

# Road to Retirement

East Bay Municipal Utility District



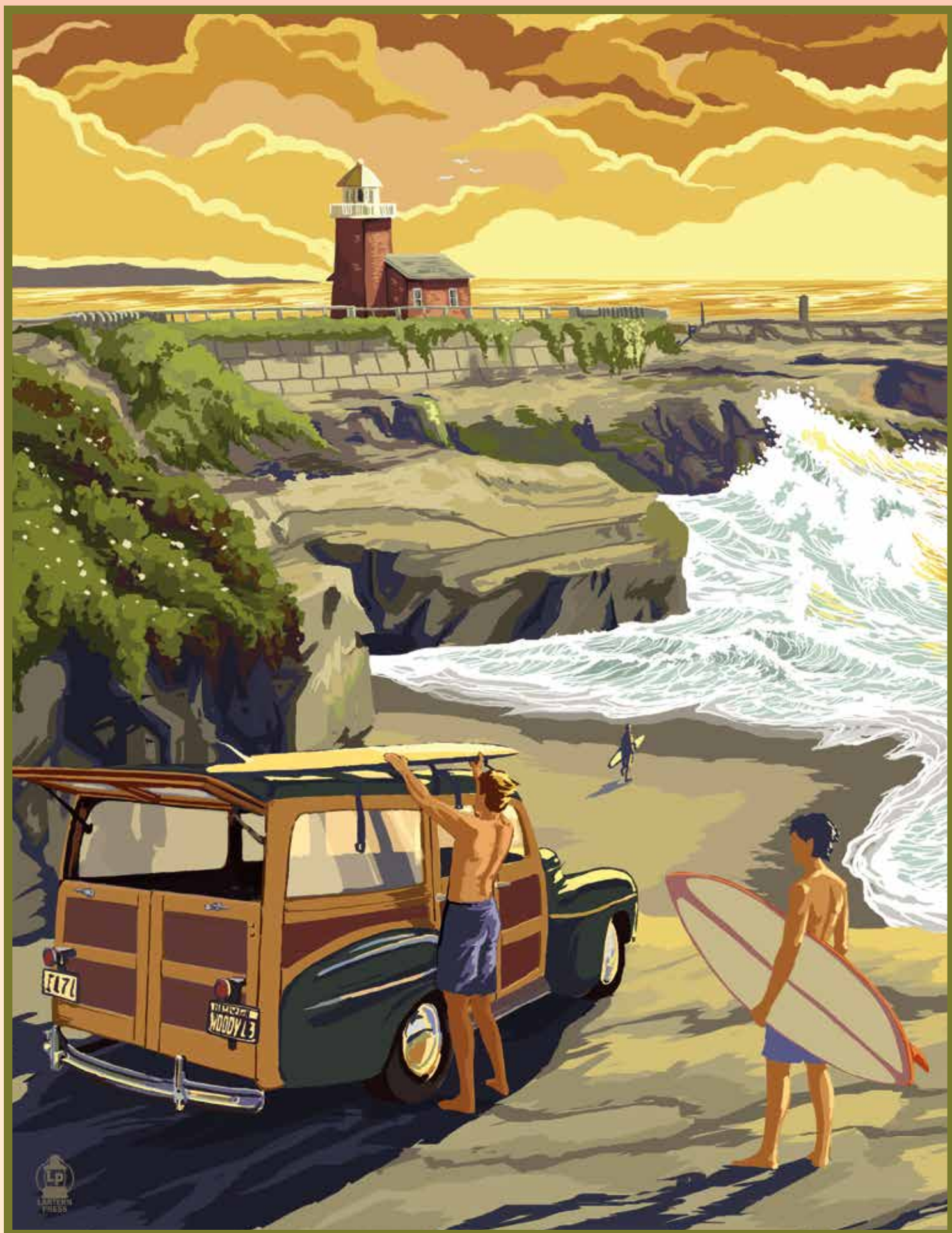




# Table of Contents

Reaching Your Retirement Destination	2
About Your Journey	4
Intersection Ahead: Other Income Sources	5
Pre-tax Savings Plans	8
Fueling Your Pension: Funding	10
Time on the Road: Service Credit	12
Owning the Road: Vesting	13
Exiting Before Retirement	15
Before Your Last Stop	18
Trip Calculator: Pension Benefit Factors	20
The 2013 Plan	20-22
The 1980 Plan	23-26
Which Route Will You Choose?	28
Other End of the Road Benefits	29
Additional Medical Benefits	31
Learn More	36
About This Guide	36
Helpful Links	36





# Reaching Your Retirement Destination

Retirement is an important event and a major life transition. Whether your retirement still seems far away or is right around the corner, a well-planned journey will improve your chances of reaching a satisfying one. One of the best ways to get started is to get to know all of the EBMUD Retirement benefits, so you can make the most of what you have. EBMUD is pleased to provide you with an array of plans and robust resources to help you in your efforts to reach a comfortable retirement down the road.



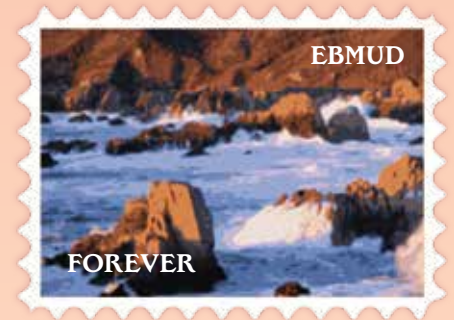
*The East Bay Municipal Utility District has created Road to Retirement as an easy-to-use reference guide to all your Retirement benefits. We encourage you to read it and become more familiar with your benefits as you plan for what is ahead. Because every Member's situation is unique, this is a general guide but not an official determination of your particular benefits.*

*The Retirement System Ordinance is the governing document. Please see page 35 for more details.*

