

Before and After Pension Reform – Side by Side Comparison¹

(Some Areas Impacted by 2012 Pension Reform)



January 1, 2013²

	Before Pension Reform	After Pension Reform	
	Actively Working Members	Actively Working Members	New Members
Sick Leave Hours – Conversion To Service Credit	½ of accrued, unused hours are converted to service credit. Maximum is generally 125 sick days (so 62.5 days service credit), but depends on MOU.	No change	No change
Sick Leave Hours – Cash Out (Limited to Sheriff Dept.)	When 20% of the unused accrued sick leave is cashed out, ACERA includes this compensation for up to 104 hours for Tier I and up to 200 hours for Tier II in calculation of Final Average Salary.	No longer available	No longer available
Vacation Hours – Sell/Sell Back	Hours paid during Final Average Salary period are included in calculation of retirement allowance. In combination with Vacation Payoff, the maximum includable is the amount of vacation earned over 1 year (Tiers I and III) or 3 year (Tier II) Final Average Salary period.	ACERA will include hours earned and payable (and actually paid) during the Final Average Salary Period (i.e., Vacation Sell/Sellback) in calculation of retirement allowance. Maximum sell (in combination with Vacation Payoff) depends on MOU. More info here.	No longer available
Vacation Hours – Payoff At Termination	Hours paid at retirement (up to 2x annual accrual) are included in calculation of retirement allowance if highest salary period is at end of career. In combination with Vacation Sell/Sellback, the maximum includable is the amount of vacation earned over 1 year (Tiers I and III) or 3 year (Tier II) Final Average Salary period.	Will include hours earned and payable but not taken, in calculation of retirement allowance if highest salary period is at end of career. Maximum payoff in combination with Vacation Sell is limited to amount that may be sold during final average salary period, not to exceed what can be earned. More info here.	No longer available
Cap on Total “Compensation Earnable” Included in Final Average Salary	In 2012, the limit on the amount of compensation used to calculate retirement benefit was limited by IRS 401(a) (17) limit—\$250,000 (\$255,000 for 2013)	No change	Capped by Social Security Taxable Earnings (i.e., 2013: approx. \$113,700 for general members, and approx. \$136,440 for safety members)

¹ Deferred members should contact ACERA at info@acera.org or 1-800-838-1932 to discuss applicability of 2013 Pension Reform to the membership status.

² Implementation of salary items is pending court decision. Effective date may be later than January 1, 2013