



Pre-Retirement Training

Employee Benefits Office

Retirement

- Congratulations on your retirement!
- We're happy to be here to cover your Deferred Compensation and Health Benefit options.



Today's Agenda

- Deferred Compensation
- Benefits Available to Retirees



DEFERRED COMPENSATION PLAN



Agenda

- FINAL PAYCHECK CONTRIBUTION
 - DISTRIBUTION OPTIONS
 - LOANS
 - BENEFICIARIES
 - CONTACTS
-

Final Paycheck Contributions

- Terminal check has no Deferred Compensation (457(b)) contributions unless you have a Final Compensation Amendment form on file.
 - Large balance payouts can be directed into 457(b) to defer Federal and State taxes.
 - Social Security and Medicare (7.65%) will be deducted unless you have reached the annual income maximum.
-

Defer Taxes from Terminal Check

- Consider transitioning all vacation, CTO, HIL accruals into the 457(b) plan up to the annual maximum allowed by the IRS.
- Also can contribute ½ sick accrual pay-out for those who are eligible.
- Check with Benefits to see if the limits can be increased through the Three-Year **Limited Catch-Up Program***

2022 IRS Limits	
Under Age 50	\$20,500
Age 50 or over	\$27,000
Limited Catch-Up	\$41,000*

Final Paycheck Contributions - continued

Cashing Out Accruals

COMPENSATION	Rate	Hours	This Period	Year-to-Date
Regular Base Pay	40.86	71.00	2,901.06	57,688.77
Leave Without Pay				0.00
CTO taken				746.64
Sick Leave Pay				1,411.55
Sick Leave-Family				820.23
Vacation Pay				495.95
Holiday				1,852.88
Standby Pay				1,503.90
Overtime Time and 1/2				2,448.20
Overtime FLSA Adjustm				26.24
Term CTO Pay-SP Elig	40.86	25.80	1,054.19	1,054.19
Terminal Vacation Pay	40.86	103.90	4,245.35	4,245.35
Correctional/MHTC				246.82
Total Compensation			8,200.60	72,540.72
PRE-TAX DEDUCTIONS				
EE Paid VSP Pre Tax				139.00
EE Kaiser HMO Tier B				5,281.20
CERS Pension High			274.15	5,954.95
Total Pre-Tax Ded.			274.15	11,375.15
TAXES PAID				
IncTax-Federal			1,337.08	6,331.56
IncTax-California			525.24	1,575.49
TX EE Medicare Tax			118.91	973.25
TX EE Social Security Tax			508.43	4,161.47
SDI Tax-California			29.01	618.21
Total Taxes			2,518.67	13,659.98
AFTER-TAX DEDUCTIONS/ADJUSTMENTS				
Misc Union (017)				70.00
Union Dues (017)				540.64
Total After-Tax Ded.				610.64
Total Net Pay			5,407.78	46,894.95

Net Pay Details	Amount
Payroll Check	5,407.78

Accruals to 457(b) Plan

COMPENSATION	Rate	Hours	This Period	Year-to-Date
Regular Base Pay	40.86	71.00	2,901.06	57,688.77
Leave Without Pay				0.00
CTO taken				746.64
Sick Leave Pay				1,411.55
Sick Leave-Family				820.23
Vacation Pay				495.95
Holiday				1,852.88
Standby Pay				1,503.90
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Correctional/MHTC				246.82
Total Compensation			8,200.60	72,540.72
PRE-TAX DEDUCTIONS				
EE Paid VSP Pre Tax				139.00
EE Kaiser HMO Tier B				5,281.20
CERS Pension High			274.15	5,954.95
457 Plan FT Pre-Tax			5,299.54	5,299.54
Total Pre-Tax Ded.			5,573.69	16,674.69
TAXES PAID				
IncTax-Federal			245.11	5,239.59
IncTax-California			47.11	1,097.36
TX EE Medicare Tax			118.91	973.25
TX EE Social Security Tax			508.43	4,161.47
SDI Tax-California			29.01	618.21
Total Taxes			948.57	12,089.88
AFTER-TAX DEDUCTIONS/ADJUSTMENTS				
Misc Union (017)				70.00
Union Dues (017)				540.64
Total After-Tax Ded.				610.64
Total Net Pay			1,678.34	43,165.51

Net Pay Details	Amount
Payroll Check	1,678.34

Taxation of Final Paycheck Contribution

- Because the sellback is considered supplemental income, taxation is higher than a regular paycheck.