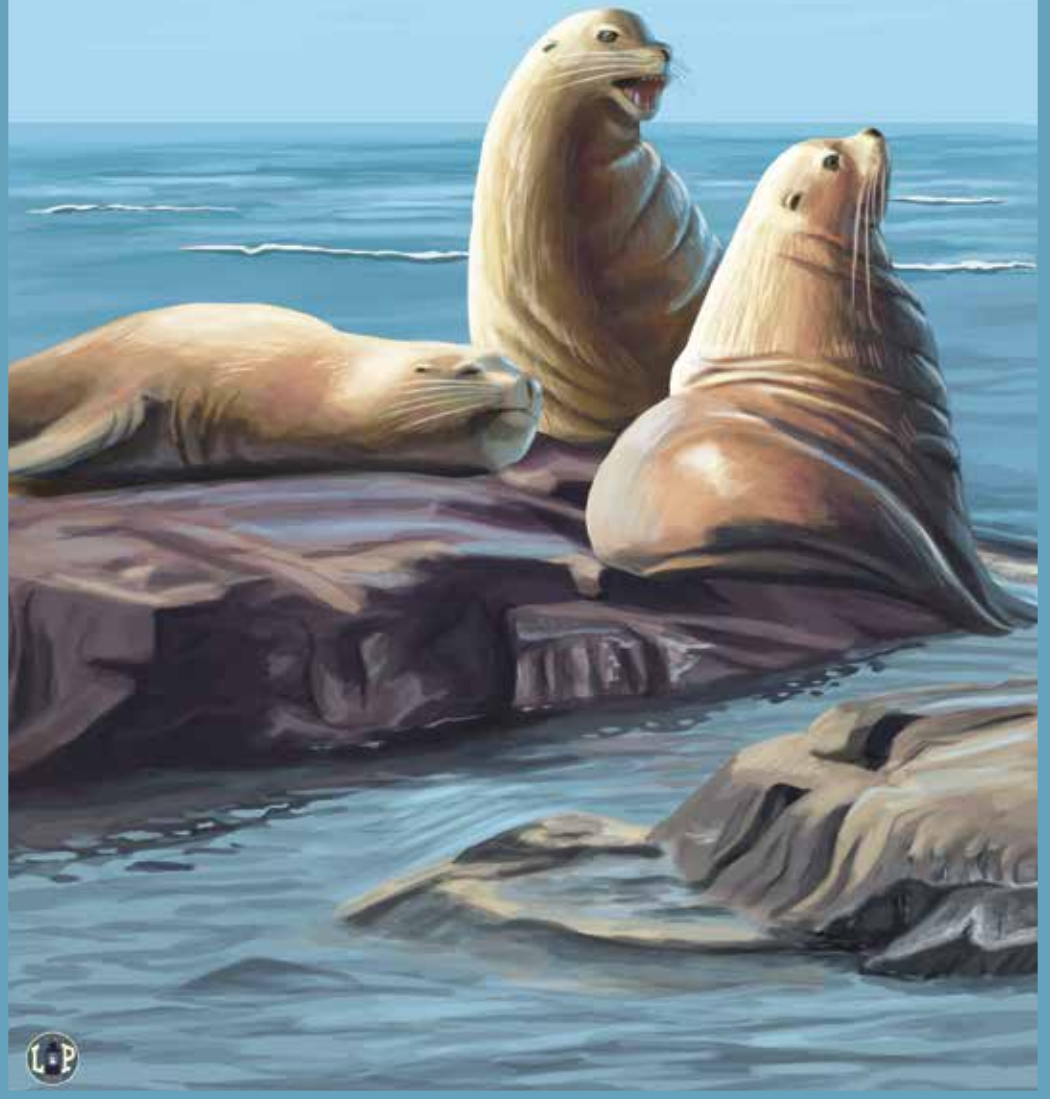


### How is my pension calculated?

The EBMUD Retirement System is a defined benefit plan (pension). Your benefit is calculated based on a formula using your age, years of service, compensation and membership formula. See pages 22 (2013 Plan) or 25 (1980 Plan) for more details.



# CALIFORNIA — COAST —



### Approaching the Retirement Exit?

As you near retirement be sure to sign up for a Nutz & Boltz of Retirement seminar to get answers to all of your retirement questions.



# About Your Journey

**P**articipation and membership in the East Bay Municipal Utility District (EBMUD) Employee's Retirement System is mandatory for all eligible employees (permanent or probationary employees in full-time, intermittent or job-share positions) and for Directors serving on the EBMUD Board of Directors. You become a retirement system Member on your first day of permanent or probationary employment status. Most people are vested after five years of service. See page 13 for more on vesting.

The EBMUD Employees Retirement System is a defined benefit plan. That means you will receive a monthly pension benefit that is based on certain defined factors when you retire.

You earn your pension benefit in one of two active plans: the 1980 Plan or the 2013 Plan.

- ❖ If you are a Member hired prior to January 1, 2013 — or hired on or after January 1, 2013 and were a Member of a reciprocal system prior to January 1, 2013 **and** comply with the reciprocity requirements — you are a Member of the 1980 Plan, also referred to as a “Legacy” Member.
- ❖ If you were hired on or after January 1, 2013, you are a Member of the 2013 Plan.

Your monthly pension benefit under the District's Retirement System is calculated using a formula based on your plan membership, age, years of service, and your average monthly compensation.



## *A Proud History*

*The Retirement System for the employees of East Bay Municipal Utility District was established in 1937 under the Municipal Utility District Act of 1937.*

# Intersection Ahead: Other Income Sources

**W**hile this guide is focused on helping you understand your pension benefit, it's important to think of your retirement benefits as a comprehensive program with many parts. Funding your retirement involves not only your pension, but also income sources such as Social Security, Deferred Compensation Savings Plans and/or any personal savings or investments.

While some parts of your retirement plan like your pension and Social Security are automatic, others, such as the Deferred Compensation

Savings Plans and personal savings and investments will require you to take action. The sooner you take action, the more likely you will be prepared for retirement.

EBMUD supports your efforts to achieve a comfortable retirement, but that may not happen unless you take action. As an EBMUD employee, you can access Deferred Compensation savings opportunities and powerful tools that can work together to help you reach your goal of living well in retirement.

