

# Minimum Age for Non-Contract Retirement

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## Summary of Policy

Through the Public Transportation Services Corporation, most Non-Contract employees began accruing retirement benefits under CalPERS on August 10, 1997. Employees who had also accrued retirement benefits under the Non-Contract Retirement Income Plan (hereafter, Plan) are entitled to receive two separate pensions, one from CalPERS and one from the agency. This policy establishes age parity between the two plans and amends the frozen sick leave conversion benefit.

Certain reciprocal retirement benefits, including the calculation of final compensation, are contingent on the employee retiring simultaneously from CalPERS (or other public retirement systems) and the agency's Plan.

The minimum retirement age for employees who are covered by the Non-Contract Employees Retirement Income Plan is now 50 years. The age requirement for the frozen sick leave conversion benefit is also 50 years with a prorated scale beginning at 50% at age 50, up to the previously adopted policy of 75% at age 55.

## Historical Perspective

With the creation of the Public Transportation Services Corporation (PTSC), employees who were covered by the agency's Plan had the option to join the California Public Employees Retirement System (CalPERS) in August 1997 and most employees exercised that option. The minimum age requirement for the agency Plan was lowered to fifty years in order to make it consistent with CalPERS and to allow the calculation of reciprocity benefits under both retirement systems to operate consistently. Before this change, the disparity in minimum

retirement ages created problems for employees who wished to retire between ages 50 and 55 under CalPERS.

Under previously adopted policy, Frozen Sick Leave accrued before 1995 can be converted to Time Off With Pay hours at age 55 at a rate of 75% and then be "cashed out" in accordance with Time Off With Pay policy. By reducing the minimum age for the Sick Leave Conversion benefit to age 50 at a rate of 50% and prorating up to the full benefit of 75% at age 55, this change is approximately cost neutral on a present value basis.

## Last Board Action

June 25, 1998 – Minimum Age for Non-Contract Retirement

The Board approved on consent calendar as amended to be effective June 1, 1998:

- A. an amendment to the Los Angeles County Metropolitan Transportation Authority Non-Contract Employees Retirement Income Plan (Plan) to reduce the minimum age for retirement from 55 to 50.
- B. a reduction in the age requirement for the Sick Leave Conversion benefit from 55 to 50 when an employee retires as described below and to include no reduction of frozen sick leave pay below 75% for employees with at least 30 years of service.
- C. 

Age	Benefit
55	75% (current policy)
54	70% upon retirement
53	65% upon retirement
52	60% upon retirement
51	55% upon retirement
50	50% upon retirement

as amended to the Los Angeles County Metropolitan Transportation Authority Non-Contract Employees Retirement

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Income Plan to reduce the minimum age for retirement from 55 to 50.