Formula to determine taxation is:

- Value of the Accruals x 26 pay periods = Annualized amount
- Example:

Value of the Accrual	Multiplied by # of pay periods per year	Transaction taxed as if you make this much
\$5,299.54	26	\$137,788.04

Post Termination

- No additional contributions into the Plan
- Work directly with Fidelity on any of the following transactions
 - Modify investment choices
 - Change of address
 - Beneficiary designation
 - Distribution
 - Rollover



Stay in the Plan

- Retirees are encouraged to leave their assets in the Plan (County of Sacramento 457(b))
- When considering moving your assets, be sure to review the following:
 - **Low fees:** more than \$1.6B* in invested keep your fees low.
 - **A wide choice of investment options:** Target Date Funds, various Asset Class Funds, and self-directed BrokerageLink account.
 - **Local, non-commissioned dedicated representatives:** Dedicated, non-commissioned representative available to meet one-on-one. Arrange an appointment by calling: 800-642-7131.

*as of November 2021

Stay in the Plan

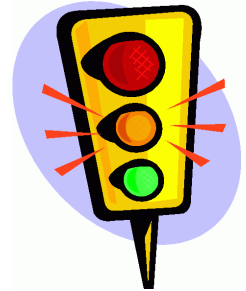
- If considering a move from the Plan, make sure you know and understand **all** of the fees associated with the new account (including those charged by the broker or investment manager, generally called Expense Ratios).
 - Remember, fees being paid in commissions leave less funds available to you.
 - We have resources for you to use when you are considering moving your assets.
 - Once assets are rolled out, you cannot return to the Plan.
-

Retirement Distribution Options

- 457(B) Plan has **no early withdrawal penalty**
 - 401(a) has early withdrawal penalties until age 59 ½
 - **Upon termination/retirement** - multiple distribution options:
 - Lump-sum of entire balance
 - Partial lump sum payments
 - Periodic distributions/systematic withdrawals (monthly, quarterly or annually)
 - Roll out to a 401k, 403b, 457b, IRA (all or part)
 - Seek tax advice on impact to taxes taken vs. taxes due as well as if distributions will impact taxability of Social Security payments or Medicare Part B costs
-

Retirement Distribution Flexibility

- Can start/stop/adjust distribution amount at any time.
- Can specify a particular fund from which to make distributions.
- Taxable as normal income in the year received.
 - Currently 22% (20% Fed; 2% State (CA))
 - You will receive a 1099R each January
- Register your bank account information for direct deposit.



Retirement Distribution

ROTH

ROTH CONTRIBUTION

- Tax free, penalty if account was established 5 or more years ago AND over age 59 ½, death, or disability.
- You will receive a 1099-R each January.
- All same distribution options available.



Retirement Distribution

RMD

REQUIRED MINIMUM DISTRIBUTION (RMD)

- Start deferred RMD by year of age 72 regardless of prior distributions
 - RMD calculation based on IRS requirement as well as account balance/life expectancy
 - Failure to take distribution by age 72 will result in IRS penalty of 50% of what you should have taken as RMD
 - ROTH - No RMD distribution required
-

Loan Decision/Options

If you have a loan, you have 2 options in retirement:

- Continue to pay back agreed payments.
 - Stop loan repayments. The loan balance will be counted as income and you will receive a 1099-R.
 - Remember, no taxes have been taken from the loan amount!
 - No 1099-R for ROTH loan balance but must meet aging of account + age 59 ½, death or disability before no taxes or penalties.
-

Account Beneficiary

IMPORTANT: Always keep beneficiary current!