## Your Sources of Retirement Income

**Social  
Security**

automatic

**Employee  
Retirement  
System** (your  
pension benefit)

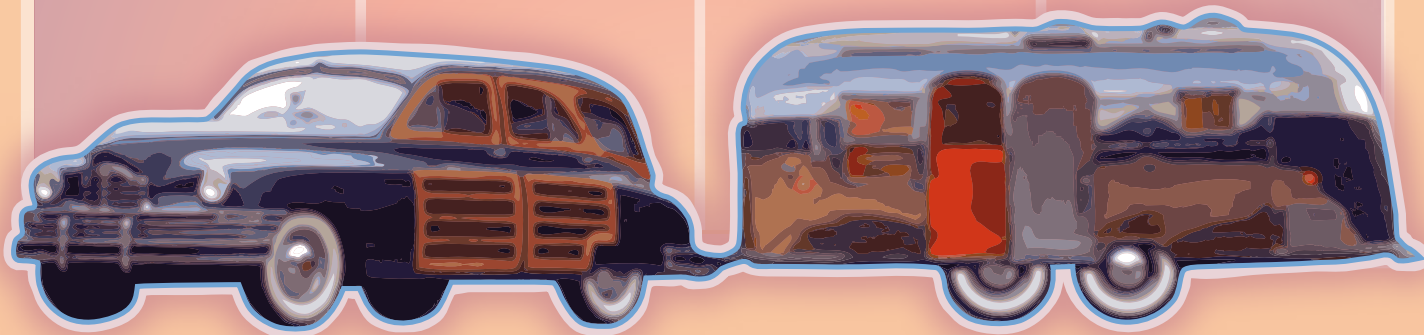
automatic

**Deferred  
Compensation  
Savings Plans**  
such as the EBMUD  
401(k), 457 or 401(a)  
Plans

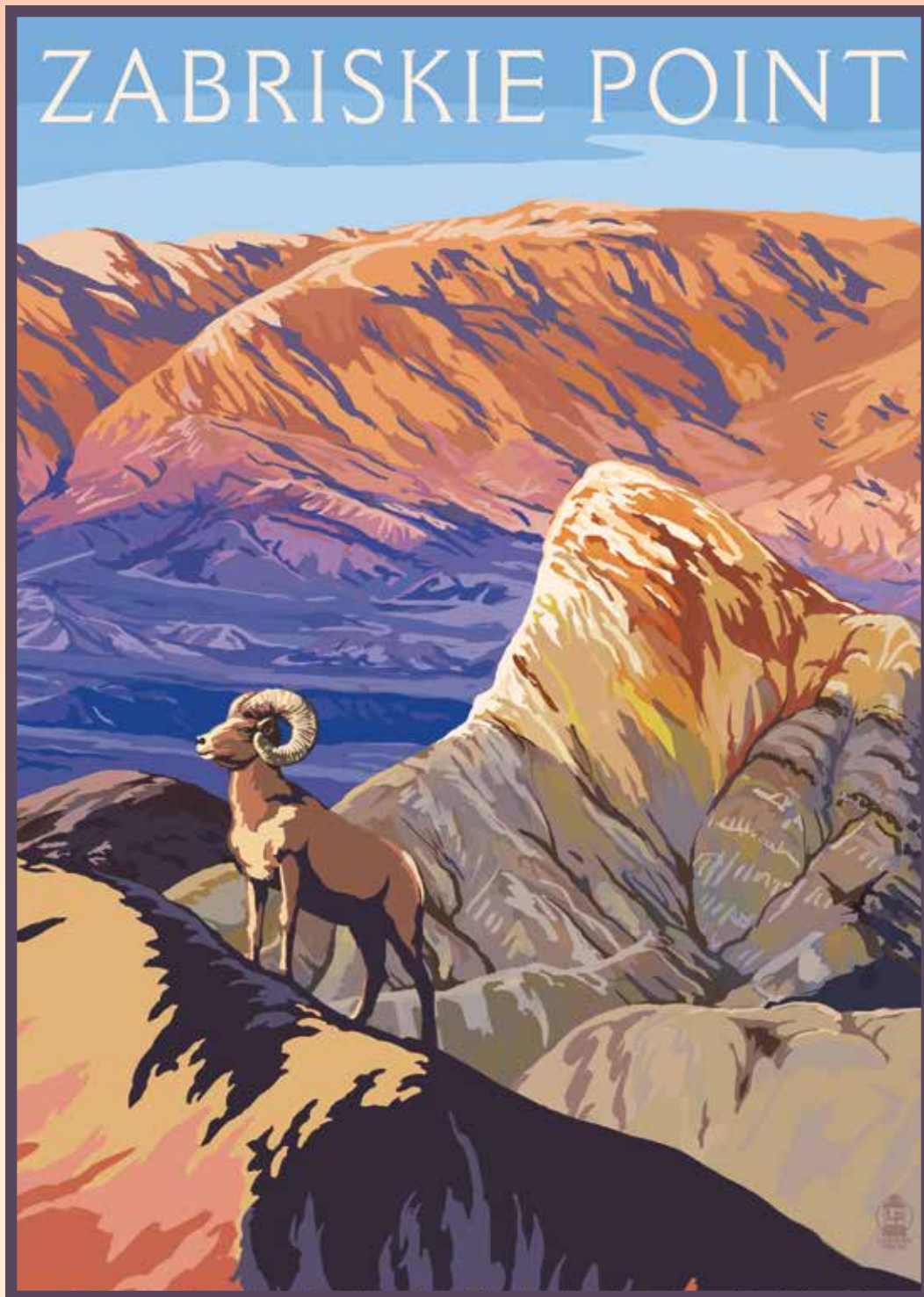
action needed

**Any Personal  
Savings or  
Other Outside  
Investments  
You May Have**

action needed







### Choosing Beneficiaries

When you become a Member of the Retirement System, you must complete a Beneficiary Designation Form. It's important to keep your beneficiary information up to date to reflect changes in your life, such as marriage or divorce.

# SEATTLE



# Pre-Tax Savings Plans

**E**BMUD employees have more savings opportunities than they would have with most other employers. Employees may voluntarily participate in the EBMUD 401(k) and 457(b) Plans; a 401(a) Plan is available to Locals 21, 2019, and 39, senior management, confidentials, and non-represented management. Employees can participate in multiple plans, but contributions are subject to IRS limits. EBMUD does not provide matching funds for these plans. To learn more about and take advantage of the EBMUD savings plans, visit Fidelity Investments at [www.netbenefits.com/ebmud](http://www.netbenefits.com/ebmud)

## EBMUD 401(K) Plan

- ❖ A 401(k) plan allows eligible employees to save on a tax-deferred basis through salary deduction.
- ❖ Contributions are on a pre-tax basis and you have the opportunity to take up to two loans.
- ❖ After-Tax Savings Plan. Employees may also make voluntary contributions to a Roth 401(k). Your contributions to the Roth 401(k) are made on an after-tax basis, and future distributions and any investment earnings are not subject to taxes.

## EBMUD 457(b) Plan

- ❖ A 457(b) plan (also known as a “deferred compensation plan”) allows eligible employees to defer compensation to the future, lowering your current taxable income and offering potential tax-deferred growth.
- ❖ Contributions are pre-tax, and there is no early distribution penalty for withdrawing funds before age 59½.

## EBMUD 401(a) plan

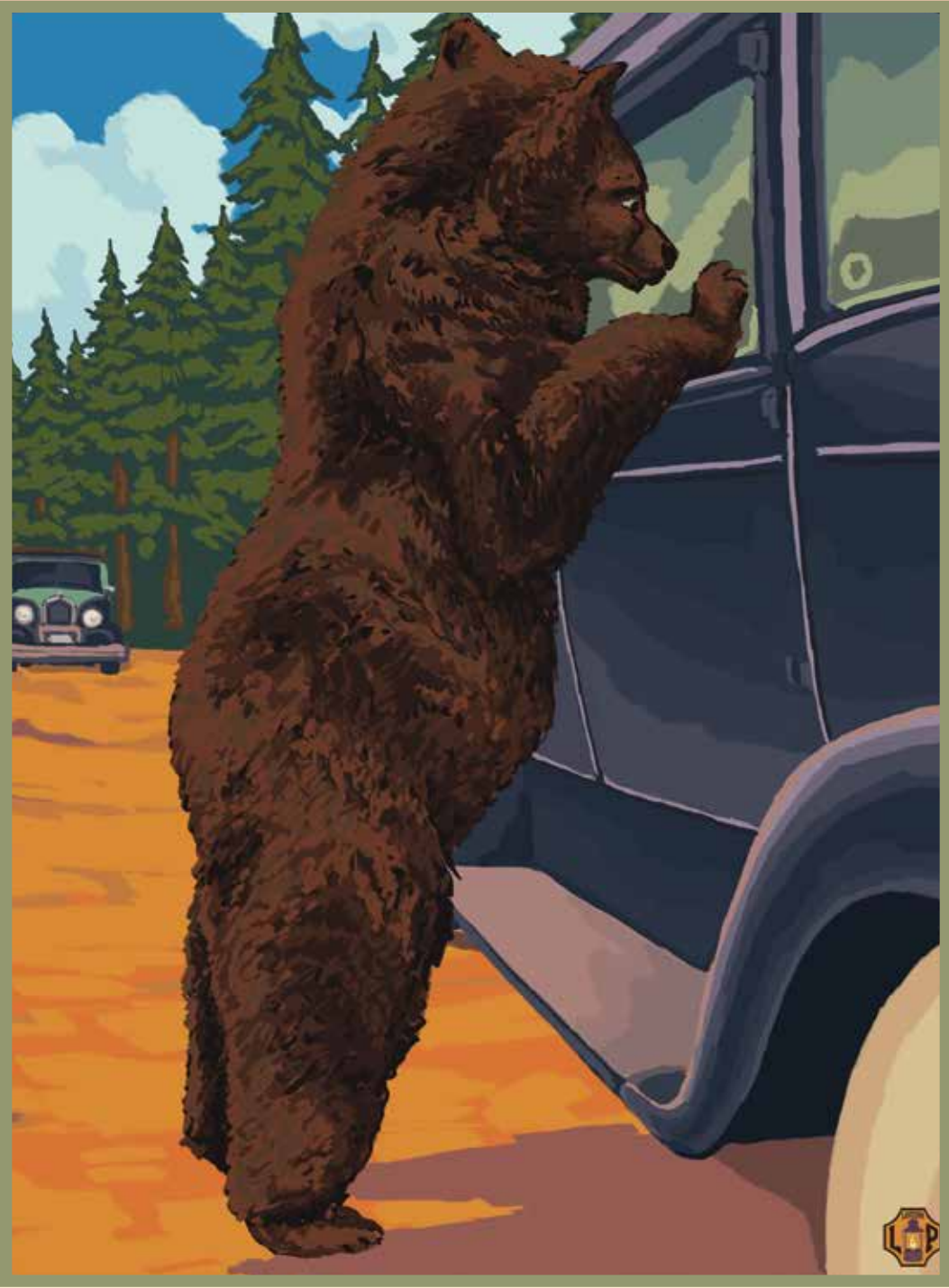
- ❖ A 401(a) plan, also known as a “money-purchase” retirement savings plan, is a plan set up by the District that allows for tax-deferred contributions by the employee.
- ❖ Eligible members must elect this plan within the first 30 days of initial hire, or when moving to an eligible position. The contributions are pre-tax and are a set amount determined by your employment group. Contributions cannot be stopped or changed while you are employed. The Plan has a loan provision. To enroll in the EBMUD 401(a) Plan, you must contact the HR department directly.





**Your Account Balance**

The interest you earn on your member contributions is credited semi-annually to your account. You will receive an annual statement showing the balance in your Retirement System account as of December 31st.



# Fueling Your Pension: Funding

**Y**our pension from the Employees Retirement System is funded through a combination of three sources:

## 1. Member contributions

The member contribution rate is determined by your plan membership.

- ❖ Members in the **2013 Plan** contribute 50 percent of the normal cost of the pension up to the PEPR wage limit and adjusted for inflation thereafter.
- ❖ Members of the **1980 Plan** contributions are determined by contract.
- ❖ Member contributions are made by payroll deductions each bi-weekly pay period and are made on base pay, work-out-of-class, shift differential, and standby pay only (overtime pay is not included).

## 2. Employer contributions

Employer contributions fluctuate from year-to-year based on investment earnings and member demographics.

## 3. Investment gains on contributions

Retirement System assets are invested in stocks, bonds, real estate, and other investment vehicles. The amount contributed from this source fluctuates from year to year.

