[Administrative Code - Including Military Service in Definition of "Public Service" for Retirement Service Credit Purchases]

Ordinance amending the Administrative Code to expand the definition of "public service" to allow members of the San Francisco Employees' Retirement System to purchase service credit for time served in the military before City employment.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Chapter 16, Article IV, of the Administrative Code is hereby amended by revising Section 16.55-1, 16.55-2, 16.55-3, 16.55-4, 16.55-6, and 16.55-7, to read as follows:

SEC. 16.55-1. DEFINITION OF "PUBLIC SERVICE."

(a) As used in Sections 16.55-1 to 16.55-4, inclusive, "public service" means:

(*1*~~*a*~~) ~~*Civilian s*~~*S*ervice rendered as an employee or officer of an agency of the government of the United States*, including both civilian and military service*;

(*2*~~*b*~~) ~~*Civilian s*~~*S*ervice rendered as an employee or officer of the State of California; and

(*3*~~*c*~~) Service rendered as an employee or officer of a public agency in the State of California which, with respect to such service, maintained a locally administered defined benefit plan or was entitled to participate in the Public Employees' Retirement System of the

State of California under a contract between such public agency and the Public Employees' Retirement System.

(b) For ~~*the*~~ purposes of this Section *16.55-1*, a person shall be considered as being in public service only while ~~*he or she was*~~ *they were* receiving compensation from the public agency of which ~~*he or she was*~~ *they were* an employee or officer.

(c) "Public service," as used *in this Section 16.55-1*~~*herein*~~, does not include service as defined in ~~*Subdivisions*~~ *subsections* (a)*(1)*, (*2*~~*b*~~), or (*3*~~*c*~~) ~~*of this Section*~~ with respect to which a person became a member of any other retirement system supported wholly or in part by public funds and with respect to which ~~*he or she*~~ *they* continue~~s~~ to receive credit in such other system or with respect to which ~~*he or she is*~~ *they are* entitled to receive a retirement allowance under such other system.

SEC. 16.55-2. ELECTION TO CONTRIBUTE AND RECEIVE CREDIT FOR PUBLIC SERVICE.

Any member of the Retirement System under Sections A8.509, A8.584 or A8.587 of the Charter who was in public service prior to becoming a member of this Retirement System shall have the right to elect to make contributions pursuant to Section 16.55-3 of this Code and to receive credit in this system as miscellaneous City and County service for all or any part of the time ~~he or she~~they were ~~was~~ in such public service; provided, that a member so electing must elect to receive credit for no less than six months of such public service or all of ~~his or her~~their public service where the total period of ~~his or her~~their public service is less than six months.

Said election shall be made in writing on a form provided by the Retirement System. Said election may be made at any time before the date ~~he or she~~the member files the application to retire or the effective date of ~~his or her~~their retirement, whichever is later.

The time period and amount of public service for which a member elects to contribute and the fact that ~~he or she is~~they are not entitled to receive credit in another retirement system by virtue of such service must be certified to by an officer of the public agency to which ~~he or she~~they rendered such public service and by an officer of the retirement system of which ~~he or she was~~they were a member with respect to such service, or must otherwise be established to the satisfaction of the Retirement Board.

SEC. 16.55-3. CONTRIBUTIONS FOR PUBLIC SERVICE CREDIT.

Any member of the Retirement System under Sections A8.509, A8.584 and A8.587 of the Charter, who elects, pursuant to Section 16.55-2, to make contributions and receive credit as miscellaneous City and County service for all or any part of the time ~~he or she was~~ they were in public service, shall contribute to the Retirement Fund an amount equal to the product of:

(a) the monthly compensation earnable by said member on the date ~~he or she~~they make~~s~~ a lump sum payment to purchase the prior public service credit or deliver~~s~~ to the Retirement System a signed installment payment agreement to purchase the prior public service credit, multiplied by

(b) the normal cost percentage of the applicable miscellaneous plan as published in the most recent actuarial valuation adopted by the Retirement Board, multiplied by

(c) the number of months of prior public service being purchased.

(d) In addition, members who make payment by other than lump sum payment shall pay interest on the unpaid balance of the amount payable into the Retirement Fund under this Section, commencing on the date of the member's election to make such contributions, at the rate of interest currently being used from time to time under the Retirement System.

Payment of the contributions required by this Section shall be made in a lump sum or by installment payments. Installment payments shall be made at times and in a manner fixed by the Retirement Board; provided, that the period for completion of such payments shall not exceed five years. All payments required by this Section must be received by the Retirement System before the date the member files the application to retire or the effective date of the member's retirement, whichever is later.

Any member who elects to purchase credit for prior public service by installment payments may, at any time during the period for making such installment payments, complete the purchase by lump sum payment.

Except as prohibited by the Internal Revenue Service, any member who elects to purchase credit for prior public service by installment payments may, at any time prior to completion of payment for such purchase, revoke ~~his or her~~their election. Such revocation shall be in writing and shall be effective only if filed with the Retirement System. Upon such revocation of election, the member shall have the option to receive a refund of all of the contributions which ~~he or she has~~ they have made pursuant to such election or to receive credit for the prior public service purchased up to the date of the revocation. If said member elects to receive a refund, then ~~he or she~~they shall thereafter not have the right to elect to receive credit for the public service which was the subject of said revoked election.

All contributions made pursuant to this Section, and the interest thereon shall be considered to be and shall be administered as contributions of the member; provided that only the share of said contributions representing the member's contributions, including interest, shall ~~he~~be considered when calculating benefits payable pursuant to Sections A8.509(f), A8.584-6 and A8.587-6 of the Charter.

SEC. 16.55-4. CREDIT IN RETIREMENT SYSTEM FOR PUBLIC SERVICE.