- Beneficiary updates should be made with Fidelity.
- Update online (log into your account) at: netbenefits.com/saccounty
- Click "Portal"; Click "Beneficiaries" and follow the instructions.



Account Beneficiary Options

If Beneficiary is:	Distribution Options Are:
Your spouse/ domestic partner	<ul style="list-style-type: none">• Leave funds in account• Take a lump sum of balance• Partial lump sum• Periodic distributions• Roll out
Non-spouse	<ul style="list-style-type: none">• Deferred - Pay out over 10 years-decision required by December of year after death• If election not made, must pay out balance by December of 4th year after death• Transfer to Inherited IRA (age restrictions)• ROTH - Can transfer to an IRA (contact Fidelity for more information.)

Retired Annuitant Contributions

- Effective in 2022, retired annuitants can contribute to the 457(b) plan.
 - Contributions will be the same as an active employee:
 - Pre-tax into the 457(b) or
 - Post-tax into the Roth
 - Deducted from your County paycheck
 - Contributions are in a percentage of gross wages
 - Work with Fidelity to establish contributions
 - Change rule of 18th of the month rule still applies
-

Retired Annuitant Contributions - continued

- Any automatic or systematic distribution from the deferred compensation plan must be suspended until you are no longer considered a Retired Annuitant, unless that distribution is a Required Minimum Distribution.
 - Carefully consider that the choice to contribute prevents any distributions from the Deferred Compensation plan as long as you are considered an active Contributing Retired Annuitant by your department.
-

Deferred Compensation Contacts

Contact **Fidelity** to:

- Set up distribution for both Pre-tax Deferred and ROTH
- Exchange fund balances
- Conversion from Pre-tax Deferred to ROTH
- Change Beneficiary
- Change name/address

Fidelity

800.343.0860

netbenefits.com/saccounty

Contact the **County** for:

- Three Year Limited Catch-Up Program
- Accrual calculation/valuation
- Final paycheck contributions
- General 457(b) questions
- Retired Annuitant Enrollment

Donna Bonnel

916.874.4695

bonneld@saccounty.gov

Additional Questions?



Retiree Benefits



Agenda

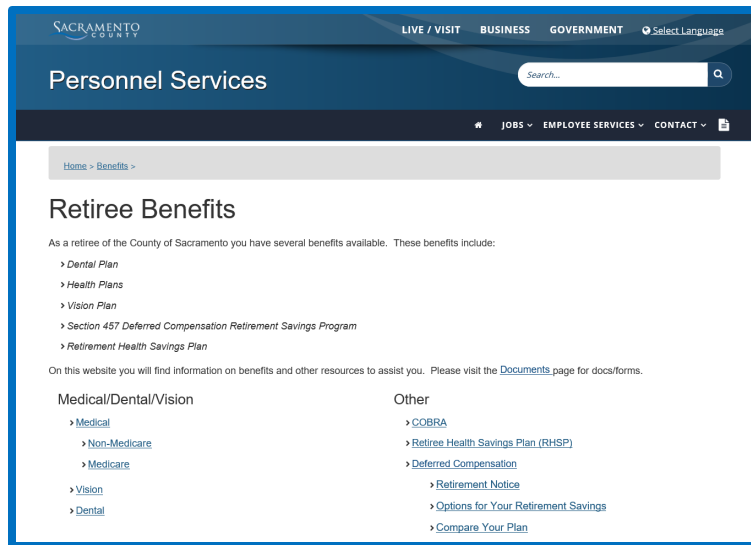
- Transition of active benefits to retirement
 - Enrollment timelines/deadlines
 - Coverage options
 - Enrollment process
 - Making changes
 - Contacts
-

Benefits Information

All Retiree benefit information is online for easy access:

<https://personnel.saccounty.gov/Benefits/Pages/RetiredEmployee.aspx>

Forms, documents, and links to vendors and providers are available at all times.



