



Memorandum

TO: Police and Fire Department Retirement Plan Board of Administration **FROM:** David Lisenbee

SUBJECT: Reciprocal Disability Retirement **DATE:** July 29, 2021
Nicholas Kluka

Approved *Barbara Hayman*

Date
7/29/2021

BACKGROUND

Nicholas Kluka is a 48 year old deferred vested member of the Police and Fire Department Retirement Plan with 2.95149 years of San José service. Mr. Kluka became a police officer and a member of the Retirement Plan on 10/20/1997 and resigned on 03/9/2001. He maintained membership by claiming reciprocity. He has been approved for an Industrial Disability Retirement from the California Public Employees' Retirement System (CALPERS) effective 05/5/2021. Consequently, he has also applied for a Reciprocal Deferred Vested Retirement allowance from the City of San Jose effective 5/5/2021.

ANALYSIS

San José Municipal Code (SJMC) Section 3.36.3020(E) states that a member shall be retired for disability and receive a retirement allowance based on the service credited to the member at the time of retirement **during any period in which the member receives a disability retirement allowance under a reciprocal system, subject to the following limitations:**

1. Such allowance shall not exceed an amount which when added to the allowance paid under the reciprocal system equals the allowance which would be paid for a nonservice-connected (nonindustrial) disability if all the member's service had been credited under the reciprocal system; and
2. Such allowance shall in no event be less than an annuity which is the actuarial equivalent of the member's contributions plus interest accumulated thereon at the rate of two percent per annum calculated as of the retirement date, whether or not the disability is for service-connected (industrial) reasons.

Mr. Kluka received an Industrial Disability retirement from CALPERS, effective 5/5/2021. Staff has verified that the allowance to Mr. Kluka will meet the limitations set forth in the SJMC. SJMC Section 3.36.3020(E) provides that Mr. Kluka be retired for disability from the Police and Fire Retirement Plan since he has received a disability retirement from a reciprocal system. Consequently, the Board is not required to review medical evidence of disability and may approve Mr. Kluka's request for payment of a Non-Service-Connected disability retirement allowance. The disability retirement should be effective 5/5/2021.

David Lisenbee

David Lisenbee
Benefits Analyst