## Important Points on Funding

### Your contribution rate can change

Member contribution rates may change from time to time as a result of negotiations, a statute, or amendment to the Retirement Ordinance approved by the Board of Directors.

### You earn interest on your employee contributions

Retirement contributions earn a variable rate of interest depending on the Retirement System's investment performance. Interest is credited semi-annually to your account.

### Retirement System funding is examined every year

An actuarial valuation of the Retirement System is performed annually. This actuarial valuation determines:

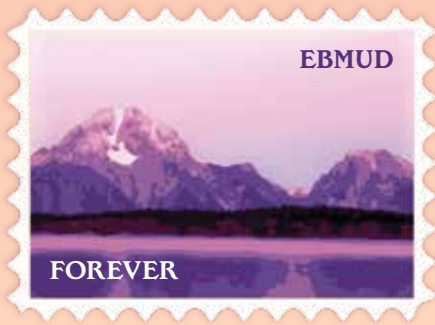
- ❖ The present and future obligations of the Retirement System to pay benefits to its Members and their beneficiaries.
- ❖ The contributions required of the District and Retirement System participants, over and above investment earnings, to meet those present and future obligations.

### Retirement Board Administration

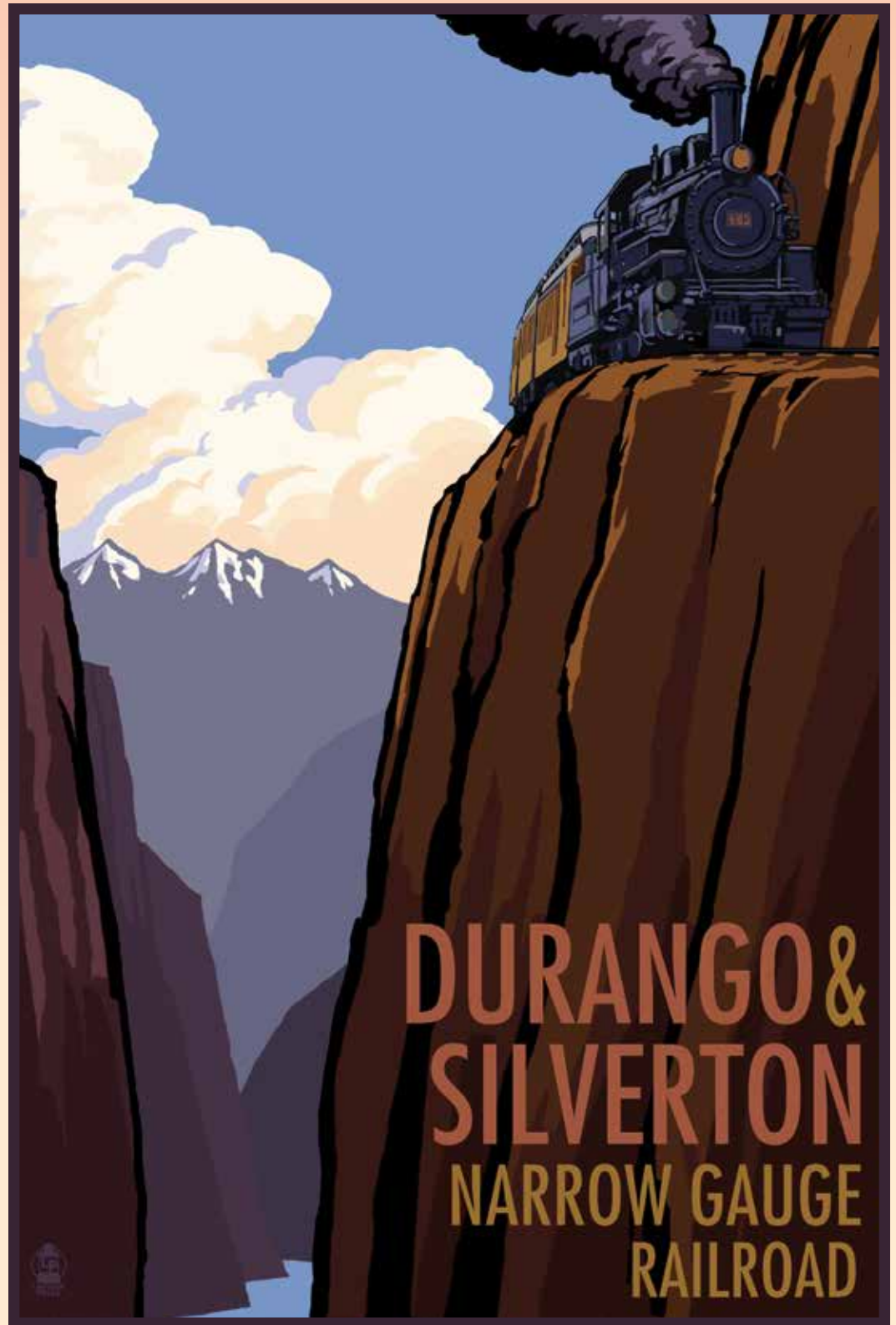
A six-person Retirement Board administers the Retirement System. The Board of Directors appoints three of the members and employees elect two. There is also one non-voting member elected by retirees.

The Retirement Board is responsible for ensuring that it can provide the benefits promised to EBMUD's current and future retirees. The Board's duties include:

- ❖ Determining asset allocation and selecting investments.
- ❖ Monitoring and reviewing fund investment performance.
- ❖ Approving all disability retirement claims.
- ❖ Recommending changes in the Retirement Ordinance to the Board of Directors.
- ❖ Approving actuarial findings.



*To redeposit or purchase service credit, you must contact HR Employee Services within 90 days of rehire into a regular position with membership in the EBMUD Retirement System.*





# Time on the Road: Service Credit

One of the factors used in calculating the retirement allowance a Member receives is “service credit”, which is the time you worked for the District and had retirement contributions deducted from your pay. Service credit for the work year is figured on a 260 day (2,080 hour) basis.

## How you earn service credit

- ❖ You earn service credit for each year or partial year you work.
- ❖ You also accrue service credit if you are absent on approved Leave Without Pay due to personal illness or job injury while a Member of the Retirement System (limited to 18 months for members who joined after January 1, 2004).

## Other possible additions to service credit are:

### Service Extension Credit

Sick leave hours accrued in excess of 1,040 hours are rolled into the employee’s sick leave extension credit account. Upon retirement, a Member shall be given two hours of service credit for each hour of remaining accumulated sick leave.

## Purchasing retirement service credit

If you were employed in a Temporary Construction or Limited Term position, you can purchase service credit for the length of time you were employed if the following situation applies:

- ❖ You were employed by the District in a Temporary or Limited Term (TC/LT) position and were not qualified for membership in the Retirement System.
- ❖ You later transitioned into a permanent or probationary position from that TC/LT position, without a break in service.

To purchase service credit, you must contact HR Employee Services within 90 days after hire into a regular position with membership in the EBMUD Employees Retirement System.

## Redeposit of service credit

Eligible employees who leave EBMUD and withdraw all contributions and interest earned in the EBMUD Employee’s Retirement System, and who are later rehired, can redeposit previously withdrawn contributions and interest and restore their service credit.

# Owning the Road: Vesting

## Vesting in the District's Employee's Retirement System

When you acquire full ownership of a benefit, you are “vested”. You become vested (fully entitled) to your EBMUD service retirement benefit after you complete five (5) years of continuous employment (at EBMUD or EBMUD and a reciprocal agency) or reach age 65 (1980 Plan), whichever occurs first.

## Termination and Rehire

If you terminate employment with EBMUD and are later rehired to an eligible position, you re-enter and begin earning service credit in the EBMUD Retirement System on your rehire date.

If your rehire is more than six months after you left employment with EBMUD, you may not be able to re-establish membership in the same pension tier that was in force at the time you left. Instead, you may become a Member of the 2013 pension tier, or whatever tier is in place at the time of your rehire.

## Reciprocity: Membership with another California Public Retirement System

The EBMUD Employee Retirement Plan has reciprocity with other California public retirement agencies.

- ❖ If you were previously employed by another California state, county, special district, or city and belonged to another public retirement system and you joined the EBMUD Retirement System within six (6) months (180 days) of leaving employment with the other public agency, you may be eligible for reciprocal membership.
- ❖ If your membership in the public retirement system was prior to January 1, 2013, and you comply with the reciprocity requirements, you may be eligible to participate in the 1980 Plan.