Always review Open Enrollment materials each year for cost and coverage changes

Benefits Transition

All benefits end on the **last day of the month** you are in Active status (includes Vacation, PTO/CTO, Sick Leave)

	MEDICAL	DENTAL	VISION	EAP	FSA	LIFE CI
Week 1	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	
Week 2					RETIREMENT DATE! 9/10	
Week 3						
Week 4			BENEFITS END 9/30			

Enrollment Timeline



TURN IN APPLICATION TO SCERS

BENEFITS PACKET MAILED
(8/10)

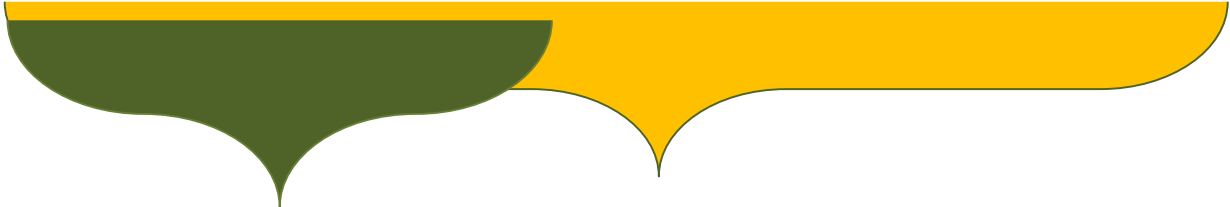
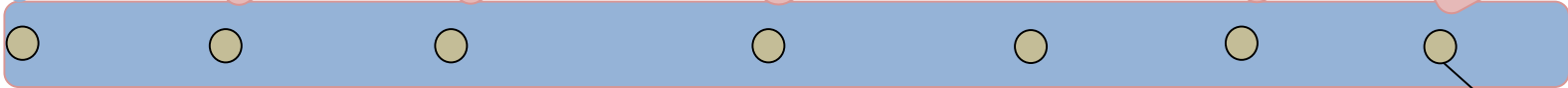
ATTEND ORIENTATION
OR MEETING

RETIREMENT & SEPARATE
FROM SERVICE DATE
(9/10)

RECEIVE COBRA PACKET

RECEIVE Mission Square/Meritain
Packet

ENROLLMENT DEADLINE
(10/10)



**PREFERRED
BENEFITS
ENROLLMENT**

**BENEFITS
ENROLLMENT
TIMEFRAME**

30 DAYS AFTER
RETIREMENT DATE
OR DATE OF
BENEFIT LETTER
(whichever is later)

Enrollment Options

Enroll in some/all of the County Plans

Elect benefits under COBRA*


Enroll in other option or spouse/domestic partner's benefits*

Purchase individual coverage*

***THERE ARE LIMITS ON RETURNING TO COUNTY PROGRAM**

Required COBRA Notice

Department of Personnel Services
Employee Benefits Office
Dave Comerchero,
Employee Benefits Manager



County of Sacramento

COBRA Continuation Coverage Election Notice

June 12, 2016

Dear: Jenny Employee

This notice has important information about your right to continue your health care coverage in the County of Sacramento sponsored group health plan, as well as other health coverage options that may be available to you, including coverage through the Health Insurance Marketplace at www.coveredca.gov or call 1-800-318-2596. You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage. Please read the information in this notice very carefully before you make your decision. If you choose to elect COBRA continuation coverage, you should use the election form provided later in this notice.

If you do not elect COBRA continuation coverage, your coverage under the Plan will end/ended on 05/31/2016 due to termination of employment.

