



Pre-Retirement Training

Department of Personnel Services

Employee Benefits Office

June 4, 2025

Agenda

- Deferred Compensation 457(b) Plan
- Retiree Benefits

DEFERRED COMPENSATION PLAN



Final Paycheck Contributions

- Terminal check
 - Final Compensation Amendment form must be on file to defer compensation
- 457(b) contributions defers taxes
 - Federal and State
- Social Security and Medicare (7.65%) will be deducted
 - Unless at the annual income maximum

Defer Terminal Check Taxes

- Defer the following into the 457(b) plan*
 - Vacation, CTO, and HIL accruals
 - If eligible, half of sick accrual pay-out
- Three-Year **Limited** Catch-Up Program**
 - Check with the Benefits Office about increased limits

2025 IRS Limits	
Under Age 50	\$23,500
Age 50 to 59, 64+	\$31,000
Age 60 to 63	\$34,750
Limited Catch-Up	\$47,000**

* Up to the IRS maximums

Special Limited Catch-Up

Employment Category	Earliest Normal Retirement Age (SCERS Tiers)	Earliest Year for Special Limited Catch-Up
Safety member – 20 years of eligible service	Any Age	17 th year of eligible County service
All Safety members	50	The year you turn 47
Non-safety member – 30 years of eligible service	Any Age	27 th year of eligible County service
All other non-Safety members – PEPRA	62	The year you turn 59
All other non-Safety members – non-PEPRA	55	The year you turn 52

Special Limited Catch-Up

- “Make-up” for previous years with contributions below allowed maximum
- Only the 3 years **BEFORE** retirement year
- Up to double the normal 457(b) limit
 - (\$23,500 + \$23,500 = \$47,000 Maximum)
- Benefits Office Staff makes underutilization calculation
- Employee signs limited catch-up enrollment form
- Payroll system allows for increased contributions

Sample Final Paycheck Contributions

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

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
Overtime Time and 1/2				2,448.20
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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	5,407.78

Net Pay Details	Amount
Payroll Check	1,678.34

Taxation of Final Paycheck Contribution

- Because 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 annually
\$5,299.54	26	\$137,788.04

Questions?

Final Paycheck Contributions

Catch-Up Programs



Retiree Benefits



Retiree Benefits Options

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



Waiving Initial Enrollment

If you waive benefits at Retirement,
RETURN IS POSSIBLE if:

WITHIN 30 DAYS OF A LIFE EVENT

- (e.g., loss of group coverage, becoming Medicare eligible)
- Losing benefits through Covered California is not an eligible event
- Non-payment of COBRA premium is not an eligible event

DURING OPEN ENROLLMENT

- Must provide proof of 12 months of continuous creditable coverage

See the Retiree MyBenefits Summary and
the Retiree Health Insurance Administrative Policy for more details

Changing Coverage

- Open Enrollment - **Effective January 1st**
- Move In Or Out Of Service Area
- Newly Eligible Family Member
- Dropping Family Member
- Change In Coverage Eligibility

Effective 1st
day of
month after
**event and
enrollment**

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

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 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**

Medical Plan Enrollment

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

Medical Plan Options

Non-Medicare Options (Under Age 65)



KAISER PERMANENTE®



Sutter Health



Western Health Advantage

HMO or High Deductible

(individual accrued HDHP deductible carries over)

Medical Plan Options

Medicare Options (Over Age 65 or Disabled)

If have **Medicare** Parts A & B at the time of retirement

- Immediately enroll in a Medicare Advantage Plan through the Benefits Office



- Kaiser Senior Advantage Gold
- Kaiser Senior Advantage Silver



- UHC HMO
- UHC NPPO

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

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

Out of Area Coverage

TRAVEL

Only emergency coverage outside of service area



MOVING

May require change in medical plans or research on Affordable Care Act (ACA)

- Other individual plans in the new area/state
- County coverage may be available depending on the area
 - Kaiser has coverage in various areas for both early retirees and Medicare retirees
 - Nationwide PPO available through WHA/Anthem for early retirees
 - Nationwide PPO available through UHC for Medicare Retirees

Contact Benefits Staff for coverage options if planning to move

Dental Plan Options

Delta Dental

Different benefits than active plan

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



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

Vision Plan Option

VSP

Same benefits as active vision plan

- **Two coverage levels:**
 - **Standard Plan:**
 - **Annual Exam: \$15 copay**
 - **Frame Allowance: \$130/ every other year**
 - **Enhanced Plan:**
 - **Annual Exam: \$15 copay**
 - **Frame Allowance: \$130-\$150 every year**
 - **One upgrade included**

**If elect COBRA, it becomes the exclusive election,
cannot elect both COBRA and retiree benefits**



Life Insurance/ Critical Illness



- Current coverage ends last day of month
- Can convert to individual whole life coverage within 31 days of retirement date
 - More expensive
- No cash value to current County coverage
- Contact carrier for questions and conversion
 - Contact information 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*

