



Earnings Categories

Tier C and Tier D

Final average compensation (FAC) for Tier C and Tier D members is based on earnings that are considered “pensionable compensation.” Pensionable compensation includes earnings that are a part of your normal monthly rate of pay. This includes your base pay and earnings that are included in each pay period, such as bilingual pay, locked facility premium, armed unit differential and transcribing allowance.

The following earnings categories are excluded by law and will not be used to calculate your FAC:

- Nightshift premium pay
- Any compensation determined by the Board of Retirement to have been paid to increase a member’s retirement benefit
- Compensation that had previously been paid in kind, which was converted to and received by the member in cash
- Any bonus or one-time or ad hoc payments, such as recognition awards
- Severance or other payment in connection with separation from employment, but is paid while the member is still employed
- Payments for unused vacation, annual leave, personal leave or compensatory time
- Payment for work outside of normal working hours, such as overtime
- Employer-provided allowances, such as uniform and car allowances
- Employer-provided reimbursements
- Employer contributions to deferred compensation or defined contribution plans

Contact your payroll representative to confirm the earnings categories you are receiving. To verify which of your earnings categories are included in your retirement benefit calculation, contact the SDCERA Member Service Center at 619.515.6800.