

[Regulating the conditions for purchasing prior public service credit through the Retirement System.]

Ordinance amending Administrative Code Sections 16.55-1 through 16.55-4 and 16.61-5 to allow miscellaneous members of the San Francisco Employees' Retirement System to purchase credit for prior public service at any time before retirement, to require the Retirement System to calculate the cost to purchase that service credit based on the normal cost percentage for that service as determined by the actuary, to require the member to pay for all of the normal cost for the service credit, to allow eligible members to choose to receive prorated service credit if they terminate an installment agreement to purchase prior public service, to allow the Retirement System to accept rollovers to pay for public service purchases, and to conform to changes in the applicable law and Retirement System practices.

Note: Additions are single-underline italics Times New Roman; deletions are ~~strikethrough italics Times New Roman~~. Board amendment additions are double underlined. Board amendment deletions are ~~strikethrough normal~~.

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

Section 1. The San Francisco Administrative Code is hereby amended by amending Sections 16.55-1 through 16.55-4 and 16.61-5, to read as follows:

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

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

- (a) Civilian service rendered as an employee or officer of an agency of the government of the United States;
- (b) Civilian service rendered as an employee or officer of the State of California; and

1 (c) Service rendered as an employee or officer of a public agency in the  
2 State of California which, with respect to such service, ~~maintains~~maintained a locally  
3 administered ~~retirement system~~ defined benefit plan or ~~is was~~ entitled to participate in the Public  
4 Employees' Retirement System of the State of California under a contract between such  
5 public agency and the Public Employees' Retirement System.

6 For the purposes of this Section, a person shall be considered as being in public  
7 service only while he or she was ~~is~~ receiving compensation from the public agency of which he  
8 or she was ~~is~~ an employee or officer.

9 "Public service," as used herein, does not include service as defined in Subdivisions  
10 (a), (b) or (c) of this Section with respect to which a person became a member of any other  
11 retirement system supported wholly or in part by public funds and with respect to which he or  
12 she continues to receive credit in such other system or with respect to which he or she is  
13 entitled to receive a retirement allowance under such other system.

14 SECTION 16.55-2. ELECTION TO CONTRIBUTE AND RECEIVE CREDIT FOR  
15 PUBLIC SERVICE.

16 Any member of the Retirement System under Sections A.8.509, A8.584 or A8.587 of the  
17 Charter who was in public service prior to becoming a member of this ~~#Retirement s~~System  
18 shall have the right to elect to make contributions pursuant to Section 16.55-3 of this Code  
19 and to receive credit in this system as miscellaneous City and County service for all or any part  
20 of the time he or she was in such public service; provided, that a member so electing must  
21 elect to receive credit for no less than six months of such public service or all of his or her  
22 public service where the total period of his or her public service is less than six months.

23 Said election shall be made in writing on a form provided by the Retirement System.  
24 Said election may be made ~~only during the period commencing August 1st and ending October 31st~~

1           ~~of each year; provided, however, that a member may make such election at any time during the~~  
2 ~~90 days immediately preceding before the date he or she files the application to retire or the~~ effective  
3 date of his or her retirement, whichever is later.

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

10           SECTION 16.55-3. CONTRIBUTIONS FOR PUBLIC SERVICE CREDIT.

11           Any member of the Retirement System under Sections A.8.509, A8.584 and A8.587 of  
12 the Charter, who elects, pursuant to Section 16.55-2 to make contributions and receive credit  
13 as miscellaneous City and County service for all or any part of the time he or she was in public  
14 service, shall contribute to the Retirement Fund an amount equal to the sum product of:

15           ~~(a) — Contributions computed by applying the rate of contribution applicable to him~~  
16 ~~on the date he elected to receive credit for such service to the monthly compensation earnable by him~~  
17 ~~on said date multiplied by the number of months of public service for which he has elected to receive~~  
18 ~~credit as City and County service;~~

19           ~~(b) — Contributions computed by applying the City and County's rate of contribution~~  
20 ~~with respect to members under Section 8.509 on the date of such election to the monthly compensation~~  
21 ~~earnable by such member on said date multiplied by the number of months of public service for which~~  
22 ~~he has elected to receive credit as City and County service;~~

23           ~~(c) — With respect to public service rendered on and after July 1, 1969, contributions~~  
24 ~~computed by applying to the monthly compensation earnable by such member on the date the elects to~~

1 ~~receive credit for such service the rates of contribution required by Section 8.526(B) of members under~~  
2 ~~Section 8.509 of the Charter if he had been a member of this system at the time he rendered such public~~  
3 ~~service multiplied by the number of months of public service rendered on and after July 1, 1969, for~~  
4 ~~which he has elected to receive credit as City and County service;~~

5 ~~(d) With respect to public service rendered on and after July 1, 1969, contributions~~  
6 ~~computed by applying to the monthly compensation earnable by such member on the date he elects to~~  
7 ~~receive credit for such service the rates of contribution required of the City and County by Section~~  
8 ~~8.526(B) of the Charter if he had been a member of this system at the time he rendered such public~~  
9 ~~service multiplied by the number of months of public service rendered on and after July 1, 1969, for~~  
10 ~~which he has elected to receive credit as City and County service; and~~

