Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 11C

MEETING DATE: **August 19, 2026**

SUBJECT: **Service Credit Policy**

SUBMITTED FOR: **__X__ Action** **____ Information**

RECOMMENDATION

Re-affirm the Service Credit Policy with no amendments.

PURPOSE/STRATEGIC PRIORITY

This item complies with Government Code statutes and SCERS bylaws regarding service credit.

DISCUSSION

In April 2019, the Board approved the final Service Credit Policy to establish that service credit cannot exceed one (1) year in a 12-month period. The policy superseded the Board action of August 19, 1999, that authorized additional service credit for 7/12 schedules, and applied to any alternate schedule, for service accrued on or after April 28, 2019. Following the Board's adoption of the policy, the Sacramento County Deputy Sheriffs' Association (DSA) filed a lawsuit against SCERS related to this and other policies that clarified how pensions are calculated. In June 2023, the Sacramento County Superior Court issued a final ruling in *Sacramento County DSA v. SCERS, et al.*, resolving all disputed issues in SCERS' favor.

The Board last re-affirmed the policy in October 2023 with a minor amendment deleting references to planned pension administration system methodology changes that were never implemented. Pursuant to SCERS' practice of reviewing and refreshing policies approximately every three years, Staff has re-evaluated the policy to consider whether any amendments are necessary due to legal changes or practical experience. No changes are recommended.

ATTACHMENTS

- Board Order
- Service Credit Policy

Prepared by:

/S/

Keith Riddle
Chief Benefit Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer

Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
August 19, 2026

AGENDA ITEM:

Service Credit Policy

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to re-affirm the Service Credit Policy with no amendments.

I HEREBY CERTIFY that the above order was passed and adopted on August 19, 2026 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

____
Chris Giboney
Board President

____
Eric Stern
Chief Executive Officer and
Board Secretary

SERVICE CREDIT POLICY

PURPOSE

The purpose of this policy is to establish that service credit cannot exceed one (1) year in a 12-month period.

POLICY

The number of hours worked by SCERS members during a normal/scheduled workweek varies by different job classification, bargaining unit, and/or worksite. Regardless, the service credit accrued or available for a normal, scheduled workweek is referred to as “regular service” and excludes overtime. One (1) year of service credit shall reflect the regular, full-time hours worked under a particular work schedule for that year. Service credit cannot exceed one (1) year in a single calendar year or other 12-month period.

EFFECTIVE DATE

Beginning with the pay period commencing on or after April 28, 2019, SCERS will limit service credit to one (1) year in a 12-month period.

APPLICATION

Regular service at SCERS is benchmarked to a standard schedule of 40 hours per week, or 80 hours per biweekly pay period. Accordingly, those members who work a standard schedule can expect to accrue one year of service credit by working 40 hours per week for 52 weeks (and making all the contributions required of full-time employees).

Members who work any full-time, alternate schedule that is more or less than 40 hours per week can also expect to accrue one year of service credit by working that alternate schedule for 52 weeks (and making all the contributions required of full-time employees).

For example, members who work a 7/12 schedule (the equivalent of 84 hours per biweekly pay period) can accrue one year of service credit by working that schedule for 52 weeks. Service credit under the 7/12 schedule cannot exceed one (1) year.

If a member works a full-time, standard schedule for part of a year and also works a full-time, alternate schedule for the other part of year, the member will receive one (1) year of service credit.

After this policy is adopted by the Board of Retirement and goes into effect, SCERS will not allow or recognize service accruals in excess of one (1) year for any calendar year or other 12-month period.

BACKGROUND

In accordance with Board policy adopted in August 1999, SCERS has been crediting additional service to members who work under a 7/12 schedule. Under the policy, these members have been able to earn more than one year of service credit for each year of service. The SCERS Board has concluded that this administrative practice should be discontinued prospectively. This policy supersedes the Board action on August 19, 1999, that authorized additional service credit for 7/12 schedules, and applies to any alternate schedule, for service accrued on or after April 28, 2019.

RESPONSIBILITIES

Executive Owner: Chief Benefits Officer

POLICY HISTORY

Date	Description
08/19/2026	Board re-affirmed policy
10/18/2023	Board amended policy
04/15/2020	Board approved amendment to policy.
05/14/2019	Typo corrected in Background section regarding effective date.
04/17/2019	Board approved final policy.
11/05/2018	Board approved Discussion Draft for comment.
08/19/1999	Board approved Agenda Item 8.