROP** balance in lump sum or elect a monthly annuity for no less than 10 years

# Does DROP Make sense for me?

- Must intend to retire within 5 years
- Must be in an eligible Tier 1 benefit formula
- Locks in your pension at current level – future raises don't count...
- **DROP designed for –**
  - Long-term Members nearing the maximum pension benefit – e.g., 80% of final pay
  - But who want to keep working
- **DROP sometimes used by Members who –**
  - Are satisfied with “locking in” their pension benefit at some level less than the maximum
  - Want to accumulate a lump sum to use after they retire (e.g., pay off the house, buy that RV, etc.)

# Post Retirement Cost of Living Adjustments

- **Depends on the Tier from which you retired**
  - **Tier 1**
    - **COLA based on CPI inflation with 3% max and a carryover if inflation is over 3%**
  - **Tiers 2 & 3**
    - **COLA based on CPI inflation with 2% max, no carryover**
  - **Pension COLAs based on 2 year avg. of SF and LA Consumer Price Index (CPI) annual average change**
- **COLA effective April 1<sup>st</sup> if retired on or before January 1<sup>st</sup> of current year**

# Marriage and Divorce

- Community Property
  - **Retirement Benefits and Contribution Balances are Community Property in California**
    - Contact the SLOOPT if you get married to update your beneficiary designation (you need verified spousal consent to name someone other than your spouse)
    - If you are contemplating or going through a divorce you MUST address the disposition of any retirement benefits which were accrued while you were married
  - **DON'T WAIT UNTIL THE WEEK BEFORE YOU RETIRE TO ADDRESS THIS MATTER...it WILL delay your retirement**

# How do I Retire?

- **Make an appointment with SLOCPT**
  - 3+ years in advance
  - Anytime you want a check-up
- If divorced – DRO must address pension
- **Plan your retirement!**
  - When to retire?
  - How much pension will I get? Enough?
  - DC Plan and other savings? Enough?
- **Plan Survivor Options**
  - How much surviving spouse pension benefit is needed? 50%? 100%?
- **Tell your Department!**

# What do I Need to Retire?

- **Confer** – Make an appointment with SLOCPT 6+ months prior to planned date
- **Apply** 1-3 months prior to planned date
  - But, if urgent – as soon as possible
- **Healthcare** – if electing employer health plan
  - Must enroll within 120 days after retirement
- **DC Plan** – coordinate “last paycheck“ ?

# What do I Need to Retire?

- **Documents needed**

- Birth certificates – for you, your spouse, or beneficiary
- Marriage registration / Domestic Partnership
- Name changed from birth certificate – marriage certificate or other proof of name change
- Widowed – death certificate
- Divorce – Complete copy of Final Judgment with settlement agreement / Domestic Relations Order
- Social Security – printout of SS est. with age 62 benefit
- Blank, voided check for direct deposit
- Age 65 – Copy of Medicare card with Parts A & B

# SLO County Retired Employees Associations - SLOCREA

- Retiree Association – membership encouraged
- Newsletter, events, keep in touch
- Contact –
  - [www.SLOCREA.org](http://www.SLOCREA.org)
  - slocrea@slocrea.org



# Post Retirement Health Benefits

- **Retirees are eligible to participate in employer sponsored medical, dental & vision plans**
  - Note: must not have more than 120 days between termination date and retirement date to participate in medical coverage
- **Actual premiums paid depend on the plan chosen and Medicare eligibility**
- **Employer covered costs:**
  - \$139/month paid towards your medical premium for Management members (2019 rate)
  - \$136/month paid towards your medical premium for represented members (2019 rate)



# YOUR RETIREMENT BENEFITS

*Presented by County Benefits*



CONSIDERING  
RETIRING?



MEET W/  
PENSION TRUST



OVER 65? MEET W/  
SSA TO ENROLL IN  
MEDICARE



NOTIFY DEPT 30-60  
DAYS IN ADVANCE



# SLO COUNTY RETIREMENT PROCESS

SEPARATE FROM  
COUNTY



FINAL PAYCHECK



COBRA  
NOTIFICATIONS  
SENT



ACCESS TO PEHP &  
DEFERRED COMP  
ACCOUNTS



RETIREE HEALTH  
BENEFITS BEGIN



ENJOY  
RETIREMENT!



## MEET WITH PENSION TRUST



**MEET**

Schedule & meet with Pension Trust for a Pre-Retirement Counseling Session.

**SUBMIT**

Officially submit your application & pick a retirement date w/ PT.

**SELECT**

Select your retirement health benefits.

1

# ELIGIBILITY FOR RETIREE HEALTH BENEFITS

## Medical: 2 Opportunities (if under 65)

1. At retirement
2. If you waive at retirement, you have one more opportunity to come back on when you turn 65 & enroll in Medicare

## Dental & Vision:

- You may come on and off throughout retirement each Open Enrollment



## OVER 65?



Schedule a meeting with the Social Security Administration (SSA) to enroll in Medicare.

Enrollment in Medicare Parts A & B is required to enroll in a County Medicare plan. Do NOT enroll in Part D Pharmacy.

If you waive Retiree Medical at retirement, you are unable to enroll in the County plan in the future.

2

*You cannot be enrolled in a County Medicare plan until we have your Medicare card, so be sure to apply early to ensure there is no delay in processing your retiree benefits!*

## NOTIFY THE COUNTY



Notify your department 30-60 days in advance of your last day!

