

## Supplementary Retirement Plan

### Talking Points

September 7, 2018

- SRP has two primary purposes:
  - To provide vacancy opportunities for classified staff, who will likely be hardest hit by layoffs, to move to in lieu of layoff or bumping.
  - To generate savings through the faculty offering that will provide opportunities for faculty and support the ability to offer to the plan to classified staff
- ALL QUESTIONS ABOUT THE SRP SHOULD BE RESPONDED TO WITH THE FOLLOWING:
  - ***“Please contact the PARS Plan Support Department as noted in the Enrollment Packet you received.”***

### General Info:

- The savings/cost will be calculated based on a review of the actual applications.
- Projections have been made but a final analysis will be made based on the actual participant applications.
- The Board of Trustees has the final decision whether to implement the SRP.
  - The Board will review and consider the matter on December 10, 2018
  - This decision will be based on whether the applications meet operational and fiscal objectives needed to support implementation.
  - Justification will be based on whether there are sufficient vacancies created and whether the savings in faculty participation is sufficient to offset the cost of offering to classified, with enough margin to cover any unforeseen circumstances.
- Details, if implemented:
  - Classified
    - Incentive is offered at 60% or 65% - to be determined following analysis of applications.
    - It's a Lower % rate because offering to classified employees is entirely at a cost; there are no savings.
  - Faculty incentive at 75%.
    - Higher % rate because offering to faculty will create savings;
    - The savings allows the District to be able to open the SRP to classified.
  - Must separate from employment not earlier than December 11, 2018 and not later than June 28, 2019
  - Must be eligible to retire under STRS or PERS at the time of separation.
  - Must have 5 years of district service in regular or contract faculty, permanent classified, or permanent classified hourly position.
  - SRP Plan has various options for receiving the annuity benefit – e.g., Lifetime, Fixed Year, etc.
  - SRP Plan benefit is in addition to STRS and PERS retirement/pension benefits.
  - May also retire from PERS/STRS, but are not required to retire.
  - Benefit payments begin August 2019.
  - Faculty Terms – per MOU with the FA
    - See link for MOU.
  - Other Terms
    - SRP payments are not considered compensation.
      - Payments are made following separation.
      - They are not included for calculation of PERS/STRS retirement benefits.
      - They are not counted against STRS earning limits.
      - Employees should verify this and all other questions with STRS/PERS.
    - Faculty who meet the Early Notice Incentive criteria, including having already submitted their letter of resignation for the 2018-2019 year, may continue to be eligible for that payment.