Tax-free reimbursement of health expenses and some premiums for you, spouse, and/or specific dependents

Meritain, the claims administrator, will mail a benefits packet ~ 2 weeks after retirement

Quarterly fee

ICMA-RC is now

MissionSquare
RETIREMENT

Health Savings Account (HSA)

- HSA funds go into retirement
 - Can continue to spend existing HSA funds
- No HSA contributions through pension payroll
- Can make new post-tax contributions **IF** meet requirements:

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

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

Health Savings Account (HSA)

- HSA funds can be withdrawn for non-benefit uses but is included as income and is taxable
 - 20% penalty if under age 65
 - No penalty if age 65+
- HSA funds can be used for qualified medical dental, vision, and hearing expenses
- Age 65+ HSA funds can be used for Retiree and dependent medical premiums

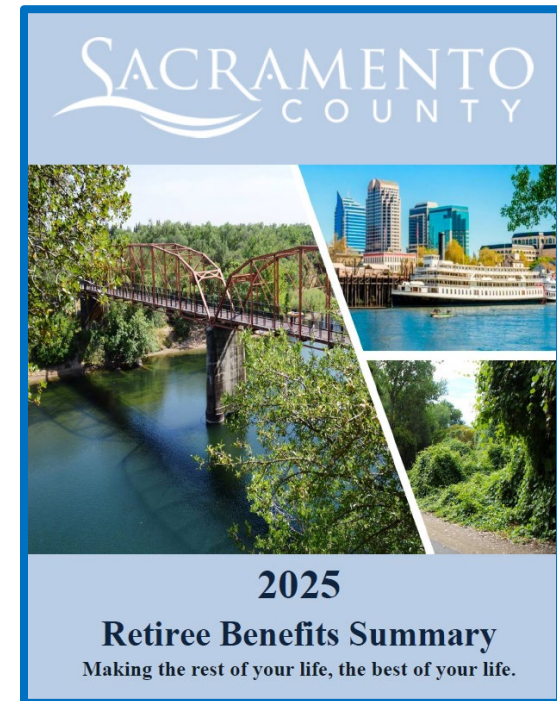
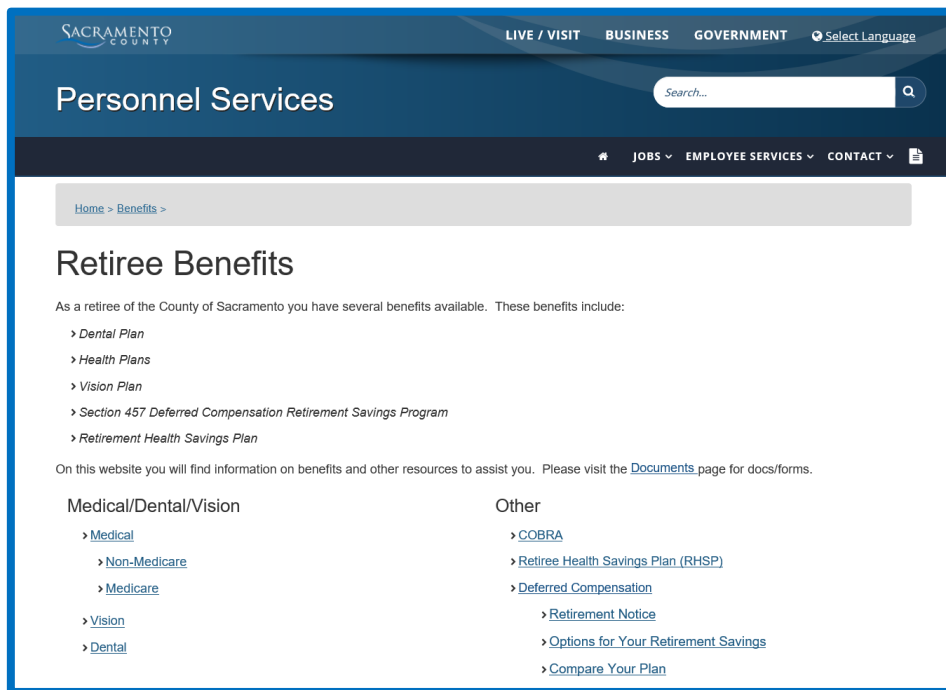


Benefits Information

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 always available.



CONTACTS

Employee Benefits Office (EBO)

700 H Street, 4th Floor, Suite 4650

Phone: (916) 874-2020

FAX: (916) 874-4621

Email: MyRetireeBenefits@saccounty.gov

Pre-retiree website:

<https://personnel.saccounty.gov/Benefits/Pages/Pre-Retiree-Resources.aspx>

Questions?

Retiree Benefits



Thank you

Congratulations on your retirement!