Failure to do so may result in a hold up of the remaining 5 steps 😞

3

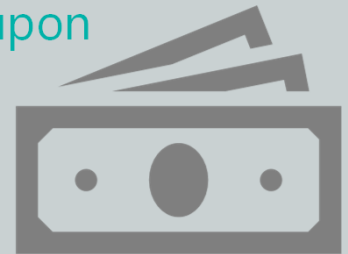
# 4

## FINAL PAYCHECK

### ARRANGE YOUR LEAVE PAYOUT WITH PAYROLL

Choose between cashing out remaining vacation balances or have it rolled into your Deferred Comp Account. Request a form from Nationwide & return to Payroll

BUs 04, 06-12, 15, 17, & 27-28: ½ of your sick leave, up to \$15,000, will be placed into a Post Employment Health Plan account upon separation





# SEPARATE FROM COUNTY SERVICE!



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Employee health benefits  
will remain active until the  
end of the month  
following separation.

# 5



# RECEIVE COBRA NOTIFICATIONS

# 6

COBRA notifications are sent out after separation is processed. COBRA allows you to keep County Medical, Dental, or Vision for up to 18 months.

Some retirees use COBRA to keep their Delta Dental benefit for 18 months.

You are responsible for the full cost of the premium + a 2% admin fee.

DO NOT enroll in both COBRA & Retiree benefits, it's one or the other!



# ACCESS YOUR FUNDS

Post separation, you are now allowed to access your Post Employment Health Plan account to reimburse yourself for qualified medical expenses including premiums.

You can access your Deferred Compensation account if you have one. You can also choose to roll it over into another retirement savings account if you would like.



# 7

# RETIREE BENEFITS EFFECTIVE



Your employee benefits are active until the end of the month following separation. Retiree Benefits begin the first of the following month.



If you separate on 12/22, your employee benefits end on 1/31 and your retiree benefits will become effective 2/1.



# REITREE HEALTH PLAN OPTIONS

*County Contribution:  
Either \$136 of \$139, depending  
on your bargaining unit.*



**4** Non-Medicare  
Health Plans

*Select, Choice,  
Care, & EPO*



**2** Medicare  
Supplements

*Medicare PPO  
& Medicare  
EPO*



**1** Dental Plan

*Aetna Dental*



**1** Vision Plan

*VSP Vision*

# NON-MEDICARE PLAN OPTIONS

*(Same as Employees, except HDHP is not available)*

2019 Plan Migration:		Anthem Select PPO		Anthem Choice PPO		Anthem Care PPO		Anthem EPO
		In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network Benefits Only
<b>Annual Deductible</b>	<b>Individual/Family</b>	\$500/\$1,000		\$500/\$1,000		\$500/\$1,000		None
<b>Annual Out-of-Pocket Maximum</b>	<b>Individual/Family</b>	\$3,000/ \$6,000	None	\$3,000/ \$6,000	None	\$3,000/ \$6,000	None	\$1,500/\$3,000
<b>Physician Office Visit (Deductible Waived)</b>		\$20	40%	\$20	40%	\$20	40%	\$15 / visit
<b>Specialist Copay (Deductible Waived)</b>		\$20	40%	\$20	40%	\$20	40%	\$15 / visit
<b>Preventative Care</b>		No Charge	40%	No Charge	40%	No Charge	40%	No Charge
<b>Lab and X-Ray</b>								
<b>CT, MRI, PET scans</b>		20%	40%	20%	40%	10%	40%	No charge
<b>Other lab and x-ray tests</b>		20%	40%	20%	40%	10%	40%	No Charge
<b>Hospitalization</b>								
<b>Inpatient</b>		20%	40%	20%	40%	\$250 + 10%	\$250 + 40%	No Charge
<b>Outpatient</b>			40%	20%	40%	10%	40%	\$15 / Surgery
<b>Emergency Room</b>		\$50+ 20% (waived if admitted)	\$50 + 20% (waived if admitted)	\$50 + 20% (waived if admitted)	\$50 + 20% (waived if admitted)	\$50 + 10% (waived if admitted)		\$50 / Visit (waived if admitted)
<b>Urgent Care Services</b>		\$20	40%	\$20	40%	\$20	40%	\$15 / visit
<b>Durable Medical Equipment</b>		20%	40%	20%	40%	10%	40%	No Charge
<b>Chiropractic/ Acupuncture Care</b>		\$15	40%	\$15	40%	\$15	40%	\$15 / visit
		(20 visits combined with acupuncture / calendar year)		(20 visits combined with acupuncture / calendar year)		(20 visits combined with acupuncture / calendar year)		(20 visits combined with acupuncture / calendar year)
<b>Provider Network</b>		Select PPO - This is a narrow network.		Blue Cross PPO (Prudent Buyer) - Large Group		Blue Cross PPO (Prudent Buyer) - Large Group		Blue Cross PPO (Prudent Buyer) - Large Group

# MEDICARE PLAN OPTIONS

- Make sure your provider accepts Medicare & is in Anthem's network
- Medicare is the primary payer, Anthem is secondary

2019 Plan Migration:	Anthem Medicare PPO	Anthem Medicare EPO
<b>Calendar Year Deductible</b>	None	None
<b>Annual Out-of-Pocket Maximum</b>	None	\$1,500 individual / \$3,000 family
<b>Physician Office Visit</b>	No Charge	\$15 / Visit
<b>Specialist Copay</b>	No Charge	\$15 / Visit
<b>Preventative Care</b>	No Charge	No Charge
<b>Lab and X-Ray</b>		
<b>CT, MRI, PET scans</b>	No charge	No Charge
<b>Other lab and x-ray tests</b>	No Charge	No Charge
<b>Hospitalization</b>		
<b>Inpatient</b>	No Charge	No Charge
<b>Outpatient</b>	No Charge	No Charge
<b>Emergency Room</b>	No Charge	\$50 / Visit (Waived if admitted)
<b>Urgent Care Services</b>	No Charge	\$15 / Visit
<b>Durable Medical Equipment</b>	No Charge	No Charge
<b>Chiropractic / Acupuncture Care</b>	\$15 / visit (20 visits per calendar year combined with acupuncture)	\$15 / visit (20 visits per calendar year combined with acupuncture)
<b>Provider Network</b>	Blue Cross PPO (Prudent Buyer) - Large Group	Blue Cross PPO (Prudent Buyer) - Large Group