You must retire from each system on the same day for the benefits of reciprocity to apply. As a retiree you will receive separate retirement allowances from each system. You cannot maintain your reciprocal benefits if you have concurrent or overlapping service time with EBMUD and another reciprocal agency. A complete break in service is required when moving from one retirement system to another to maintain reciprocity.



With reciprocity, you are considered a Member of both retirement systems and are subject to the membership requirements and benefits of each system. The benefits of reciprocity include:

- Years of service from reciprocal systems are combined to meet minimum service vesting requirements.
- The highest average salary earned in any of the reciprocal systems for which you worked is used to calculate your pension benefits for all reciprocal systems.



# Exiting Before Retirement

If you terminate employment with EBMUD prior to your retirement, you have two options available for your retirement contributions:

1. If you are vested or going to a reciprocal agency, you can leave your contributions at EBMUD and retire from EBMUD at a later date.
2. You can withdraw your contributions, plus accumulated interest. If you withdraw your contributions, you forfeit your retirement pension and are no longer eligible for a retirement benefit. The contributions you withdraw are subject to state and federal taxes and may be subject to an early distribution penalty. You can also opt for a rollover of your retirement contributions into an IRA or an employer's deferred compensation plan. For further information, consult your tax advisor or the Internal Revenue Service (IRS).

## Deferred Retirement

If you terminate employment after you become vested in the EBMUD Retirement System, you may leave your contributions in the account and take a deferred retirement at any date after you reach the minimum retirement age in your membership plan. Your pension benefit will be computed based on the Plan's formula, your age when benefits begin, your accumulated service credit, and your salary history as of the date you terminated employment with EBMUD.

## Pre-Retirement Death Benefit

In the event of your death before retirement, your contributions and accrued interest will be distributed in a lump sum payment to your designated beneficiary(ies).

If you were qualified to retire as of the date of your death, a monthly survivor allowance, equal to one-half (50%) of the maximum benefit that could have been paid to you, will be paid to your spouse/State of California registered domestic partner, provided you were both in that relationship for at least one (1) year prior to your death. This benefit is payable monthly for the lifetime of the spouse/domestic partner.

## Disability Retirement

You qualify for a disability retirement benefit if you are permanently incapacitated from performing the duties of your job. Disability retirement has no minimum age requirement, but you must have been a Member of the Retirement System for no fewer than eight (8) years to qualify. Your disability does not have to be job related.

The disability retirement formula is calculated at a rate 1.5 percent per year of service with a minimum benefit of one-third of Terminal Compensation. The disability retirement process requires that the Member be seen by an EBMUD designated physician, and the disability retirement must be approved by the Retirement Board.

# BODEGA BAY CALIFORNIA





# GRAND CANYON

## NATIONAL PARK





# Before Your Last Stop

If you're ready to retire, first make sure you're eligible. You may retire:

- ❖ At any time after you become vested in the Retirement System and reach your Plan's minimum Retirement age, or,
- ❖ If a Member of the 1980 Plan, when you reach age 65, regardless of your length of employment.
- ❖ On any day of the year, including holidays and weekends. Your retirement date does not have to coincide with a pay period end date or a service anniversary date. HR Employee Services can help you determine your best date.

## Attend a Pre-Retirement Seminar

Before you retire, we encourage you to attend a Nutz & Boltz of Retirement presentation held each quarter by HR Employee Services in various EBMUD locations. Twice a year, HR Employee Services also hosts an all-day Saturday session with representatives from Fidelity Investments, the Social Security Administration, and HR Employee Services on hand to answer your questions. Your significant others are welcome to attend both.

### Did you know?

*The retirement benefit you receive from the District's Retirement System is not affected by other retirement income sources, including Social Security.*



## Contact HR Employee Services

Schedule a retirement counseling session at least two to three months prior to your projected retirement date. This informative meeting will walk you through your options and help you plan for what's ahead. For a complete application packet, visit our HR Connection website through the District's intranet and access Benefits/Benefit Forms.

## Processing your retirement request

When you notify HR Employee Services that you intend to retire, they will:

1. Obtain payroll pension contribution data, research any leave without pay, and calculate your pension.
2. Determine your health insurance benefit (HIB). Your HIB is a monthly allowance EBMUD provides to help you pay for out of pocket health insurance premiums during retirement.
3. Create a retiree payroll record for you, including arrangements for direct deposit, and begin paying your retirement funds on the last business day of every month.

HR Employee Services will also provide you with the forms you need for continuing dental, vision, and EAP coverages under COBRA, and information regarding converting the District's life insurance and supplemental life insurance into your own individual policies, and enrollment applications for EBMUD retiree dental plans.



### Thinking about Retiring?

Contact HR Employee Services, attend a Nutz & Bolz of Retirement course, and schedule a retirement counseling session at least two to three months prior to your projected retirement date. This informative meeting will walk you through your options and help you plan for what's ahead.



# Trip Calculator: Pension Benefit Factors

**Your retirement pension benefit is calculated using these factors:**

## **1. Service Credit**

which is earned for each year or partial year you work for the District. A more detailed explanation of Service Credit can be found on page 12.

## **2. Your Age at Retirement**

and corresponding Benefit Factor, which is the percentage of pay you are entitled to for each year of service using the retirement formula that applies to you. Benefit Factor charts for the 2013 Plan and the 1980 plan start on page 22.

## **3. Terminal Compensation**

which is your highest average base monthly compensation for a period of 36 consecutive months (2013 Plan) or 24 consecutive months (1980 Plan). Ask HR Employee Services what kinds of compensation are included in your base monthly compensation.

## **Estimating Your Retirement Benefit using the 2013 Plan**

Members of the 2013 Plan receive a retirement benefit based on the percentage of the Member's Terminal Compensation, which is the 36 months of highest average compensation. The formula caps compensation at PEPR wage limit. The formula is determined in accordance with the following schedule based on the Member's age at retirement, rounded to the preceding quarter year. Refer to the 2013 Plan chart to find your anticipated age at retirement and the corresponding Benefit Factor percentage.



Try our new online estimator:  
<https://www.benefitmodeling.com/ebmud/default.aspx>





Let's take a look at a hypothetical example for a 2013 Member named Tom:

**Service Credit:**

Tom's EBMUD years of service

30

**Age at Retirement:**

Tom's age corresponds to a percentage from the chart  
(2013 Plan Benefit Factor)

58 years, 3 months (1.625%)

**Terminal Compensation:**

Tom's 36-month highest average pay

\$6,600

Tom's pension would be:  $30 \times 1.625\% \times \$6,600$  for a total of

\$3,217.50 per month.

# The 2013 Plan

## Age at Retirement      Percentage

52	1.000%
52¼	1.025%
52½	1.050%
52¾	1.075%
53	1.100%
53¼	1.125%
53½	1.150%
53¾	1.175%
54	1.200%
54¼	1.225%
54½	1.250%
54¾	1.275%
55	1.300%
55¼	1.325%
55½	1.350%
55¾	1.375%
56	1.400%
56¼	1.425%
56½	1.450%
56¾	1.475%
57	1.500%
57¼	1.525%
57½	1.550%
57¾	1.575%

## Age at Retirement      Percentage

58	1.600%
58¼	1.625%
58½	1.650%
58¾	1.675%
59	1.700%
59¼	1.725%
59½	1.750%
59¾	1.775%
60	1.800%
60¼	1.825%
60½	1.850%
60¾	1.875%
61	1.900%
61¼	1.925%
61½	1.950%
61¾	1.975%
62	2.000%
62¼	2.025%
62½	2.050%
62¾	2.075%

## Age at Retirement      Percentage

63	2.100%
63¼	2.125%
63½	2.150%
63¾	2.175%
64	2.200%
64¼	2.225%
64½	2.250%
64¾	2.275%
65	2.300%
65¼	2.325%
65½	2.350%
65¾	2.375%
66	2.400%
66¼	2.425%
66½	2.450%
66¾	2.475%
67	2.500%

## Estimating Your Retirement Benefit using the 1980 Plan

Members of the 1980 Plan receive a retirement benefit based on their Terminal Compensation, which is the 24 months highest average compensation, multiplied by the 1980 Plan Benefit Factor. The Benefit Factor is determined by the number of years of service credit and age at retirement.

