



Retirement Simplified



Retirement Income You Can Count On

Often referred to as the foundation for secure retirement, defined benefit plans like ACERA are intended to serve as a stable and reliable source of income. Defined-benefit plans differ from defined contribution plans such as a 401(k) or 457(b) where your amount in retirement is based on how much you have invested as well as the performance of those investments. By contrast, defined-benefit plans promise a lifetime retirement benefit not based on your contributions, but rather on your age at retirement, years of service, and compensation.

How Much Retirement Income Are We Talking About?

For example, let's say you work 30 years and retire at the age of 62 with a final average compensation of \$6,000 per month. In this case, an ACERA defined-benefit would provide 60% of your final average compensation as a lifetime monthly allowance equaling \$3,600 per month in retirement with continuance options for your beneficiary when you pass away.¹ Of course, the more years of service, the higher your salary, and/or the older you are at retirement, the higher your monthly benefit amount.²

Age	62
Service	30 _{years}
Salary	\$6,000 _{month}



Benefit	60% of salary
	\$3,600 _{month}

Try more scenarios at [acera.org/wms](https://www.acera.org/wms)

¹ Benefit example applies to General Tier 4 members. Other tiers provide higher retirement amounts in this scenario.

² Benefits contain limits. [acera.org/limits](https://www.acera.org/limits)

ACERA Membership Has Amazing Advantages

In addition to the promise of a lifetime monthly benefit, defined-benefit plans offer many advantages:



Predictability

Whether retirement is 1, 10, or 30 years away, you can estimate your benefit in advance and develop a budget and plans for life in retirement.

acera.org/get-estimate



Reduced Investment Risk and Professional Management

Members' contributions (and the employer's) are pooled together. This increases efficiency, reduces fees, lowers risk, and diversifies investments. These investments are managed by professional investment staff and outside experts, so you don't bear the burden of investment decisions.

acera.org/investments



Inflation Protection

ACERA's defined-benefit plan offers annual cost-of-living increases to offset the loss of purchasing power due to inflation.

acera.org/cola



Survivor Benefits

Several death benefit options exist for qualified beneficiaries both while you are employed and while in retirement. Options may include a lifetime continuance for your beneficiary.

acera.org/death

What Can You Do Now to Plan For Retirement?

- Purchase service credit, if applicable
- Estimate your future retirement
- Learn about saving more toward retirement
- Start a 457(b) account to save extra money
- Review your beneficiary designation
- Sign up for ACERA news
- Attend a retirement planning seminar
- Contact us with your questions

acera.org/service

acera.org/wms

acera.org/start-here

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Your Good Fortune

The opportunity to participate in a defined-benefit plan is truly good fortune. As ACERA members, you can expect that we will continue to serve as the foundation for secure retirement.