Tier	Retail Pharmacy (1 Month Supply)	Retail Pharmacy (2 Month Supply)	Retail Pharmacy (3 Month Supply)	Mail Order (3 Month Supply)
<b>Generic (Tier 1)</b>	\$5 Copay	\$10 Copay	\$15 Copay	\$10 Copay
<b>Preferred Brand (Tier 2)</b>	\$20 Copay	\$40 Copay	\$60 Copay	\$40 Copay
<b>Non-Preferred (Tier 3)</b>	\$50 Copay	\$100 Copay	\$150 Copay	\$100 Copay

# COUNTY MEDICARE PLANS

VS.

## PRIVATE MARKET

01

The County's Medicare premiums are higher than what you can find on the private market



02

The County's plans are *not* age banded, premiums do not rise with age



03

The County's plans do not have a donut hole, a temporary limit on what the plan will cover for prescriptions.



04

Do you prefer choice or convenience? The County has 2 choices, the private market has 2,000+





# COMBO PLANS

*"My family will be enrolled in a Combo Plan, what are the plan options for the Medicare member vs. the non-Medicare members?"*

Medicare Enrollee's Plan	Non-Medicare Enrollee's Plan Options
Anthem PPO Medicare	Anthem Choice

Medicare Enrollee's Plan	Non-Medicare Enrollee's Plan Options
Anthem EPO Medicare	Anthem EPO

## Anthem Medicare EPO Combo Plans

When a member chooses Anthem Medicare EPO, their non-Medicare dependents will be enrolled in the Non-Medicare Anthem EPO.

Anthem Medicare EPO + Non-Medicare Anthem EPO	
1 Medicare, 1 Not	\$1,123.10
2 Medicare, 1 Not	\$1,218.10
1 Medicare, 2 Not	\$1,577.10

## Anthem Medicare PPO Combo Plans

When a member chooses Anthem Medicare PPO, their non-Medicare dependents will be enrolled in the Non-Medicare Anthem Choice PPO.

Anthem Medicare PPO + Non-Medicare Anthem	
1 Medicare PPO, 1 Anthem Choice	\$1,011.11
2 Medicare PPO, 1 Anthem Choice	\$1,197.10
1 Medicare PPO, 2 Anthem Choice	\$1,375.10



Eligible to continue  
VSP coverage at  
employee premiums



Eligible to enroll in  
Aetna coverage at  
employee premiums

# VOLUNTARY BENEFITS

## **PORTABLE:**

You keep the group rate (+a \$3.50 quarterly fee), but there is an age limit to keep those rates, age 70.

## **CONVERTIBLE:**

Your group policy is converted into an individual policy. Premiums are different, but there is no age limit.

*You must apply within 31 days of separating to convert or port a plan!*

## Aflac Accident & Critical Illness

- Portable

## Voya Life Insurance (ER Paid)

- Convertible

## Voya Life Insurance (Supplemental)

- Portable until age 70, then the policy will convert

## Dependents:

- Conversion: Only eligible to convert when there is a divorce or a dependents ages off.
- Portability: Only eligible to port when the Employee does, cannot do so independently



# OTHER BENEFITS

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## **Carrum Health**

Surgery  
Benefit

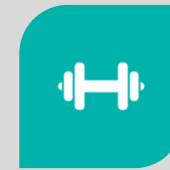
(Non-  
Medicare  
Retirees  
Only)



## **Solera Health**

Diabetes  
Prevention

(Medicare  
Retirees Can  
Call To  
Determine  
Eligibility)



## **Kennedy Club Fitness**

Discounted  
Rate

(All  
Retirees)

## HOW DO I PAY MY MEDICAL PREMIUMS?

---



Your medical premiums for County sponsored health benefits are deducted from your Pension each month



If your pension payment is not large enough to cover your monthly premiums, you become a Direct Payee with BCC

## HOW DO I TRANSITION TO MEDICARE *DURING* RETIREMENT?

60 - 90 days before your 65th birthday, you will receive a Medicare enrollment packet from our third party provider BCC.

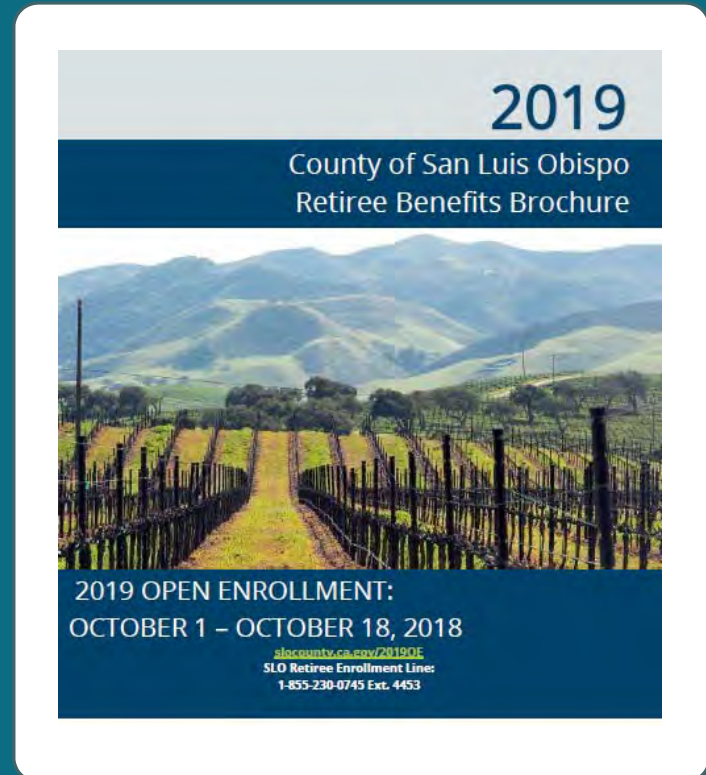
Select a new Medicare plan and provide your Medicare Part A & B effective dates and Health Insurance Claim Number (HICN).

