



Understanding Your FAC

One factor used to calculate your monthly VCERA benefit is your monthly final average compensation (FAC), which is the monthly average of your highest consecutive 12 months or 36 months of retirement earnings. The pay items included in FAC and the duration of the FAC period are based on your retirement benefit tier.

Measurement Period

The 12-month or 36-month period in which FAC is earned.

PEPRA

The California Public Employees' Pension Reform Act of 2013.

PEPRA Member

A member who joined VCERA or a reciprocal retirement system on or after 1/1/2013.

Legacy Member

A member who joined VCERA or a reciprocal retirement system prior to 1/1/2013.

Compensation Earnable & Pensionable Compensation

Includes base pay and pay items defined in Government Codes §31461 and §7522.34 respectively.

Benefit Tiers

VCERA assigns a retirement benefit tier to each member according to membership type and hire date. VCERA's benefit tiers use either a 12-month or 36-month measurement period to calculate FAC.

Safety Tier 1 and General Tier 1: Highest 12 consecutive months (26 pay periods) of compensation earnable.

All other tiers: Highest 36 consecutive months (78 pay periods) of compensation earnable for Legacy members or pensionable compensation for PEPRA members.

FAC Limits

Your FAC may differ from the amounts you were actually paid because certain pay items do not qualify as compensation earnable or pensionable compensation. For example, unscheduled overtime is excluded from FAC. Generally, PEPRA members have fewer pay items included in FAC.

Federal and State laws place annual limits on the compensation that can be used to calculate a person's retirement benefit. The limits are different for Legacy and PEPRA members.

VCERA's online pension calculators are adjusted to incorporate the effects of Social Security Integration for General Tier 1 and Tier 2 members. For more information on both compensation limits and Social Security integration, visit www.vcera.org/members/active-members/contributions.

Vacation/Annual Leave Redemption

For Legacy members only, leave redemptions made during active service are included in pensionable compensation (or compensation earnable) and in final average compensation (FAC), up to a certain limit. When leave redemptions occur in a Legacy member's FAC measurement period, they are included in the retirement benefit calculation and can result in a higher benefit than members would have received without having redeemed leave.

For PEPRA members, leave redemptions are not pensionable and will not increase their retirement benefits.

For more information, contact VCERA to speak with a Benefits Specialist.