Each person ("qualified beneficiary") listed below is entitled to elect COBRA continuation coverage, which will continue group health care coverage under the Plan for up to 18 months:

- Employee or former employee:
- Spouse or former spouse:
- Dependent child(ren) covered under the Plan on the day before the event that caused the loss of coverage: Susie Child and Jimmy Child

If elected, COBRA continuation coverage will begin on 06/01/2016 and can last until 11/30/2016. You do not have to send a payment with the Election Form; however, coverage will not be reinstated until payment is received. You have an additional 45 days to send in payment for all premiums due.

You may elect any of the following options for COBRA continuation coverage:

Sutter High Deductible	\$501.47
Delta Dental	\$123.44
EAP	\$ 5.24
VSP	\$ 5.24

Life Insurance You have 31 days from the date your coverage terminates to convert your coverage to an individual contract. Contact the Employee Benefits Office at (916) 874-2020 or MyBenefits@saccounty.net to request the application.

example

Required at termination even if you enroll in retiree benefits
Will automatically receive ~ 2 weeks after your last day

Allows you to continue employee coverage-you pay 100% of premium
COBRA is 18 months, not usually elected for medical

Consider COBRA for:

- EAP benefits
- Delta Dental
- Life insurance conversion

COBRA Election



- Some reminders about a COBRA election:
 - Ending COBRA payments before 18 months is NOT a mid year loss of coverage and you are NOT eligible to elect other County retiree benefits
 - You must exhaust all 18 months of COBRA to qualify for a mid-year retiree event and return to a County plan
 - If you elect COBRA, it becomes your exclusive election, you cannot elect both COBRA and retiree benefits
-

Retiree Benefits Options



- Medical
 - Dental
 - Vision
 - Life insurance – elected directly with carrier
 - RHSP – time to start using those County contributions!
 - HSA - providing eligibility retirements are met
 - Refer to Retiree Summary for full details
-

Medical Plan Enrollment

- Available to all eligible retirees
 - Medical plan eligibility is determined by your physical zip code, not mailing address
 - Leaving the region before age 65 may limit your coverage options
 - Cost is 100% retiree paid
 - Deductions taken post-tax from pension paycheck
 - If you elect COBRA, it becomes your exclusive election, you cannot elect both COBRA and retiree benefits
-

Medical Plan Options

Non-Medicare Options (Under Age 65)



KAISER PERMANENTE®



Sutter Health



Western Health Advantage

Choose **HMO** or **High Deductible**
(individual accrued deductible carries over)

Medical Plan Options

HMO PLANS NON-MEDICARE

Monthly Cost

PLAN CARRIER	RETIREE	RETIREE +1	RETIREE +2/More
Kaiser Permanente	\$948.88	\$1,897.76	\$2,685.34
Sutter Health Plus	\$862.10	\$1,692.70	\$2,399.10
WHA	\$798.40	\$1,596.80	\$2,259.50

HIGH DEDUCTIBLE PLANS NON-MEDICARE

Monthly Cost

PLAN CARRIER	RETIREE	RETIREE +1	RETIREE +2/More
Kaiser Permanente	\$686.22	\$1,372.44	\$1,942.00
Sutter Health Plus	\$638.70	\$1,253.80	\$1,776.90
WHA	\$613.70	\$1,227.40	\$1,736.80

Medical Plan Options

Medicare Options (Over Age 65 or Disabled)

If you have **Medicare** Parts A & B at the time you retire - You immediately enroll in a Medicare Advantage Plan through the Benefits Office



- Kaiser Senior Advantage Gold
- Kaiser Senior Advantage Silver



- UHC HMO
- UHC NPPO

Your basic Medicare benefit gives you other non-County sponsored options throughout the country if you decide to relocate elsewhere.

DO NOT enroll in a separate non-County Medicare or Medicare Part D Rx plans or you will lose your County coverage!