Mail forms back to BCC.

Questions? Call the Retiree Benefits Line at 1-855-230-0745

# What Are My Resources?

- [Retiree Benefits Brochure](#)
- SLO County Retiree Benefits Line  
(1-855-230-0745)
- [County Benefits Website](#)
- Pension Trust
- County HR Benefits
- Payroll & Payroll Coordinators



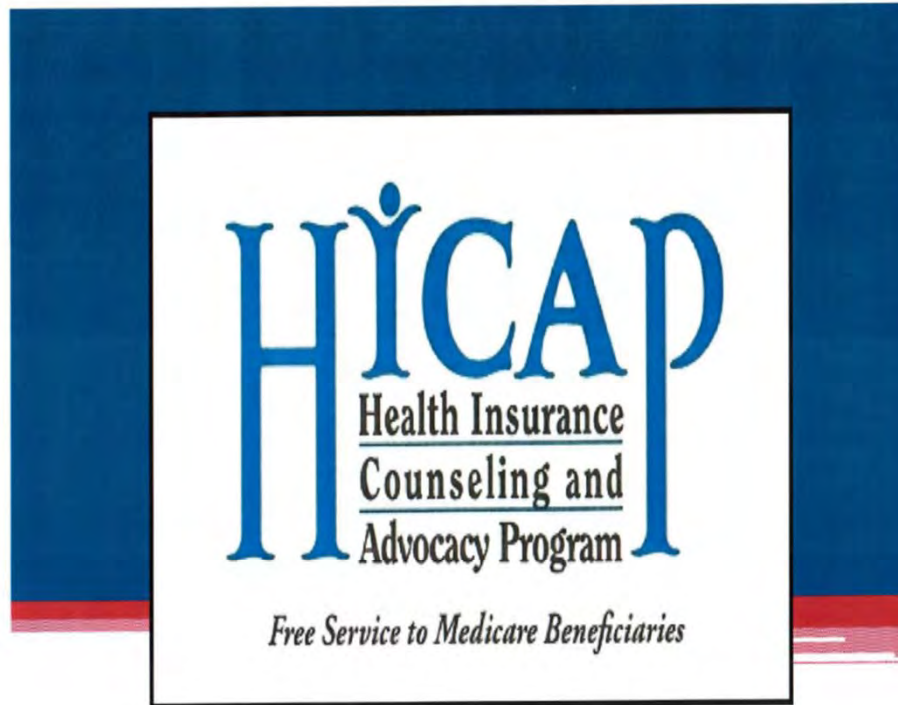
## **IMPORTANT REMINDER!**

Make sure your phone number, home address and email address in BenXcel is correct before you separate so we can reach you with important updates to your benefits!





# Medicare



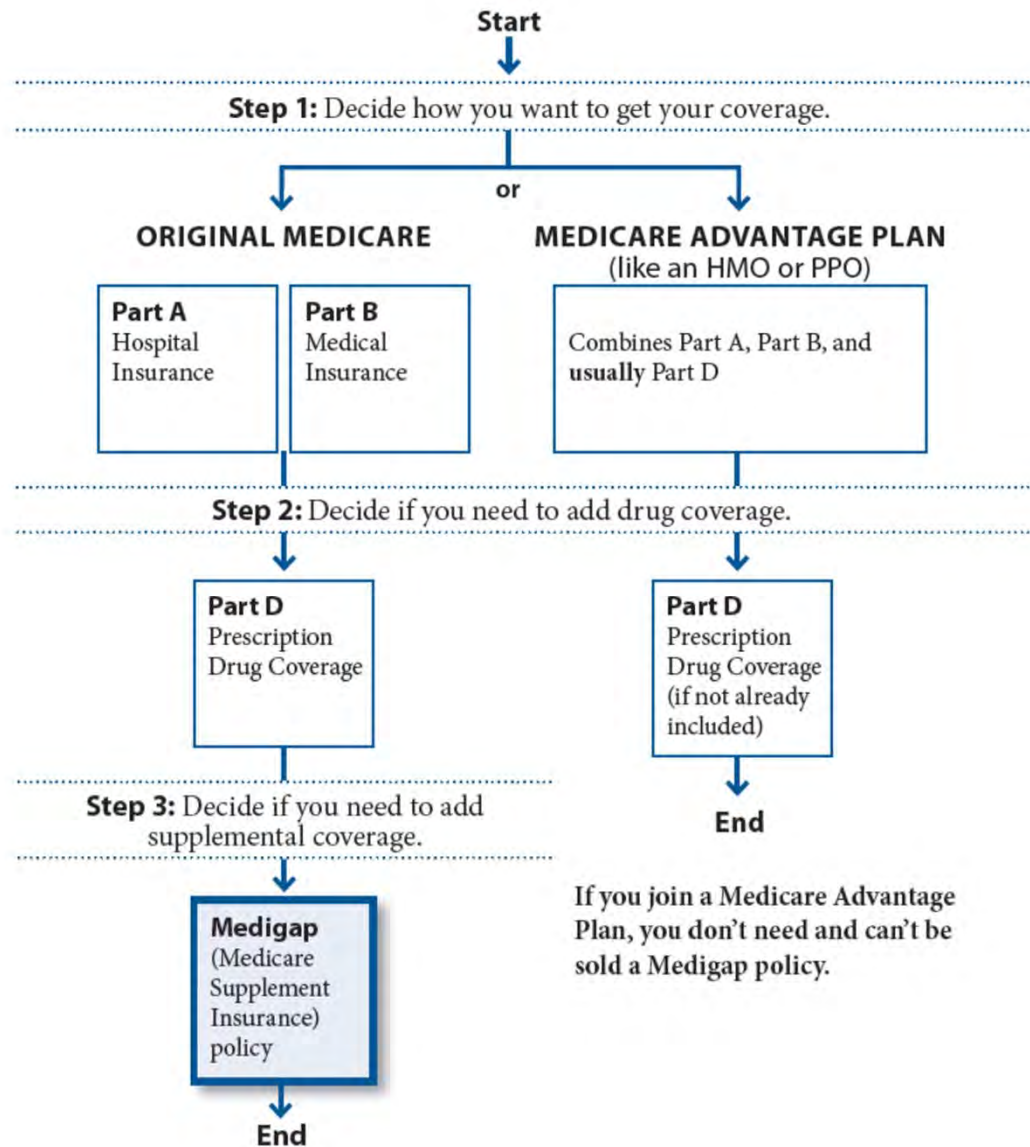
*Serving San Luis Obispo & Santa Barbara Counties*