For the 1980 Plan, a Member may retire as early as age 54, but if retiring before age 62, the Benefit Factor used to calculate your retirement will be reduced if you do not have the required length of service.

The 1980 Plan chart relates your age and service to your retirement benefit. To use the chart, cross-index your age with your total years of service to find the approximate percentage of your Terminal Compensation that will constitute your retirement benefit. Multiply your Terminal Compensation by the Benefit Factor percentage to get your estimated monthly retirement income.

## Working After Retirement

EBMUD retirees may work after retirement with no effect on their pension benefit. However, EBMUD's Retirement Ordinance, State law, and District Policy 2.04 restrict employment with EBMUD after retirement to critical positions, independent contractors, and Directors of the District.

Disability retirees may work and earn income up to their "earnings safeguard". This is defined as their final monthly salary at the time of their retirement, increased by wage increases, minus their retirement allowance. Earnings over the safeguard will reduce the benefit to the level of the safeguard.

*This table shows when Members reach their "Magic Number"—when they receive the full retirement formula of 2.6% per year of service*

SERVICE	AGE
5	62
20	59
21	58.5
22	58
23	57.5
24	57
25	56.5
26	56
27	55.5
28	55
29	54.5
30	54





Let’s take a look at a hypothetical example for a 1980 Member named Marie:

Service Credit:	
Marie’s EBMUD years of service	30
Age at Retirement:	
	58 years, 4 months
Marie’s service credit and age correspond to a percentage from the chart (1980 Plan Benefit Factor)	
	78%
Terminal Compensation:	
Marie’s 24-month highest average pay	\$6,600
Maries pension would be: 78% x \$6,600 for a total of	\$5,148 per month.

# The 1980 Plan

### Approximate Percentage of Terminal Compensation 2.60% at 62 Years of Age

Each additional year of service beyond 30 years adds 2.60%  
The bold line indicates when you've earned the full retirement formula.  
Any box above or to the right of the bold line indicates 2.60% per year of service.

Years of Service	Age																							
	54	54.5	55	55.5	56	56.5	57	57.5	58	58.5	59	59.5	60	60.5	61	61.5	62	62.5	63	63.5	64	64.5	65	
30	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	
29	74.27	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	75.40	
28	70.62	71.71	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	72.80	
27	67.04	68.09	69.15	70.20	70.20	70.20	70.20	70.20	70.20	70.20	70.20	70.20	70.20	70.20	70.20	70.20	70.20	70.20	70.20	70.20	70.20	70.20	70.20	
26	63.54	64.56	65.57	66.59	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	67.60	
25	60.13	61.10	62.08	63.05	64.03	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	
24	56.78	57.72	58.66	59.59	60.53	61.46	62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40	
23	53.52	54.42	55.32	56.21	57.11	58.01	58.90	59.80	59.80	59.80	59.80	59.80	59.80	59.80	59.80	59.80	59.80	59.80	59.80	59.80	59.80	59.80	59.80	
22	50.34	51.19	52.05	52.91	53.77	54.63	55.48	56.34	57.20	57.20	57.20	57.20	57.20	57.20	57.20	57.20	57.20	57.20	57.20	57.20	57.20	57.20	57.20	
21	47.23	48.05	48.87	49.69	50.51	51.32	52.14	52.96	53.78	54.60	54.60	54.60	54.60	54.60	54.60	54.60	54.60	54.60	54.60	54.60	54.60	54.60	54.60	
20	44.20	44.98	45.76	46.54	47.32	48.10	48.88	49.66	50.44	51.22	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	
19	37.54	38.29	39.03	39.77	40.51	41.25	41.99	42.73	43.47	44.21	44.95	45.70	46.44	47.18	47.92	48.66	49.40	49.40	49.40	49.40	49.40	49.40	49.40	
18	35.57	36.27	36.97	37.67	38.38	39.08	39.78	40.48	41.18	41.89	42.59	43.29	43.99	44.69	45.40	46.10	46.80	46.80	46.80	46.80	46.80	46.80	46.80	
17	33.59	34.26	34.92	35.58	36.24	36.91	37.57	38.23	38.90	39.56	40.22	40.89	41.55	42.21	42.87	43.54	44.20	44.20	44.20	44.20	44.20	44.20	44.20	
16	31.62	32.24	32.86	33.49	34.11	34.74	35.36	35.98	36.61	37.23	37.86	38.48	39.10	39.73	40.35	40.98	41.60	41.60	41.60	41.60	41.60	41.60	41.60	
15	29.64	30.23	30.81	31.40	31.98	32.57	33.15	33.74	34.32	34.91	35.49	36.08	36.66	37.25	37.83	38.42	39.00	39.00	39.00	39.00	39.00	39.00	39.00	
14	27.66	28.21	28.76	29.30	29.85	30.39	30.94	31.49	32.03	32.58	33.12	33.67	34.22	34.76	35.31	35.85	36.40	36.40	36.40	36.40	36.40	36.40	36.40	
13	25.69	26.20	26.70	27.21	27.72	28.22	28.73	29.24	29.74	30.25	30.76	31.27	31.77	32.28	32.79	33.29	33.80	33.80	33.80	33.80	33.80	33.80	33.80	
12	23.71	24.18	24.65	25.12	25.58	26.05	26.52	26.99	27.46	27.92	28.39	28.86	29.33	29.80	30.26	30.73	31.20	31.20	31.20	31.20	31.20	31.20	31.20	
11	21.74	22.17	22.59	23.02	23.45	23.88	24.31	24.74	25.17	25.60	26.03	26.46	26.88	27.31	27.74	28.17	28.60	28.60	28.60	28.60	28.60	28.60	28.60	
10	19.76	20.15	20.54	20.93	21.32	21.71	22.10	22.49	22.88	23.27	23.66	24.05	24.44	24.83	25.22	25.61	26.00	26.00	26.00	26.00	26.00	26.00	26.00	
9	17.78	18.14	18.49	18.84	19.19	19.54	19.89	20.24	20.59	20.94	21.29	21.65	22.00	22.35	22.70	23.05	23.40	23.40	23.40	23.40	23.40	23.40	23.40	
8	15.81	16.12	16.43	16.74	17.06	17.37	17.68	17.99	18.30	18.62	18.93	19.24	19.55	19.86	20.18	20.49	20.80	20.80	20.80	20.80	20.80	20.80	20.80	
7	13.83	14.11	14.38	14.65	14.92	15.20	15.47	15.74	16.02	16.29	16.56	16.84	17.11	17.38	17.65	17.93	18.20	18.20	18.20	18.20	18.20	18.20	18.20	
6	11.86	12.09	12.32	12.56	12.79	13.03	13.26	13.49	13.73	13.96	14.20	14.43	14.66	14.90	15.13	15.37	15.60	15.60	15.60	15.60	15.60	15.60	15.60	
5	9.88	10.08	10.27	10.47	10.66	10.86	11.05	11.25	11.44	11.64	11.83	12.03	12.22	12.42	12.61	12.81	13.00	13.00	13.00	13.00	13.00	13.00	13.00	



# YELLOWSTONE

## NATIONAL PARK

---



---

**OLD FAITHFUL GEYSER**



# Which Route Will You Choose?

**At retirement you can choose one of five benefit payment options. These options:**

- ❖ Allow you to provide a benefit of your choosing to your beneficiary(ies).
- ❖ Cannot be changed — they are irrevocable.
- ❖ Are paid for by a reduction in your monthly retirement benefit. The amount of the reduction depends on the option you choose and the age of the beneficiary.

**The five benefit options are:**

**Option 0** You receive the unmodified Maximum Retirement Allowance payable to you over your lifetime.

**Option 1** The amount of your pension allowance is reduced from the Maximum Retirement Allowance to pay a lump sum of approximately 80 percent of your remaining contributions and interest benefit to your survivors upon your death. This benefit decreases as you receive your monthly retirement benefits and goes to zero after eight to ten years of retirement. If your death occurs before your contributions are completely received by you, then your designated beneficiary(ies) will receive the remaining balance. Beneficiaries for this option can be a single person, several persons, a trust, a charity, etc., and can be changed after you retire.

