



BOARD OF RETIREMENT

Staff Report

File #: 19-416

Agenda Date: 8/1/2019

Agenda #: 5.

FROM: Colin Bishop, Chief of Member Services

SUBJECT: Review and Approve Updates to Benefits Policy No. 021

RECOMMENDATION:

Recommend that the Board review and approve updates to Benefits Policy No. 021 (Distribution Restrictions).

BACKGROUND:

General Policy No. 005 involves the periodic review of Board policies and indicates that the Administrative Committee review Administrative and Benefit policies every three years.

Accordingly, SBCERA staff has reviewed Benefits Policy No. 021, which addresses distribution restrictions related to the return to work of retired SBCERA members, and is a supplement to SBCERA Administration Policy No. 015 (Retirees Returning to Work). Nancy Hilu and Judith Boyette, from SBCERA's tax counsel Hanson Bridgett, also reviewed the policy and suggested some minor changes. The two notable updates are described below:

- Removes language stating that "SBCERA may establish any reasonable procedures dealing with the return to work of Members following retirement..."
- In place of the removed language above, adds clarifying language that instead describes the consequences in the event that a member who has not attained normal retirement age returns to work without having a bona fide separation from service; namely, that his or her SBCERA retirement allowance shall be suspended and active participation in the retirement system shall be reinstated until a bona fide separation from service occurs.

BUDGET IMPACT:

None.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Operational Excellence & Efficiency

STAFF CONTACT:

Colin Bishop

ATTACHMENTS:

Exhibit A: Benefits Policy No. 021, Issue 1.0, Distribution Restrictions (Redline)

Exhibit B: Benefits Policy No. 021, Issue 2.0, Distribution Restrictions (Clean)