*Funded by the Area Agency on Aging*

[www.CentralCoastSeniors.org](http://www.CentralCoastSeniors.org)



# Medicare at a glance



# So, what else can I do to improve my retirement?

- Strong social connections
- Family relations
- Having a purpose
- Volunteering
- Staying fit and active
- Good healthcare
  
- **Save more money now**

# Deferred Compensation Plan

- **Voluntary**
- **Tax-Deferred savings**
  - “457 Plan” - similar to a 401(k)
- **Defined Contribution plan**
  - Participant chooses investment funds
- **IRS limits on annual contributions**
- **Withdrawals available post-employment**
  - Taxable at that point
- **No employer “match” generally**
  - July 2019 – small match for unrepresented employees

# Deferred Compensation Plan

- SLO County Deferred Compensation Plan also open to Courts, APCD, LAFCO
- **Nationwide**
  - Administers the DC Plan
  - Provides investment funds
  - Representatives on-site 100 days/year
  - [www.sanluisobispo457.com](http://www.sanluisobispo457.com)
  - 877/677-3678

# Maximizing your DC Plan

- **Annual Contribution Limits (IRS)**
  - Under age 50      \$19,000/year
  - Over age 50      \$19,000 + \$6,000 = \$25,000
- **Special Catch-up**
  - In last 3 years prior to retirement
  - Higher limit of up to \$38,000/year
  - Limited by the amount you did not contribute up to the maximums in prior years at this job
  - See Nationwide representative to coordinate

# Maximizing your DC Plan

- “Last paycheck maximized deferral”
  - If you are not contributing to the DC Plan up to the maximum already
  - If you have an accrued leave lump sum payout expected on your last paycheck
  - Can increase your DC Plan deferral on that last paycheck – sometimes by a lot!
  - Tax deferred status on a large payout saves you \$
  - **Must set up month prior to last paycheck – timing is critical!**
  - See Nationwide representative and Payroll Coordinator



**Nationwide**  
is on your side

# INCREASE CONTRIBUTIONS

How much will  
be enough?





**Nationwide®**

Investing involves market risk, including possible loss of principal. No investment strategy — including asset allocation and diversification — can guarantee a profit or avoid loss, especially in a down market. Actual investment results will vary depending on your investment and market experience, and there is no guarantee that fund objectives will be met.

Under current law, tax-deferred contributions will be taxed as ordinary income at withdrawal.

Nationwide® Retirement Specialists are registered representatives of Nationwide Investment Services Corporation, member FINRA. Neither Nationwide nor any of its representatives give investment, legal or tax advice. Please consult your own counsel before making decisions about retirement plan participation.

Nationwide Retirement Solutions, Inc. and Nationwide Life Insurance Company have endorsement relationships with the National Association of Counties and the International Association of Fire Fighters-Financial Corporation. More information about the endorsement relationships may be found online at [nrsforu.com](http://nrsforu.com).