Medical Plan Options

Medicare Options (Over Age 65 or Disabled)

Monthly Cost

ONE MEMBER HAS MEDICARE			
PLAN CARRIER	RETIREE	RETIREE +1	RETIREE +2/More
UnitedHealthcare HMO	\$295.51	NA*	NA*
UnitedHealthcare NPPO	\$436.41	NA*	NA*
Kaiser Senior Advantage GOLD	\$287.42	\$1,236.30	\$2,023.88
Kaiser Senior Advantage SILVER	\$198.70	\$1,147.58	\$1,935.16

TWO MEMBERS HAVE MEDICARE		
PLAN CARRIER	RETIREE +1	RETIREE +2/More
UnitedHealthcare HMO	\$591.02	NA*
UnitedHealthcare NPPO	\$872.82	NA*
Kaiser Senior Advantage GOLD	\$574.84	\$1,362.42
Kaiser Senior Advantage SILVER	\$397.40	\$1,184.98

*Contact the Benefits Office for information on coverage options

Dental Plan Options

Different benefits than the **active dental** plan

- Delta Dental effective 01/01/2022
- **Two coverage levels:**
 - **Standard Plan – \$1,500 annual maximum (Network, PPO and EPO)**
 - **Enhanced Plan - \$2,500 annual maximum (Network, PPO)**

DENTAL CARRIER	RETIREE	RETIREE +1	RETIREE +2/More
Delta Dental – Standard Plan	\$41.33	\$75.58	\$113.10
Delta Dental – Enhanced Plan	\$53.14	\$98.35	\$149.91

If you elect COBRA, it becomes your exclusive election, you cannot elect both COBRA and retiree benefits

Vision Plan Option

Vision Service Plan - VSP

- **Annual Exam: \$15 copay**
- **Frame Allowance: \$130/every other year**

VISION CARRIER	RETIREE	RETIREE +1	RETIREE +2/More
Vision Services Plan (VSP)	\$5.16	\$10.32	\$14.60

If you elect COBRA, it becomes your exclusive election, you cannot elect both COBRA and retiree benefits

Life Insurance/ Critical Illness



- Current coverage ends last day of month
- Can convert within 31 days of retirement date
- No cash value to current County coverage
- Conversion to whole life plan, so will be more expensive
- Contact carrier for questions and conversion-phone number in COBRA letter

Premium waiver available if disabled while Active and under age 60, must apply prior to separation to keep coverage

Retiree Health Savings Plan (RHSP)

\$25 Employer contribution account now becomes active!
Can use as of the day you retire – save receipts.

Used for tax-free reimbursement of health expenses and some premiums for you, spouse and/or dependents (IRS compliance).

Meritain will mail a benefits packet ~2 weeks after retirement.