Upon completion of payment of contributions in the amount specified in Section 16.55-3, the member shall be credited with miscellaneous City and County service in the amount of public service for which ~~he or she has~~they have elected to receive credit as miscellaneous City and County service pursuant to Section 16.55-2. The miscellaneous City and County service with which the member is so credited shall be credited as current service.

SEC. 16.55-6. RECIPROCAL BENEFITS.

This Section shall extend the following rights in the Retirement System to members of any other public agency retirement system (hereinafter "reciprocal system") which adopts similar reciprocal provisions in their retirement ordinances or plans pursuant to Sections 20042, 20043, 31840.2 and 45310.5 of the Government Code, and who by contract agree to extend the benefits thereof to the Retirement System; provided that such member enters employment and becomes a member under the Retirement System of the reciprocal system within six months of terminating ~~his or her~~their employment under such other reciprocal system or the Retirement System.

(a) Notwithstanding any provisions of the Retirement System or a reciprocal system plan in the matter of vesting, any member subject to Charter Sections 8.509, 8.559, 8.584, 8.585, 8.586 and 8.588 whose movement between systems occurs as herein specified shall have the right to elect to leave ~~his or her~~their accumulated contributions on deposit irrespective of the amount of such contributions or length of service. Interest on said accumulated contributions shall accrue at plan rates. If a member does not vest or qualify for a reciprocal benefit the member shall receive a refund of contributions plus interest.

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(e) A member shall be retired for disability and receive a retirement allowance based on the service credited to ~~him or her~~the member at the time of retirement during any

period in which ~~he or she~~they receive~~s~~ a disability retirement allowance under a reciprocal system; provided, that such allowance shall not exceed an amount which when added to the allowance paid under the reciprocal system equals the allowance which would be paid for a non-service connected disability if all the member's service had been credited under the reciprocal system; and provided further, that such allowance shall in no event be less than an annuity which is the actuarial equivalent of the member's contributions, whether or not the disability is for service connected reasons. The minimum allowance provisions of the City Charter will not be applied if the member has less than 10 years of credited service under the Retirement System. In such a case, the disability allowance paid by the Retirement System shall be based on San Francisco service only.

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SEC. 16.55-7. INTERNAL RECIPROCITY OF PENSION BENEFITS WITHIN THE RETIREMENT SYSTEM.

(a) When Internal Reciprocity Applies. Subject to the provisions of Charter Section 8.500-1, including but not limited to the effective dates therein, when a person ceases to be a member of the Retirement System under Charter Section 8.509, 8.559, 8.584, 8.585, 8.586 or 8.588, or is granted a leave of absence to work in another city position, and then within six months, again becomes a member of the Retirement System under a different set of Charter provisions, this section shall allow such member to receive reciprocal benefits within the Retirement System if the member retires concurrently under all benefit provisions.

(b) Summary of Internal Reciprocity. Reciprocal benefits within the Retirement System shall mean that: (1) all service credit earned within the Retirement System shall be used for qualification purposes, (2) final compensation shall include compensation earned while a member under any set of Charter provisions and (3) pension benefit calculations shall

be prorated based on service credit earned and determined according to the provisions and percentages specified under each set of Charter sections.

(c) Procedures. Notwithstanding any provisions of the Retirement System concerning vesting, on and after April 1, 1993, any member whose movement between different sets of Charter provisions occurs as specified in Paragraph (a), shall have the right to elect on the form specified by the Retirement System to leave ~~his or her~~their accumulated contributions on deposit irrespective of the amount of such contributions or the length of service. Interest on said accumulated contributions shall continue to accrue at plan rates. If the member does not qualify for reciprocal benefits or vest, the member shall receive a refund of contributions plus interest.

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(g) Disability Benefits. When a member is retired for disability, ~~he or she~~they shall receive a disability retirement allowance based on all service credit earned in the retirement system provided that the disability allowance allowed under any earlier set of Charter provisions shall not exceed an amount which when added to the allowance provided under the current set of Charter provisions equals the allowance which would be paid for a nonservice connected disability if all the member's service had been credited under the set of Charter provisions in which the member was last active prior to the effective date of ~~his or her~~their disability retirement. If a member is retired for a service connected disability under Charter Sections 8.559, 8.585, 8.586 or 8.588, then ~~he or she~~they will be entitled to an additional refund or vesting benefit under the provisions of Charter Sections 8.509 or 8.584.

(h) Death Benefits. If an active member, under Charter Sections 8.559, 8.585, 8.586 or 8.588, dies by reason of an industrial injury or illness, then the death benefit may include the refund of the member's accumulated contributions in the Retirement System relating to service credit under Charter Sections 8.509 and 8.584. In all other death cases, the death

benefit shall not exceed an amount which equals the death benefit payable had all reciprocal service been rendered under the plan in which the member was active immediately before the time ~~he or she~~they died.

(i) Interpretation Consistent With PERS. Interpretation of this section shall be made consistent with the Charter Section 8.500-1 and with reference to interpretations that have been made relative to the reciprocal benefit provisions of the Public Employees' Retirement System and The 1937 County Employees' Retirement Act. This section shall apply to members who transfer solely within the Retirement System as described in Paragraph (a) above.

(j) Concurrent Accrual of Benefits Prohibited. With the exception of adult hourly credits, members shall not accrue pension benefits concurrently under Charter Section 8.509, 8.559, 8.584, 8.585, 8.586 or 8.588. For internal reciprocity purposes, a person shall be deemed to be an active member under only the set of Charter provisions as determined by ~~his or her~~their pension contributions at the time of any particular pension event.

Section 2. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

additions, and Board amendment deletions in accordance with the “Note” that appears under the official title of the ordinance.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/_____
KELLY COLLINS
Deputy City Attorney

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