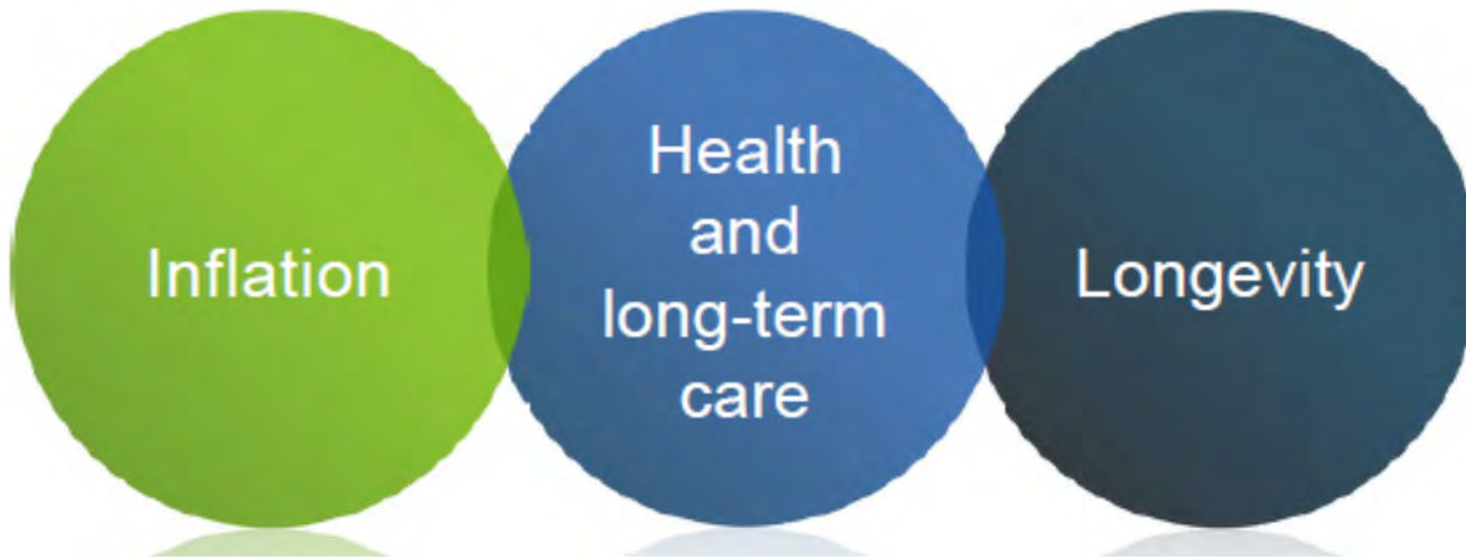
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NRM-13363AO.2 (01/19)

## Will you have **enough money** to last through retirement?

The three major costs in retirement:



## Will you have **enough money** to last through retirement?

The three major sources of retirement income:



Pension



Social  
Security



Personal  
Savings

# Commit to increasing contributions **every year**



*This illustration is a hypothetical compounding example that assumes biweekly deferrals (for 35 years) at a 7% annual effective rate of return. It illustrates the principle of time and compounding. It is not intended to predict or project the investment results of any specific investment. Investment returns are not guaranteed and will vary, depending on investments and market experience. If fees, taxes, and expenses were reflected, the hypothetical returns would be less. Investing involves market risk, including possible loss of principal and possible fluctuations in value. No investment strategy can assure a profit or guarantee against loss in a declining market.*

## Two ways to catch up

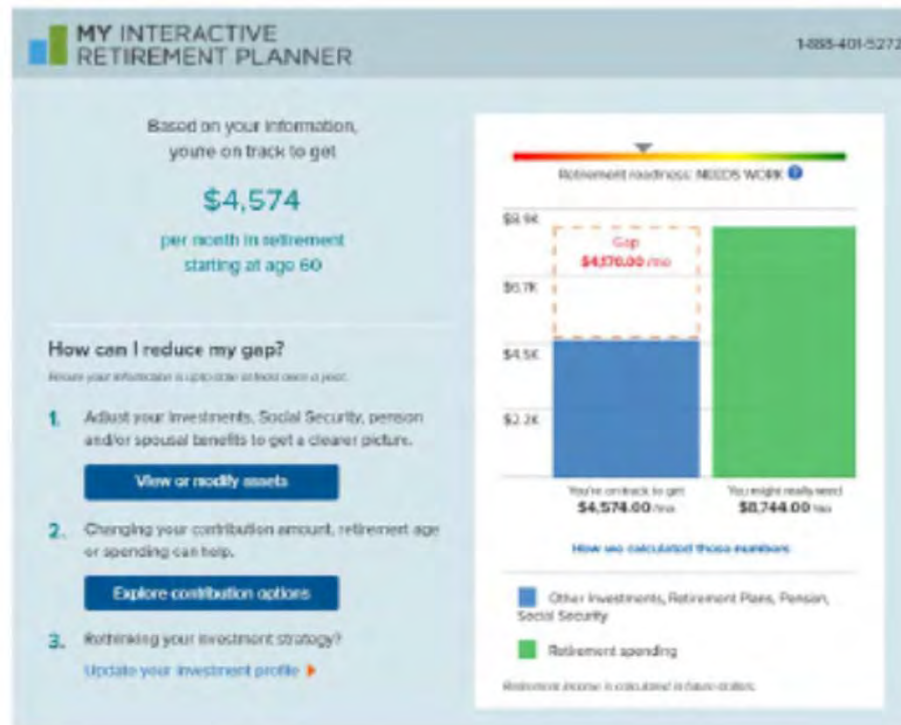
- Age 50 option
- Special 457 Provision

*Investing involves market risk, including possible loss of principal and possible fluctuations in value. No investment strategy can assure a profit or guarantee against loss in a declining market. Tax-deferred contributions are taxed as ordinary income at withdrawal.*



# Figure out how to get where you want to be

Click onto My Interactive Retirement Planner.



[Create Retirement Readiness Report](#)

Results are a hypothetical view of what your retirement may look like, based on the information you provided. Please refer to our retirement income is not guaranteed. [Read the full disclosure.](#)

INCREASE CONTRIBUTIONS



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# Questions





# Reference Items

# Information on Your Pension Account

- **General Information**

- [www.SLOPensionTrust.org](http://www.SLOPensionTrust.org)

- If within Employer network (at your workstation)– may be able to set up username/password to view your account information and to use a “Retirement Estimator”

- *Coming in 2019 – new Member Portal online*

- SLOCPT@co.slo.ca.us

- 805/781-5465

- Call to request a retirement estimate and counseling

- Call to request new beneficiary forms, etc.

