

FREQUENTLY ASKED QUESTIONS & ANSWERS

1. What is the Supplementary Retirement Plan (“SRP”)?

The Supplementary Retirement Plan (“SRP”) is the early retirement incentive plan that the District is offering to eligible employees for the 2020-2021 school year only. All employees meeting the established eligibility requirements are eligible to participate.

2. Who is PARS?

PARS, Public Agency Retirement Services, is a fee-for-service third party retirement plan administration company that has been hired by the District to administer the SRP.

3. Does the SRP replace CalSTRS or CalPERS?

Absolutely not. SRP benefits are paid in addition to whatever CalSTRS or CalPERS benefits you have accrued to date. In retirement, you would receive at least two retirement checks: one from the SRP via PARS and one from either CalSTRS or CalPERS.

4. What requirements do I need to meet in order to be eligible to participate in the SRP?

In order to participate in the SRP, you must meet the following criteria set forth by the District:

- 1) Certificated Non-Management, Certificated Management, Classified Non-Management and Classified Management employees who are employed by the District as of September 22, 2020
- 2) For Classified Non-Management employees, must also be a 0.50 FTE (full-time equivalence) as of September 22, 2020
- 3) Have at least five (5) cumulative years of District service as of June 30, 2021
- 4) Are eligible to retire under CalSTRS (fifty-five (55) years of age with five (5) years of CalSTRS service or fifty (50) years of age with thirty (30) years of CalSTRS service) or CalPERS (fifty (50) years of age with five (5) years of CalPERS service) as of June 30, 2021
- 5) Have resigned from District employment no later than June 30, 2021
- 6) Have submitted all required SRP enrollment materials and District Letter of Resignation to the PARS office no later than 5:00PM on December 2, 2020

SRP eligibility will ultimately be determined based on the provisions of the SRP and will be verified by the District of all relevant assumptions. If it is determined that you do not meet any one of the eligibility requirements, you will be notified of your ineligibility.

5. What benefit is being offered to me through the SRP?

The District is providing a benefit through a 403(b) fixed annuity funded by District contributions (over a period of time as determined by the District). The sum of the contributions shall equal:

- o **60% of Final Pay** = for employees resigning on January 4, 2021
- o **20% of Final Pay** = for employees resigning on February 26, 2021
- o **20% of Final Pay** = for employees resigning on June 30, 2021

Final Pay shall be defined as the 2020-2021 employee's Contract Salary, multiplied by the participant's current FTE (full-time equivalence).

6. What options are available to me under the SRP?

You may take your SRP benefit as a monthly lifetime only option (Option 1), monthly joint-and-survivor benefit option (Option 2), monthly lifetime with a 10 year guarantee (Option 3), or as fixed monthly payments, ranging from 5 to 15 years (Options 5-15).

7. Which SRP option is the "best" option?

All SRP options are equal in terms of cost. This means that it will cost the District the same amount of money to provide the benefit, whether you choose Option 1 or Option 15. The best option is the one that fits the individualized needs of each employee.

Neither the District nor PARS offers tax, accounting, or legal advice. Employees should consult the enclosed Special Tax Notice Regarding Plan Payments and with their own tax, accounting, or legal advisors regarding tax, accounting or legal matters and the consequences of their resignation.

8. Is there any flexibility to the resignation date?

No, you must resign from District employment no later than June 30, 2021. If you resign on January 4, 2021, you will receive 60% of Final Pay. If you resign on February 26, 2021 or on June 30, 2021, you will receive 20% of Final Pay.

9. What is the difference between resignation and retirement?

The SRP only requires you to resign from District employment. You do not have to retire from the District and CalSTRS/CalPERS. However, if you resign and do not retire from the District and CalSTRS/CalPERS, you may not be entitled to the retiree medical benefits and any offset associated with that benefit. In addition, you may lose your unused sick leave, which may affect your CalSTRS/CalPERS retirement calculation.

10. Am I required to retire under CalSTRS/CalPERS?

No, you do not have to retire from CalSTRS/CalPERS; however, if you do retire, your CalSTRS/CalPERS retirement date will be the day following your selected resignation date at the earliest.

Since you are not required to retire, you may seek employment at another district or another employer or delay/defer your retirement to a later date at your discretion.

11. What is the deadline to enroll in the SRP?

All required SRP enrollment materials and the District Letter of Resignation must be received in the office of PARS no later than 5:00 pm on Wednesday, December 2, 2020 (not-postmarked).

12. What do I need to do to enroll in the SRP?

To enroll in the SRP, submit the required SRP enrollment materials and District Letter of Resignation to PARS before the December 2, 2020 enrollment deadline.

13. What is the magic number required for the SRP to move forward?

In order for the SRP to move forward, sufficient plan participation in order to meet the District's fiscal and operational objectives must be met by the December 2, 2020 enrollment deadline in order for the SRP to go into effect. The District will announce whether or not the plan will move forward no later than December 18, 2020.

14. What if the District's fiscal and operational objectives are not reached by the December 2, 2020 enrollment deadline?

If the District's fiscal and operational objectives have not been reached as of the enrollment deadline, the District may withdraw the SRP provided it notifies enrolled employees of the withdrawal on or before December 18, 2020. If the District withdraws the SRP, resignations will be automatically rescinded.

15. If I enroll in the SRP by the December 2, 2020 enrollment deadline, can I rescind my participation in the plan after that date?

If you submit your SRP enrollment materials and District Letter of Resignation to PARS by the deadline date, your participation is locked in if the plan goes forward. If the plan does not go forward, all resignations are automatically rescinded.

16. Can I change my choice of option after the December 2, 2020 enrollment deadline?

No, you cannot change your SRP option choice after the enrollment deadline.

17. When will I receive my first SRP benefit?

SRP benefits are due to commence as follows:

- **March 1, 2021** = for those resigning on January 4, 2021
- **May 1, 2021** = for those resigning on February 26, 2021
- **August 1, 2021** = for those resigning on June 30, 2021

18. Will the SRP be offered again?

The SRP benefit is a benefit paid for by the District and is offered for this year only. It is a one-time offering, and there is no guarantee that the plan will be offered again.

19. If I have any questions, where do I call?

Please contact the PARS Plan Support Department at (800) 731-7884 or by e-mail at plansupportpars.org.