



San Diego County Employees
Retirement Association

Alameda Case Update

The information below only applies to active Tier I, Tier A and Tier B members. It does not affect members who retired prior to January 29, 2021 or Tier C or Tier D members.

On July 30, 2020, the California Supreme Court upheld changes to the definition of “compensation earnable” enacted by the California Legislature as part of the Public Employees’ Pension Reform Act of 2013. Compensation earnable is the legal term for compensation that is used to calculate SDCERA pension benefits for Tier I, Tier A and Tier B members.

As a result of the decision in *Alameda County Deputy Sheriffs Association v Alameda County Employees Retirement Association* (“Alameda”), SDCERA and the County of San Diego undertook a review of all compensation considered compensation earnable, or pensionable. Based on that review, SDCERA’s Board of Retirement has determined that three earn codes previously considered pensionable are recognition awards that are properly excludable from the definition of compensation earnable and will be excluded as of January 29, 2021. These three earn codes are WIP (Wellness Incentive Program), AWD (Recognition Award) and CAW (CAO Recognition Award). SDCERA does not expect to take any additional actions as a result of the *Alameda* decision.

This determination will be applied prospectively meaning that the Board’s action will not affect any current retirees or members who received such compensation prior to January 29, 2021. Active SDCERA members may still receive compensation for these recognition awards but this compensation will not be used to calculate SDCERA benefits and neither the employee nor the employer will pay contributions to SDCERA on that compensation.

This determination does not affect current retirees. It only applies to active or deferred members in Tiers I, A, or B. Members in Tiers C and D are not affected because the compensation associated with the WIP, AWD and CAW earn codes was already excluded from pensionable earnings for those tiers.

If you have questions, please contact SDCERA’s Member Service Center at mssc@sdcera.org or 619.515.6800.