- Change of address – please change in payroll (ESS for the County) system

- **Keep your beneficiaries up to date!**

# Can I work for SLO County as a Retiree?

- **Temporary employment post retirement**
  - 180 waiting period except for Public Safety
  - Maximum of 960 hours/year
- **Permanent employee post retirement**
  - Reinstatement to be approved by the Board of Trustees
  - Cancels pension
  - New pension contribution rate will be higher due to new, reinstated age-at-entry
  - Tier 3 pension benefits in most cases for reinstated service
  - Subsequent re-retirement would be a blend of prior service (e.g., Tier 1) and reinstated service (e.g., Tier 3)

# Can I work for another public sector employer as a Retiree?

- Yes
- Will not be eligible for reciprocity if already retired
- Will not change your SLO pension
- May start accruing another pension benefit with the new employer.

# What are the Benefit Formulas?

## Miscellaneous Employees

**Tier 1: 2.0% at 55** (age 50 = 1.426%, age 65 = 3.165%)

Retirement Factor x earned PTSCs

x highest consecutive 12 month average monthly compensation

80%, 90%, or 100% of final compensation cap depending on BU

**Tier 2: 2.0% at 60** (age 50 = 1.092%, age 65 = 2.500%)

Retirement Factor x earned PTSCs

x highest consecutive 36 month average monthly compensation

90% of final compensation cap

**Tier 3: 2.0% at 62** (age 52 = 1.000%, age 67 = 2.500%)

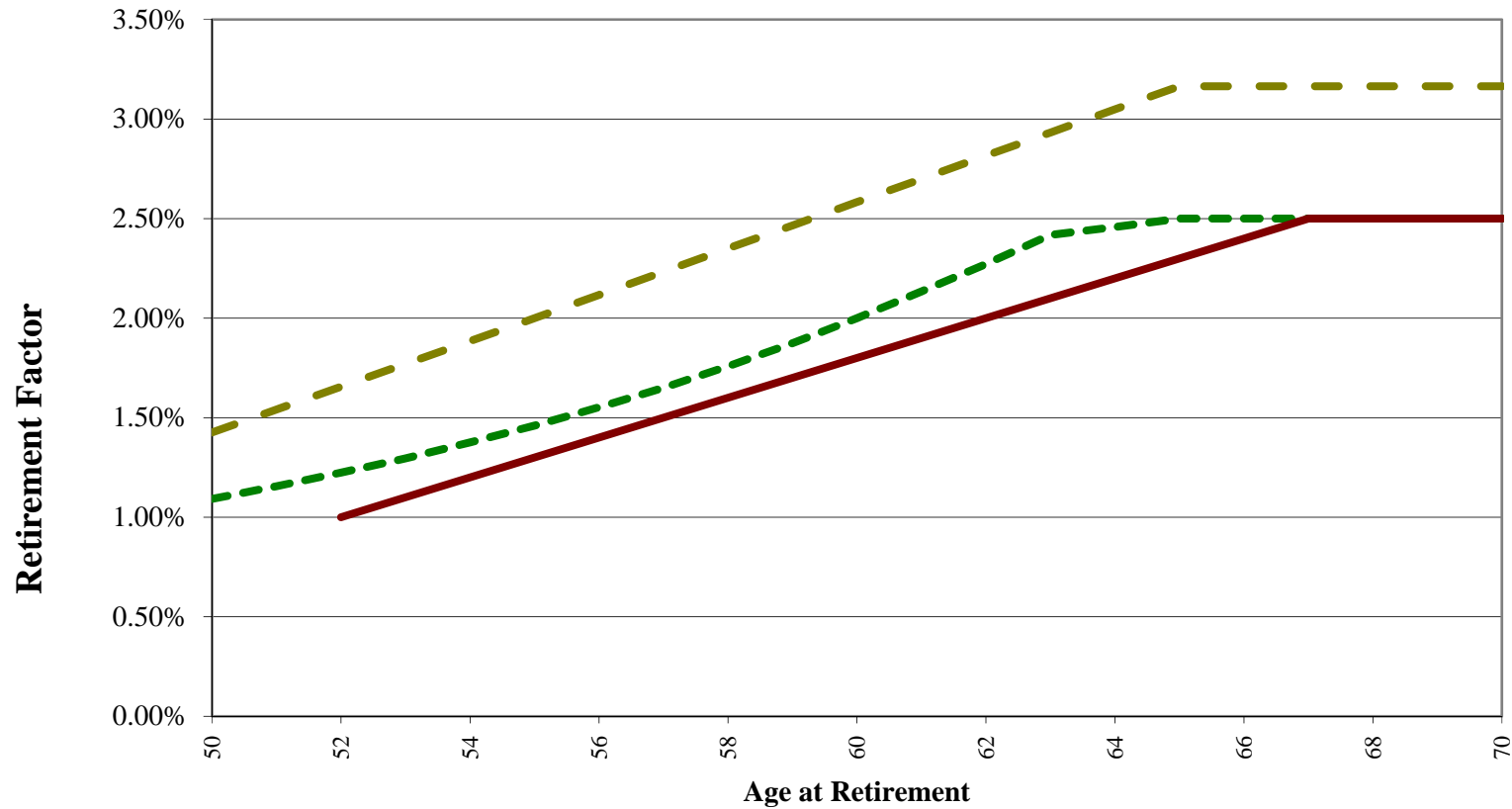
Retirement Factor x earned PTSCs

x highest consecutive 36 month average monthly compensation

up to maximum state mandated compensation limit (about \$117k for 2015)

