

**CITY OF SAN JOSÉ**  
**FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM**  
**SUMMARY OF DISABILITY RETIREMENT PENSION BENEFITS**

Type	Tier	Minimum Service	Minimum Pension Benefit	Additional Pension Benefit	Tax Treatment
Service Connected Disability	<b>Tier 1 &amp; Tier 1 Classic</b> <i>(hired before 9/30/12)</i>	None	<ul style="list-style-type: none"> <li>• 40% of Final Comp.</li> <li>• Not based on years of service.</li> <li>• Equivalent to 16 years of service.</li> </ul>	2.5% x Years of Service in Excess of 16 (max 75%).	Minimum benefit is tax-exempt. Additional benefit is taxable.
	<b>Tier 2A</b> <i>(hired 9/30/12-9/27/13)</i>		<ul style="list-style-type: none"> <li>• 40% of Final Comp.</li> <li>• Not based on years of service.</li> <li>• Equivalent to 20 years of service.</li> </ul>	2.0% x Years of Service in Excess of 20 (max 70%).	
	<b>Tier 2B</b> <i>(hired after 9/27/13)</i>		<ul style="list-style-type: none"> <li>• 40% of Final Comp.</li> <li>• Not based on years of service.</li> <li>• Equivalent to 20 years of service.</li> </ul>	2.0% x Years of Service in Excess of 20 (max 70%).	
Non-Service Connected Disability	<b>Tier 1 &amp; Tier 1 Classic</b> <i>(hired before 9/1/98)</i>	5 Years	<ul style="list-style-type: none"> <li>• 40% of Final Comp.</li> <li>• Not based on years of service.</li> <li>• Equivalent to 16 years of service.</li> </ul>	<ul style="list-style-type: none"> <li>• 2.5% x Years of Service in Excess of 16 (max 75%).</li> <li>• Reduced 0.5% for each year under age 55.</li> </ul>	No tax exemption. Benefit is fully taxable.
	<b>Tier 1 &amp; Tier 1 Classic</b> <i>(hired 9/1/98-9/30/12)</i>		<ul style="list-style-type: none"> <li>• 20% of Final Comp.</li> <li>• Not based on years of service.</li> <li>• Equivalent to 10 years of service.</li> </ul>	<ul style="list-style-type: none"> <li>• 2.0% x Years of Service for Each Year Over 6 but less than 16.</li> <li>• 2.5% for Each Year in Excess of 16 (max 75%).</li> </ul>	
	<b>Tier 2</b> <i>(hired after 9/30/12)</i>		<ul style="list-style-type: none"> <li>• 20% of Final Comp.</li> <li>• Not based on years of service.</li> <li>• Equivalent to 10 years of service.</li> </ul>	2.0% x Years of Service in Excess of 10 (max 70%)	