

# **2013-2014 PARS Supplementary Retirement Plan**

**Santa Barbara Unified School District**

**Certificated Non-Management Employees**

**February 25, 2014**

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With regard to the PARS Supplementary Retirement Plan for the 2013-14 school year, the District proposes the following:

## **1.0 Eligibility**

1.1 Those Certificated Non-Management employees who:

- a) Are employed by the District as of March 11, 2014; and
- b) Are eligible to retire under STRS (age 55 with 5 years of STRS service or age 50 with 30 years of STRS service) as of June 30, 2014; and
- c) Have 5 years of District service as of June 30, 2014; and
- d) Have resigned from District employment on or before June 30, 2014.

## **2.0 Participation Requirements**

- 2.1 The plan must have sufficient participation to meet the District's fiscal and operational objectives by the enrollment deadline of May 2, 2014, in order for the incentive to go into effect. Participating employees shall submit all required enrollment materials and District Letter of Resignation to PARS on or before this deadline. As of the enrollment deadline, resignations of participants are irrevocable and may not be rescinded unless the District withdraws the PARS incentive pursuant to Paragraph 2.2 below.
- 2.2 If a level of participation acceptable to the District has not been reached as of the enrollment deadline, the District may withdraw the incentive, provided it notifies enrolled employees of the withdrawal no later than May 15, 2014. If the District withdraws the incentive, resignations will be automatically rescinded.
- 2.3 Participation in the retirement incentive requires:
  - a. Submission of required PARS enrollment materials and District Letter of Resignation to PARS on or before May 2, 2014; and
  - b. Resignation from District employment effective on or before June 30, 2014.
- 2.4 Participating employees shall not return to the District under a full-time contract without forfeiting their PARS benefit.

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- 2.5 Participating employees shall not be eligible for any other District sponsored retirement incentive programs.

## **3.0 Incentive Payments**

- 3.1 Regarding the basic incentive under this plan:

- a) The District shall make non-elective employer contributions to the participant's 403(b) annuity contract held at Pacific Life Insurance Company ("Pacific Life").
- b) The sum of the contributions shall equal 75% of Final Pay, according to the following schedule:

Contribution Date	Percent of Final Pay
July 10, 2014	15%
July 10, 2015	15%
July 10, 2016	15%
July 10, 2017	15%
July 10, 2018	15%
<b>Total Contributions</b>	<b>75%</b>

- c) For purposes of this plan, Final Pay shall be defined as the 2013-2014 Contract Salary multiplied by the participant's current FTE (full-time equivalence).
- 3.2 Monthly forms of payment of equivalent present value shall be offered. They shall include:
- a) Lifetime Monthly payments; and
  - b) Joint-and-survivor payments; and
  - c) Lifetime with a ten (10) year guarantee; and
  - d) Fixed term monthly payments from five (5) to fifteen (15) years. These payments are guaranteed to the participant for the full term selected.
- 3.3 The amount of monthly cash payment shall be fixed upon annuity purchase date and shall not be subject to increase thereafter.
- 3.4 The choice of form of payment (and the choice of payment beneficiary if choosing a joint and survivor form of payment) shall become final upon of May 2, 2014 and shall not be subject to change thereafter.

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- 3.5 Participants shall not have a cash option to the employer 403(b) contributions.
- 3.6 All contributions into the participant's 403(b) account must be made in accordance with applicable IRS Rules and Regulations.
- 3.7 District PARS benefits are scheduled to commence on August 1, 2014.

## **4.0 Contract Administrator**

- 4.1 The Contract Administrator for the Retirement Incentive shall be Public Agency Retirement Services (PARS).
- 4.2 In the event that the plan is cancelled due to lack of participation pursuant to Sections 2.1 and 2.2 above, PARS shall receive a one-time cancellation fee of \$5,000.

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## **Preliminary Timeline**

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|----|--|-----------------------------|
| 1. | Board adopts Resolution to approve Plan      | March 11, 2014              |
| 2. | Enrollment Window Opens                      | March 12, 2014              |
| 3. | PARS holds Orientation Meeting               | Week of March 17, 2014      |
| 4. | Employee Workshop                            | Week of April 28, 2014      |
| 5. | Enrollment Window Closes                     | May 2, 2014                 |
| 6. | District announces whether Plan goes forward | on or before May 15, 2014   |
| 7. | Employees Resign from District Employment    | no later than June 30, 2014 |
| 8. | PARS Benefits Commence                       | August 1, 2014              |