Quarterly fee - \$7.50

ICMA-RC is now

MissionSquare
RETIREMENT

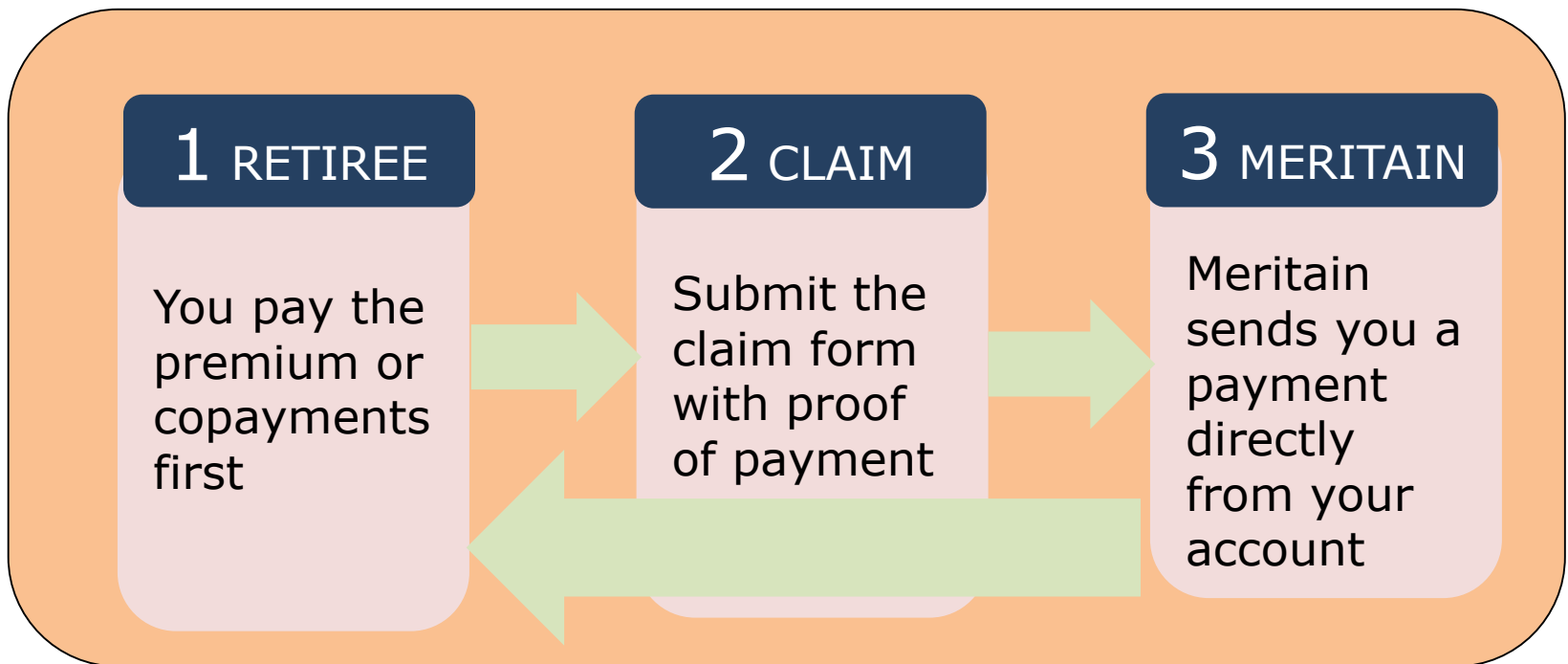
RHSP-Reimbursements

- Examples of reimbursable expenses include:
 - Premiums
 - Medical, dental and vision expenses such as co-pays, out of network expenses, lenses/frames
 - Prescriptions
 - Medicare Part B expenses
 - Can set up a recurring monthly reimbursement and direct deposit.
-

RHSP-Reimbursements

Contact Mission Square for account balance

Calculate how long account will cover benefit premium reimbursement



Health Savings Account (HSA)

- Your HSA funds go with you and you can continue to spend existing HSA funds
- No HSA contributions through pension payroll
- Can make new post-tax contributions **IF** you meet requirements:

- MUST BE ENROLLED IN HDHP PLAN
- CANNOT HAVE MEDICARE
- MUST HAVE \$0 BALANCE IN RHSP



TIP: Always use RHSP funds first-they are the least flexible !

Health Savings Account (HSA)

- Unlike RHSP, HSA money can be withdrawn for non-benefit uses but is included as income and is taxable (20% penalty under age 65)
 - In addition to medical expenses, you can use funds to pay for qualified dental, vision and hearing expenses.
 - At age 65 your funds can be used for your Retiree medical premiums as well
 - Dependent premiums reimbursable if account holder is 65 years old
-

RSHP vs. HSA

Use funds in the correct order to maximize flexibility!

Prioritize using RHSP first to preserve HSA attributes since HSA is more versatile.

Using the funds will depend on the timing of your retirement, so planning is important.