**Options 2, 3 or 4** These options each work the same way, but provide a different benefit level. The beneficiary benefit is a specified percentage (100 percent for Option 2, 50 percent for Option 3, or 25 percent for Option 4) of your Modified Retirement Allowance and will be paid for the lifetime of one beneficiary. The designated beneficiary must be a single individual, not multiple individuals or non-living entities (e.g., a trust). The beneficiary designation is irrevocable. If the beneficiary predeceases you, your Modified Retirement Allowance remains unchanged and you cannot name a new beneficiary.

## Surviving Spouse/Domestic Partner Benefit

Upon your death, a lifetime survivor benefit is payable to your spouse/domestic partner, who:

1. was married to you (or registered with the State of California as your domestic partner) as of the date of your retirement; and,
2. was in this relationship with you for at least one year prior to your death; and,
3. was in this relationship with you at the time of your death.

*There is no cost to you for this benefit. The benefit amount is 50 percent of your calculated Maximum Retirement Allowance, regardless of what payment option you selected.*

## Limitations of your Pension Benefit

Your EBMUD Employee Retirement System pension benefit is subject to both the Internal Revenue Code (IRC) Section 401(a)(17) contribution limit and the Internal Revenue Code (IRC) Section 415(b) Retirement Benefit Limit. These limits affect the amount of contributions that can be made by you to your pension plan and the amount that you can receive in benefits from the Retirement Plan. HR Employee Services will notify you if you are subject to these limits.

## Dissolution of Marriage or Domestic Partnership (Divorce)

A Member's pension benefit from the District's Retirement System is considered community property and may be divided between the Member and ex-spouse/domestic partner. You must notify HR Employee Services if you are getting a divorce so that you and your former spouse/domestic partner receive the appropriate benefits. HR Employee Services can provide a sample Domestic Relations Order (DRO) and can review draft DRO and Marital Settlement Agreements prior to court approval to ensure they comply with Plan rules. For legal advice, please consult an attorney. EBMUD cannot provide legal advice.

# Other End of the Road Benefits

There will be important changes to your other EBMUD benefits after retirement. It's a good idea to familiarize yourself before you retire with how certain benefits will transition and what other benefits may begin.

## Sick Leave Hours and Service Extension Credit

- ❖ At the time of retirement, your sick leave and service extension credit will be doubled and converted into retirement service credit.
- ❖ Any sick leave you've earned above the maximum 1040 hours is called Service Extension Credit. These hours are added to your regular sick leave hours at the time of retirement and are treated identically to sick leave hours.

## Vacation and Comp Time

- ❖ Your final paycheck is a "live" check that will include your final salary and proceeds from cashing out any unused vacation or comp time.
- ❖ You may elect ahead of time to defer any amount of your final paycheck into your deferred compensation 457 or 401(k) accounts up to the IRS limits. Contact HR Employee Services to arrange for this transaction.

## Health Benefits

When you retire, you can keep the same health insurance plan that you had as an active employee, so be sure to plan ahead. After you have retired, you may change medical plans during retiree open enrollment held in November each year, subject to health plan restrictions. You may drop your retiree health medical plans at any time with written notice.

Retirees, their eligible surviving spouse or domestic partner, and dependents (under age 26 or disabled) that are enrolled in an EBMUD sponsored medical plan at the time of retirement, may continue to be covered. Retirees and their spouses/registered domestic partners may continue to be covered for their lifetimes, while dependents who are not disabled are eligible for coverage until age 26. You may add a new spouse/domestic partner or a new child on your healthcare plan within 30 days of the marriage/domestic partner registration or birth. Please consult with HR Employee Services for more Information on your healthcare options.

## When You Become Eligible for Medicare

At age 65 you become eligible for Medicare and must enroll in Medicare Part A and B if you are on EBMUD's retiree health plans. Medicare Part A provides hospitalization benefits and is free to you. Medicare Part B provides for Doctor's visits, and its cost is deducted from your Social Security payment on a monthly basis.

When you enroll in Medicare Part A & B, you are eligible for Medicare coordinated plans which are less expensive and cover more services. HR Employee Services will contact you prior to your 65th birthday to coordinate enrollment in these plans.

EBMUD's retiree health plans provide prescription drug coverage. Enrollment in Medicare Part D may be required depending on the health plan you choose. Please contact HR Employee Services to determine if you need to enroll. For more information regarding Medicare please contact Medicare at 1-800-Medicare or at [www.medicare.gov](http://www.medicare.gov).

If you are working for the District past the age of 65, you are not required to enroll in Medicare until you retire. You may choose to enroll in Medicare Part A because it is free, but we do not recommend that you enroll in Medicare Part B until you are retired.

If you do not sign up for Medicare when you are required to do so, your medical plan will add a substantial surcharge to your monthly medical insurance premium.

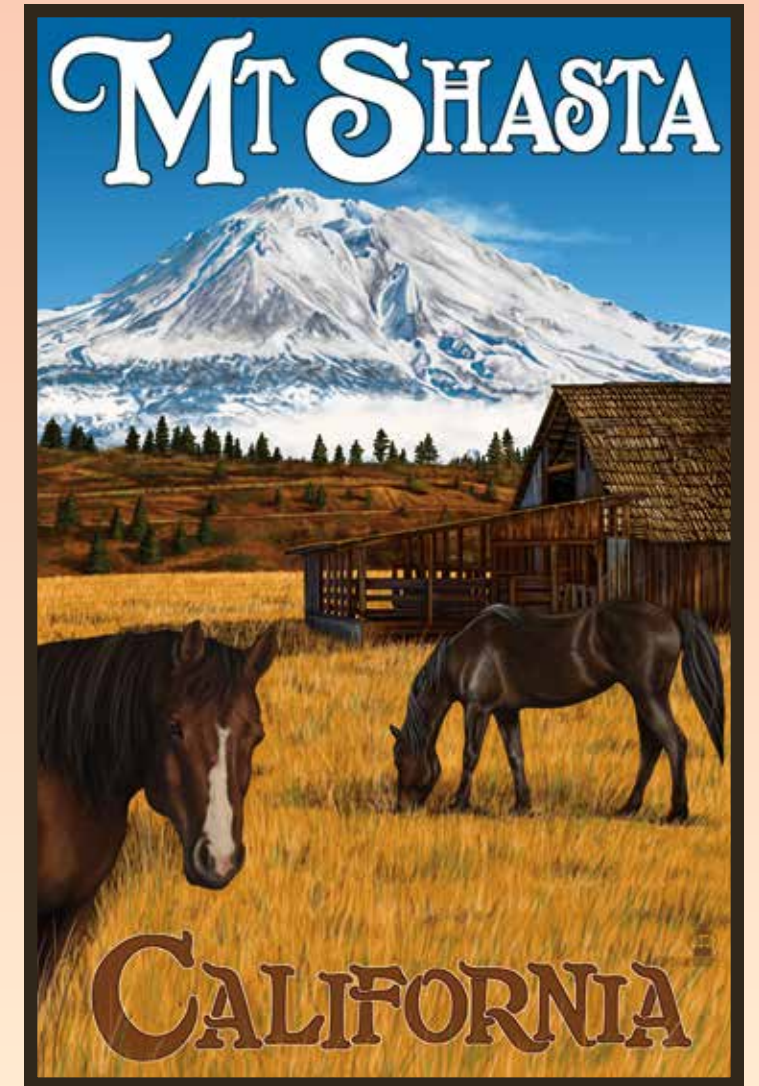
## Health Insurance Benefit (HIB)

When you retire, the EBMUD Retirement System will reimburse for health insurance premium expenses through the Health Insurance Benefit (HIB), up to \$550 per month for retirees with a spouse/financially dependent domestic partner, or \$450 per month for single retirees or a surviving spouse/ registered domestic partner.

Deferred vested Members, and Members who joined the Retirement System on or after July 1, 1996, receive a prorated 25 percent of the maximum HIB benefit for every five (5) years of retirement service credit as shown below:

- ❖ 5 years = 25%
- ❖ 10 years = 50%
- ❖ 15 years = 75%
- ❖ 20+ years = 100%

Eligible HIB expenses can include premiums paid for coverage, such as medical, dental, Medicare, vision, long-term care insurance and COBRA premiums. Premiums for health insurance obtained from non-District sources are also eligible for reimbursement.