11 ~~(a) the monthly compensation earnable by said member on the date he or she makes~~  
12 ~~a lump sum payment to purchase the prior public service credit or delivers to the Retirement System a~~  
13 ~~signed installment payment agreement to purchase the prior public service credit, multiplied by~~

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

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

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

22 Payment of the contributions required by this Section shall be made in a lump sum or  
23 by installment payments ~~over a period equal to the length of time for which the member has elected~~  
24 ~~to receive credit for such public service.~~ Installment payments shall be made at times and in a  
25

1 manner fixed by the Retirement Board; provided, that the period for completion of such  
2 payments shall not exceed five years. All payments required by this Section must be received by  
3 the Retirement System before the date the member files the application to retire or nor extend beyond  
4 the effective date of the member's retirement, whichever is later.

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

8 Except as prohibited by the Internal Revenue Service, Any member who elects to make such  
9 contributions purchase credit for prior public service by installment payments may, at any time  
10 prior to completion of payment ~~of such contributions for such purchase~~, revoke his or her election  
11 ~~to make such contributions and to receive such credit in this system as City and County service for time~~  
12 ~~during which he was in public service.~~ Such revocation shall be in writing and shall be effective  
13 only if filed with the Retirement System. Upon such revocation of election, the Retirement  
14 System member shall have the option to receive a refund to the member of all of the contributions  
15 which he or she has made pursuant to such election or to receive credit for the prior public  
16 service purchased up to the date of the revocation. If said member elects to receive a refund, then he  
17 or she and said member shall thereafter not have the right to elect to receive credit for the  
18 public service which was the subject of said revoked election.

19 All contributions made pursuant to this Section, ~~except those made pursuant to Subdivisions~~  
20 ~~(e) and (d) of this Section,~~ and the interest thereon shall be considered to be and shall be  
21 administered as contributions of the ~~member made pursuant to Section 8.526 of the Charter;~~  
22 provided that only the share of said contributions representing the member's contributions, including  
23 interest, shall be considered when calculating benefits payable pursuant to Sections A8.509(f),  
24 A8.584-6 and A8.587-6 of the Charter.

1 SECTION 16.55-4. CREDIT IN RETIREMENT SYSTEM FOR PUBLIC SERVICE.

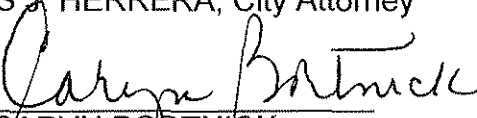
2 Upon completion of payment of contributions in the amount specified in Section 16.55-  
3 3, the member shall be credited with miscellaneous City and County service in the amount of  
4 public service for which he or she has elected to receive credit as miscellaneous City and  
5 County service pursuant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

7 SECTION 16.61-5. ACCEPTANCE OF ROLLOVERS AND TRANSFERS

8 The Retirement System shall accept rollovers from eligible retirement plans as defined  
9 in Internal Revenue Code Section 402(c)(8)(B) and transfers from Code Section 457 and  
10 403(b) plans to the extent permitted by 401(a), as payment for redeposits, shortages and prior  
11 service buy-backs, including but not limited to prior public service, temporary service, military  
12 service and representative service.

13 The Retirement Board may adopt such rules and forms as may be necessary to  
14 implement the provisions of this section and to ensure conformity with Federal and State laws.

15  
16  
17  
18 APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

19 By:   
20 CARYN BORTNICK  
21 Deputy City Attorney



# City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

## Tails

## Ordinance

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**File Number:** 080379

**Date Passed:** August 22, 2008

Ordinance amending Administrative Code Sections 16.55-1 through 16.55-4 and 16.61-5 to allow miscellaneous members of the San Francisco Employees' Retirement System to purchase credit for prior public service at any time before retirement, to require the Retirement System to calculate the cost to purchase that service credit based on the normal cost percentage for that service as determined by the actuary, to require the member to pay for all of the normal cost for the service credit, to allow eligible members to choose to receive prorated service credit if they terminate an installment agreement to purchase prior public service, to allow the Retirement System to accept rollovers to pay for public service purchases, and to conform to changes in the applicable law and Retirement System practices.

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October 21, 2008 Board of Supervisors — SUBSTITUTED

November 25, 2008 Board of Supervisors — PASSED ON FIRST READING

Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell,  
McGoldrick, Mirkarimi, Peskin, Sandoval

December 9, 2008 Board of Supervisors — FINALLY PASSED

Ayes: 11 - Alioto-Pier, Campos, Chu, Daly, Dufty, Elsbernd, Maxwell,  
McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 080379

I hereby certify that the foregoing Ordinance  
was **FINALLY PASSED** on December 9,  
2008 by the Board of Supervisors of the City  
and County of San Francisco.



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Angela Calvillo  
Clerk of the Board

12/16/2008

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Date Approved



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Mayor Gavin Newsom