Enrollment Process

- Benefit enrollment must be completed within 30 days from retirement or package mailing date
- Failure to enroll within 30 days of your retirement date is an automatic waiver of coverage
- Deductions are post-tax from your pension check and are one month in advance
- Coverage starts the 1st day of the month following your retirement date and submitted enrollment forms
- In most cases retiree coverage begins the day after active employee coverage ends-with no break in coverage



Eligibility for Coverage

RETIREES

DEPENDENTS

Spouse/Domestic Partner

Surviving Spouse/Domestic Partner

Children: Natural, step, adopted--to age 26

- Foster or legal guardianship--to age 21

SUPPORTING DOCUMENTATION-Documentation is required to enroll dependents and is due at the time you submit enrollment forms

MULTIPLE SCERS PENSIONS-You can only enroll in benefits under one pension account-even if you're receiving more than one SCERS pension

Waiving Initial Enrollment

If you waive benefits at Retirement, RETURN IS POSSIBLE if the following are met:

- **WITHIN 30 DAYS OF A LIFE EVENT**
 - (ex. loss of group coverage, becoming Medicare eligible)
 - Losing benefits through Covered California is not eligible event
 - Non-payment of COBRA premium is not eligible event
- **DURING OPEN ENROLLMENT**
 - Must provide proof of 12 months of continuous creditable coverage

Refer to the Retiree MyBenefits Summary or the Retiree Health Insurance Administrative Policy for details

Benefit Deductions

- Deductions for benefits will be taken from SCERS pension if check is enough
- Premiums are paid a month in advance of coverage
 - (Ex. The pension check you receive at the end of January will pay for February's coverage)

First deduction for benefits may be multiple months' due to delay in initial pension check

Changing Coverage

- OPEN ENROLLMENT -Effective January 1st
- MOVE IN/OUT OF SERVICE AREA
- NEWLY ELIGIBLE FAMILY MEMBER
- DROPPING FAMILY MEMBER
- CHANGE IN COVERAGE ELIGIBILITY

Effective 1st
day of
month after
event and
enrollment

Always review Open Enrollment materials each year for cost and coverage changes

Contact the Benefits Office to determine if your event necessitates a change

Moving/Travelling

TRAVEL-Emergency coverage only outside of service area



MOVING-May require a change in medical plans or research on Affordable Care Act (ACA) or other individual plans in the new area/state.

Contact Benefits Staff to determine coverage options if planning to move

Additional Questions?



EMPLOYEE BENEFITS OFFICE

700 H Street, Room 4650

Sacramento, CA 95814

(916) 874-2020 Phone

(916) 874-4621 Fax

MyRetireeBenefits@saccounty.gov

<http://personnel.saccounty.gov/Benefits/Pages/RetiredEmployee.aspx>

Medicare Training

- We've partnered with Kaiser to provide a basic Medicare 101 training.
 - You can find the schedule, resources and recorded sessions on our website at
 - <https://personnel.saccounty.net/Benefits/Pages/Training.aspx>
-

Medicare Training - continued

- Upcoming dates:

Date	Time	Link and Dial-in Information
June 22	10 a.m.	https://saccounty-net.zoomgov.com/j/1613005511?pwd=L3ZNc1Q4VWxhR3FzKzdTb1czU2VldzO9 Call in number: 669 254 5252 Meeting ID: 161 300 5511 Passcode: 754897
August 9	1 p.m.	https://saccounty-net.zoomgov.com/j/1605078157?pwd=MzRKOFc0dFpmN3VXYml6Z1NqcWE3QT09 Call in number: 669 254 5252 Meeting ID: 160 507 8157 Passcode: 888617
October 19	11 a.m.	https://saccounty-net.zoomgov.com/j/1606654746?pwd=eG5WSXF0VlI2eEtZk1htWHp0ZXh5dzO9 Call in number: 669 254 5252 Meeting ID: 160 665 4746 Passcode: 841444

Resources

- We've created a pre-retiree website that contains all the forms and materials you need to make your retiree benefit decisions.
 - The website is accessible from work or home, and is located at:
 - <https://personnel.saccounty.gov/Benefits/Pages/Pre-Retiree-Resources.aspx>
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Thank you

- Thank you for your time today
- Please reach out to the benefits team for any additional questions please call us at 916-874-2020
- Congratulations and good luck in your retirement!