# ZION NATIONAL PARK



ANGELS LANDING



# Additional Medical Benefits

## Dental and Vision Insurance

The District does not pay for vision, dental, or Employee Assistance Plan (EAP) insurance premiums after you retire. However, federal COBRA law allows you to continue participating in the District group dental, vision, and EAP insurance for up to 18 months if you pay the monthly premiums, plus a 2 percent administrative fee.

❖ The District offers two retiree group dental plans and you have three opportunities to enroll in either of these two plans:

1. When you first retire.
2. At the conclusion of District dental benefits extended under COBRA.
3. During the annual open enrollment in November of every year, with coverage beginning with the start of the following year.

The Health Insurance Benefit (HIB) may be used for reimbursement of premium payment for COBRA (dental or vision) or other District and non-District dental plans.

## Life Insurance

When you retire, you'll no longer be covered under the District's active employee life insurance plan, but you do have the option to convert your EBMUD life insurance and/or supplemental life insurance policy to an individual policy within 31 days of retirement.

*Please note that the rates for an individual policy will differ from the District's group rates for active employees.*

## Cost of Living Adjustment (COLA)

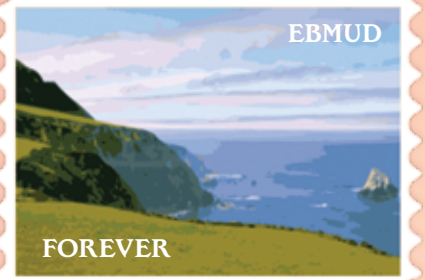
All retirees receive a Cost Of Living Adjustment (COLA) benefit. The amount of the COLA is based on the Consumer Price Index (CPI) for the Bay Area, but cannot exceed 3 percent or 5 percent, depending on pension funding levels. The COLA can increase or decrease your ongoing monthly benefit and becomes effective with the retirement allowance due each July. In the first year of retirement, the COLA is prorated based on the number of complete months you were retired prior to July.

## COLA Bank

The COLA bank helps maintain retirees buying power by "banking" or tracking the difference between the maximum COLA that can be paid and the actual amount of the CPI. In years in which the CPI is higher than the maximum COLA, the excess is added to each retiree's "bank." The banked percentage is then used in years when the CPI is lower than the annual maximum COLA that can be paid.



# BIG SUR COASTLINE



*Retirees are responsible for paying the full premium costs for their health coverage, though many retirees receive the Health Insurance Benefit (HIB), a credit that offsets healthcare costs.*

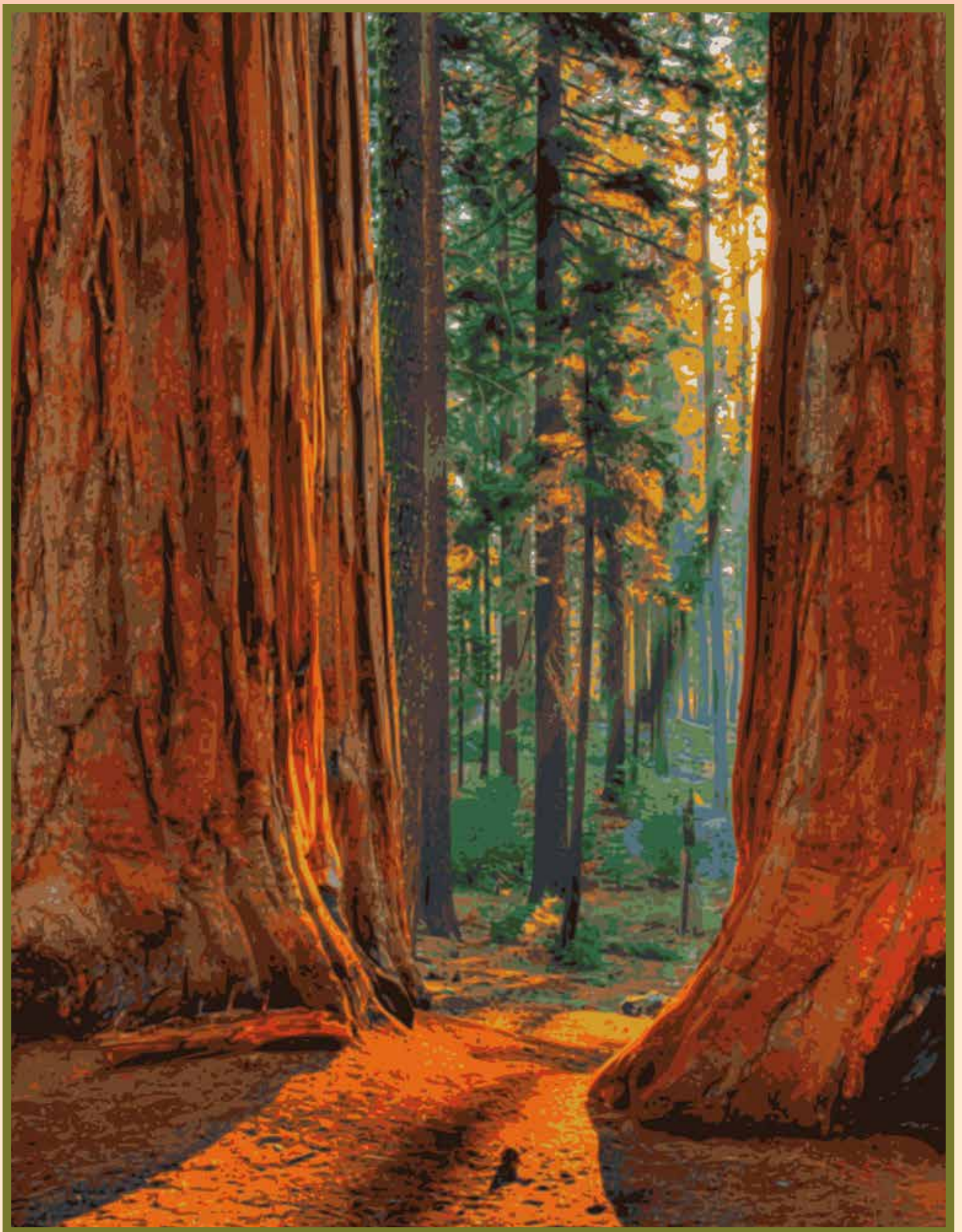


*Leaving EBMUD?*

*Deferring retirement to down the road?*

*If you leave District employment and defer your retirement to a later date, and/or drop your medical coverage for any reason, you will not be eligible to enroll in a District sponsored medical plan.*





# Learn More

## Online

Visit our HR Connection website through the District's intranet.

## By Phone or Email

Contact HR Employee Services at (510) 287-0747, Monday through Friday, 8:00 am to 5:00 pm.  
Email [retirees@ebmud.com](mailto:retirees@ebmud.com)

## By Mail

Employee Services, MS 601  
PO Box 24055  
Oakland, CA 94623-1055

## In Person

Consider attending one of our regularly scheduled Nutz & Boltz or one-day retirement seminars. You can find the schedule of retirement workshops and seminars by visiting the HR Connection website on the District's intranet, or by contacting Employee Development at (510) 287-1758.

# Helpful Links

## Retirement Estimator:

<https://www.benefitmodeling.com/ebmud/default.aspx>

## Fidelity:

[netbenefits.com/ebmud](https://netbenefits.com/ebmud)

## Social Security:

[SSA.gov](https://www.ssa.gov)

## IRS:

[IRS.gov](https://www.irs.gov)

## Medicare:

[medicare.gov](https://www.medicare.gov)

# About This Guide

**R**oad to Retirement was created to give you a brief and easy-to-use reference guide to the EBMUD Retirement System.

The Retirement System is governed by the Retirement Ordinance and the Retirement Board Rules which provide detailed information on the defined benefit and all other details of the EBMUDERS. Regarding interpretation or implementation of the EBMUDERS, The Retirement Ordinance and the Retirement Board Rules, are the sole controlling documents. This handbook is not to be interpreted as adding to, subtracting from, or modifying any provision of the Retirement Ordinance. Any unanswered questions can be resolved by reference to the Retirement Ordinance or by contacting the District's Human Resources Retirement Unit.

8/2014 • 500

