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Foothill-De Anza Faculty Association

Date: August 29, 2018
To: Eligible Faculty Employees
From: Kathy Perino, FA Chief Negotiator
Tim Shively, FA President
Subject: District offer of Supplemental Retirement Plan

The Faculty Association welcomes the decision by the Board of Trustees to offer a Supplemental Retirement Plan (SRP) as part of an overall budget reduction strategy for our District. We believe the SRP is a robust offer that will be attractive to many faculty who are close to retirement.

After the Board passed the resolution to offer the SRP, FA began negotiations related to contract implications for eligible faculty who ultimately decide to participate in the SRP. We have agreement, documented in the attached MOU, on the implications of SRP participation on Professional Development Leave participants, Health Benefits Implications, Post-Retirement or Post-Resignation employment rights, etc.

We encourage you review the attached MOU along with the full SRP information packet. In addition, we encourage anyone who is interested in participating to consult with a retirement system (STRS or PERS) representative as soon as possible.

Please plan to attend one of the scheduled orientation sessions, which will include a presentation by PARS covering the plan details followed by a session with Faculty Association representatives. FA will be present to answer any contract or MOU related questions.

The decision to participate and/or retire is a personal one. FA is here to help clarify any questions you may have and direct you to the appropriate help if the question is best answered by someone else.

Questions?

Contact PARS representatives regarding plan details:
(800) 731-7884 or plansupport@pars.org

Contact FA regarding contract or MOU language:
(650) 949- 7544 or fakathy@fafhda.org

MEMORANDUM OF UNDERSTANDING
BETWEEN
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
AND
FOOTHILL-DE ANZA FACULTY ASSOCIATION

This memorandum of understanding is entered into by and between the Foothill-De Anza Community College District ("District") and the Foothill-De Anza Faculty Association ("FA").

This memorandum serves to clarify the terms and conditions of the participation of eligible faculty employees in the voluntary Supplemental Retirement Plan (the "SRP") offered by the District for the 2018-2019 year.

The parties agree that the following shall apply to all faculty employees participating in the SRP, subject to final analysis of the actual applications of faculty and classified employees and upon final approval of the SRP Plan by the Board of Trustees (the "Board"). In the event the Board does not approve the implementation of the SRP, these provisions shall not apply to any person separating from employment during the 2018-2019 year. Further, these provisions shall not apply to any faculty employee separating employment during the 2018-2019 year but who are not participating in an approved SRP.

Eligibility Requirements for Participation in the SRP

Eligible faculty are regular or contract faculty (defined in Article 1.1.7 or 1.1.11 of the FA *Agreement*), that are employed for the 2018-19 contract year and have at least five years of continuous full-time District service as a regular or contract employee as of June 28, 2019, or their date of separation, whichever is earlier. Leave of absence, with or without pay, shall not be used to reduce the years of service required for participation.

Participants must meet all other criteria for participation, including age and years of service as defined by the SRP plan, submission of required materials, and resignation from employment not earlier than the date of Board approval to implement the SRP and not later than June 28, 2019, in order to participate in the SRP.

Irrevocable Resignation

An eligible Faculty employee who submits a Letter of Resignation in accordance with the SRP application may rescind such resignation through 5:00p, November 2, 2018. After 5:00p, November 2, 2018 the letter of resignation is irrevocable; except that, if the Board withdraws the SRP, the letter of resignation will be automatically rescinded.

Professional Development Leave (PDL)

Faculty SRP participants shall complete all PDL activities scheduled and approved for the 2018-2019 year through their date of resignation, including the submission of a PDL report for all activities approved for the applicable quarter/sup to their date of resignation. The PDL Report shall be submitted not later than 30 days following completion of the last quarter of PDL leave applicable during the 2018-2019 year. Failure to submit a report or to

complete approved activities may require repayment to the District for compensation paid to the faculty employee while on PDL Leave.

Participants shall not be required to complete any remaining PDL quarters of leave, and shall not be required to complete any additional return service following their date of resignation.

Health Benefits Implications

The parties acknowledge that CalPERS health plan requirements state that plan participants must either be in active status or be an annuitant in PERS or STRS within 120 days of separation. If a faculty member participates in the SRP but does not establish annuitant status with PERS or STRS in accordance with CalPERS Health the faculty employee will not be able to continue participation in a health plan with CalPERS Health; except that, participants may continue coverage for a limited period of time by meeting the requirements of a qualifying life event under COBRA.

Health Benefits Coverage

Faculty SRP participants who retire from STRS/PERS and meet the eligibility requirements under Article 23 or 23A shall be eligible to receive such benefits in accordance with the *FA Agreement*. Faculty hired before July 1, 1997 who resign and become STRS/PERS annuitants will receive paid benefits in accordance with Article 23. Faculty hired after July 1, 1997 who resign and become STRS/PERS annuitants may receive benefits described in Article 23A, the Bridge Program, which provides a subsidy for qualified retirees until eligibility for Medicare coverage, typically age 65.

Under the Bridge program (Article 23A), faculty who are younger than age 65 and have at least 15 years of service to the District are eligible for up to \$400 per month for the retiree as well as \$400 per month for a spouse or qualified domestic partner as reimbursement towards the cost of participation in a CalPERS health benefit plan, until Medicare eligibility.

Faculty hired after July 1, 1997 who resign and become STRS/PERS annuitants and have fewer than 15 years of service to the district may elect to participate in the CalPERS Health program, at full cost to the retiree.

In the Event the Board Does Not Approve Implementation of the SRP

In the event the Board does not approve implementation of the SRP, all applications and accompanying letters of resignation submitted as part of the SRP application shall be automatically rescinded and considered null and void. In the event the letters of resignation are automatically rescinded, a faculty employee who wishes to separate from employment shall be required to submit a separate letter of resignation in accordance with Article 30.

Post-Separation Employment under Article 19

Faculty SRP participants are prohibited from participating in Article 19 employment following their date of separation.

Post-Separation Employment under Article 7

Faculty SRP participants who resign without retiring from STRS or PERS shall retain their rights to employment in accordance with Article 7. Full-time faculty with Reemployment Preference (REP) under Article 7 shall retain their REP.

Post-Separation Employment under Article 21

Faculty SRP participants who retire may return to post-separation employment under Article 21 for up to three years following their date of separation. Faculty who return to post-separation employment under Article 21 shall comply with the terms for submitting a request and preference in accordance with Article 7. Depending on available assignments, faculty teaching under Article 21 shall receive two assignments, if requested, before any part-time faculty employee with reemployment preference. Distribution of additional assignments, if available, shall be made in accordance with Article 21 and Article 7.

Faculty who have reemployment preference under Article 7 at the time of retirement shall retain that seniority for purposes of Article 7 assignments subsequent to the three years of Article 21 employment under this MOU.

Early Notice Incentive

Faculty who have submitted Appendix X Early Notice in accordance with Article 20 may choose to participate in the SRP. Faculty who have met the requirements of Article 20, including having submitted the required Letter of Resignation, shall be eligible to receive the incentive; that is, eligible faculty may receive either the \$1500 or \$2500 incentive, as applicable, with payment made in accordance with Article 20. Faculty who have submitted an Appendix X Early Notice but who have not submitted a Letter of Resignation in accordance with Article 20 shall not be eligible for the incentive payment.

August 29, 2018



Foothill-De Anza Community College District



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