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.

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
(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 retirement system defined benefit plan or is 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.

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

"Public service," as used herein, does not include service as defined in Subdivisions (a), (b) or (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 continues to receive credit in such other system or with respect to which he or she is entitled to receive a retirement allowance under such other system.

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

Any member of the Retirement System under Sections A.8.509, A.8.584 or A.8.587 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 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 public service where the total period of his or her 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 only during the period commencing August 1st and ending October 31st.
of each year; provided, however, that a member may make such election at any time during the
90 days immediately preceding before the date he or she files the application to retire or the effective
date of his or her 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 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
rendered such public service or of and by an officer of the retirement system of which he or she
was a member with respect to such service, or must otherwise be established to the
satisfaction of the Retirement Board.

SECTION 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 in public
service, shall contribute to the Retirement Fund an amount equal to the sum product of:

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

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

(c) — With respect to public service rendered on and after July 1, 1969, contributions
computed by applying to the monthly compensation earnable by such member on the date he elects to
receive credit for such service the rates of contribution required by Section 8.526(B) of members under Section 8.509 of the Charter if he had been a member of this system at the time he rendered such public service multiplied by the number of months of public service rendered on and after July 1, 1969, for which he has elected to receive credit as City and County service;

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

(a) the monthly compensation earnable by said member on the date he or she makes a lump sum payment to purchase the prior public service credit or delivers 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.

(e) In the case of 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 over a period equal to the length of time for which the member has elected to receive credit for such public service. 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 extend beyond the effective date of the member’s retirement, whichever is later.*

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

*Except as prohibited by the Internal Revenue Service,* any member who elects to *make such contributions* *purchase credit for prior public service* by installment payments may, at any time prior to completion of payment of such contributions for such purchase, revoke his or her election to *make such contributions and to receive such credit in this system as City and County service for time during which he was in public service.* Such revocation shall be in writing and shall be effective only if filed with the Retirement System. Upon such revocation of election, the Retirement System member shall *have the option to receive a refund to the member of all of the contributions which he or she has 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 and said member 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, *except those made pursuant to Subdivisions (e) and (d) of this Section,* and the interest thereon shall be considered to be and shall be administered as contributions of the *member-made pursuant to Section 8.526 of the Charter,* provided that only the share of said contributions representing the member’s contributions, including interest, shall be considered when calculating benefits payable pursuant to Sections A8.509(f), A8.584-6 and A8.587-6 of the Charter.
SECTION 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 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.

SECTION 16.61-5. ACCEPTANCE OF ROLLOVERS AND TRANSFERS

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

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

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: CARYN BORTNICK
Deputy City Attorney
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.

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
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.

Angela Calvillo
Clerk of the Board

12/16/2008
Date Approved

Mayor Gavin Newsom