# Retirement Factors- Miscellaneous

**Retirement Factors by age - Miscellaneous**



# What are the Benefit Formulas?

## Probation Employees

**Tier 1: 2.3% at 50** (age 50 = 2.300%, age 55 = 3.000%)

Retirement Factor x earned PTSCs

x highest consecutive 12 month average monthly compensation

90% of final compensation cap

**Tier 2: Not Implemented**

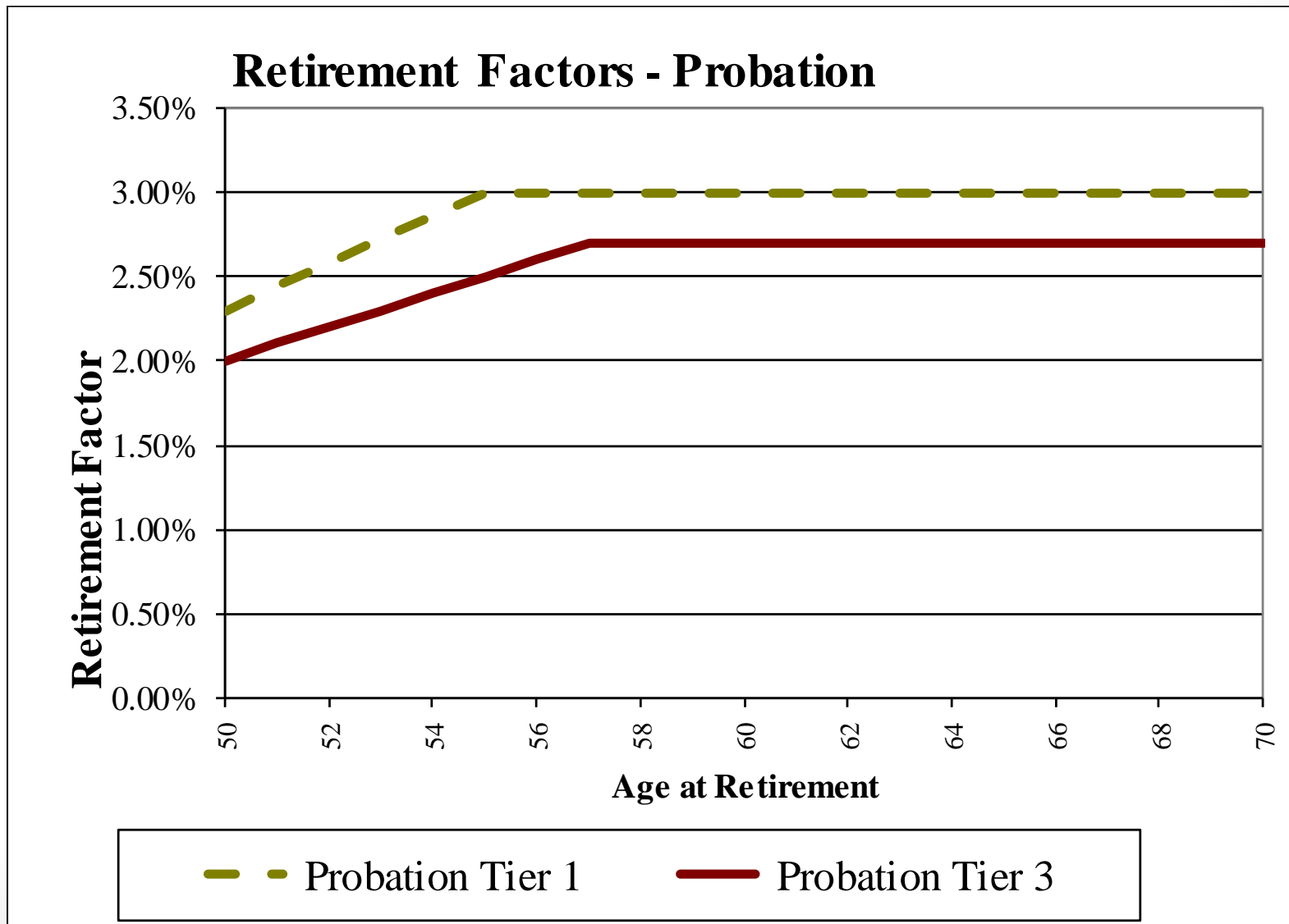
**Tier 3: 2.0% at 50** (age 55 = 2.500%, age 57 = 2.700%)

Retirement Factor x earned PTSCs

x highest consecutive 36 month average monthly compensation

up to maximum state mandated compensation limit (about \$117k for 2015)

# Retirement Factors- Probation





# What are the Benefit Formulas?

## Safety Employees (Sworn officers)

**Tier 1: 3.0% at 50** (all ages = 3.000%)

Retirement Factor x earned PTSCs  
x highest consecutive 12 month average monthly compensation  
90% of final compensation cap

**Tier 2: 2.3% at 50** (age 50 = 2.300%, age 55 = 3.000%)

Retirement Factor x earned PTSCs  
x highest consecutive 36 month average monthly compensation  
90% of final compensation cap

**Tier 3: 2.0% at 50** (age 55 = 2.500%, age 57 = 2.700%)

Retirement Factor x earned PTSCs  
x highest consecutive 36 month average monthly compensation  
up to maximum state mandated compensation limit (about \$117k for 2015)

# Retirement Factors-Safety (Sworn)



# What are the Benefit Formulas?

## Safety Employees (Non-Sworn)

**Tier 1: 2.3% at 50** (age 50 = 2.300%, age 55 = 3.00%)

Retirement Factor x earned PTSCs  
x highest consecutive 12 month average monthly compensation  
90% of final compensation cap

**Tier 2: 2.0% at 50** (age 50 = 2.000%, age 55 = 2.700%)

Retirement Factor x earned PTSCs  
x highest consecutive 36 month average monthly compensation  
90% of final compensation cap

**Tier 3: 2.0% at 50** (age 55 = 2.500%, age 57 = 2.700%)

Retirement Factor x earned PTSCs  
x highest consecutive 36 month average monthly compensation  
up to maximum state mandated compensation limit (about \$117k for 2015)

# Retirement Factors- Safety (Non-Sworn)

