

Myths and Facts

Myth: My final average salary for retirement is calculated on my last two years of salary.

- **FACT:** Your final average salary for retirement is calculated on the 24 highest consecutive months of salary at any time in your career. If you have portability, your benefit is based upon the highest salary in any system.

Myth: Payment for time-card upgrades and longevity pay are excluded from my final average salary for retirement.

- **FACT:** Time-card upgrades and longevity pay are included in your final average salary for retirement.

Myth: I accrue no benefits after obtaining 30 years of service.

- **FACT:** You continue to increase your final average salary, which increases your benefit computation. In addition, the value of your contributions and interest at retirement is doubled at time of retirement and you receive the higher of either the service retirement (age plus years of service) or the twice-the-value benefit.

Myth: I have not been with the City long enough to meet the eligibility requirements for the 2% formula (age 60, 30 years, age 55 + 25 years, or age + service = 80), so my benefit will be substantially reduced.

- **FACT:** You are eligible to retire at any time you meet the eligibility requirements including those for a reduced retirement. The value of your contributions and interest at retirement is doubled at time of retirement and you receive the higher of either the service retirement or the twice-the-value benefit.

Myth: If I elect the 50% or 100% joint-and-survivor option at retirement and my spouse dies before me, my benefit remains reduced.

- **FACT:** If you elect the 50% or 100% joint-and-survivor option at retirement and your spouse dies before you, your benefit will “pop-up” to the original or unmodified benefit.

Myth: If I purchase years of service and then die shortly after retirement, my beneficiaries do not receive a portion of the money that was used to purchase the years of service.

- **FACT:** At time of retirement, you may elect a beneficiary or survivor option that continues to provide a benefit to your beneficiaries.

Myth: The 50% (Option D) and 100% (Option F) options are only available as spouse options.

- **FACT:** Option F provides a 50% and 100% option for a non-spouse.

Myth: I must resign in “good standing” to retire.

- **FACT:** Your retirement benefits are a vested right. You will receive your retirement benefits regardless of your standing with the City.

Please send your thoughts to the Retirement Office on more "Myths and Facts"!