

CLARIFICATION OF SETTLEMENT TERMS

Corbett, et al v. City Employees' Retirement System, et al, Case # 722449

The terms of the settlement agreement as set forth in the "Notice of Proposed Settlement of Class Action," filed April 4, 2000, are clarified as follows:

1. **Supplemental COLA.** Payments made under the *Corbett* settlement will not reduce the supplemental cost of living increase given to eligible SDCERS retirees.

2. **Reciprocity Agreements.** The settlement affects only the retirement benefits to be paid by SDCERS to a class member. If a class member receives (either now or in the future) retirement benefits from both SDCERS and from some other reciprocating body, the increased retirement benefits resulting from the *Corbett* settlement apply to the benefits to be paid by SDCERS, but not to the benefits to be paid by any other reciprocating entity which is not a party to the settlement. Similarly, the settlement affects only the contribution rates of class members related to their employment with the City, and not with any other reciprocating entity.

3. **General Member Retirement Calculation Factors Starting at Age 55.** The exact steps for increasing the Retirement Calculation Factor from 2.25% at age 55 up to 2.55% at age 65 and all subsequent years which general members may elect at the time of retirement are as follows:

Age	Retirement Calculation Factor
55-59	2.25%
60	2.3%
61	2.35%
62	2.4%
63	2.45%
64	2.5%
≥65	2.55%

4. **Estimated Dates for Contingent Payments.** The contingent payments to class members who are retired as of June 30, 2000, and the contingent payments to DROP participants for the period prior to July 1, 2000 will be made "in approximately November" of the applicable year, as opposed to "in approximately October."

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5. **Costs and Attorneys' Fees.** Costs and attorneys' fees in the total amount of \$1.2 million are to be paid by the City and SDCERS to counsel for the plaintiff sub-classes.