

Supplemental Employee Retirement Plan (SERP) / Early Retirement Incentive (ERI)

Frequently Asked Questions

1. What is the ERI?

The ERI is a retirement incentive that will provide eligible employees a benefit based on 80% of their base annual salary at the time of retirement. This benefit can be paid out in a number of ways, dependent on which of the offered annuity payout options the employee chooses. This program will provide eligible employees with an income supplement to their regular CalSTRS/ CalPERS retirement benefits or other retirement income.

2. What information will be covered in a Group Orientation sessions?

Employees will have an overview of the Supplemental Employee Retirement Plan (SERP) presented by a colleague from Keenan Financial Services, including the eligibility requirements for employees to participate in this plan, the benefits of this plan to both the employee and the District, and an opportunity to have employees ask questions about the Plan. Attendance at these sessions is strongly encouraged in order to obtain general information about the Plan and to answer your questions.

3. What materials/information will Keenan have available during the individual counseling sessions with the employee and counselor from Keenan?

The Enrollment Counselor will have an Estimated Benefit form, customized for each individual, with specific information for that employee regarding the employees' age, years of service with the District, and annual salary. This will permit the counselor from Keenan to discuss all of the nine (9) options available to the employee for their annuity and to provide an individual estimate of an employee's SERP benefits. In addition, employees will receive an Enrollment form at these sessions and will have an opportunity to ask individual questions about the Plan or the enrollment process.

4. What material/information will employees need to bring?

Keenan has advised that employees should bring all records related to their retirement such as their most recent statement from CalSTRS or CalPERS, calculations about their pension benefits, social security benefits, etc. to verify the actual number of years of service credit that the employee has earned, as well as the anticipated income from their CalSTRS or CalPERS retirement benefits. However, in the event that an employee does not have access to these records or types of information, employees are still encouraged to attend an individual counseling session and make an appointment at: www.srjcserp.appointy.com

5. Should employees have met with representatives from CalSTRS/CalPERS prior to their individual counseling sessions?

Ideally, it would be advisable that an employee has met with a representative from either CalSTRS or CalPERS to obtain information about their own pension benefits. However, since appointments may be limited, another suggestion that would be helpful prior to an individual counseling session is to log on to the My CalPERS Calculator at www.calpers.ca.gov/page/active-members/retirement-benefits/service-disability-retirement/retirement-estimate-calculator or the MY CalSTRS Calculator at <https://resources.calstrs.com/CalSTRSComResourcesWebUI/Calculators/Pages/RetirementBenefit.aspx>, which are online tools for an estimation of benefits based on an employee's age and years of service in the system.

6. Any other "tips" for employees being prepared for their individual counseling sessions?

Feel free to bring any member of your family, a financial advisor, or other individuals who will be helpful and instrumental in helping with this decision to enroll in the SERP program. There is no limit to the number of people an employee may bring.

It may also be helpful to write down the questions that you anticipate wanting to ask a counselor so that you can be sure to get your questions answered. Each appointment will last approximately one half hour, so employees will be limited to the amount of time that they can spend with a counselor.

However, after an employee has attended a counseling session, or in lieu of an individual counseling session, employees may call Marquetta Bradford, Senior Technical Analyst, Keenan Financial Services, at (800) 444-9995, extension 3625 to contact a counselor for follow-up.

7. What will the 80% benefit be based on?

The ERI will be calculated on the employee's annual salary as of their retirement date and will include income in line with their retirement reportable compensation. This will include salary based on current FTE, any doctoral stipend, longevity and any regular, ongoing shift differential at the time of retirement.

8. What are the benefits of the SERP?

The SERP is designed to:

- Provide savings for the district by encouraging the retirement of long-term employees, who tend to be paid higher salaries than newer employees, and whose positions are not all replaced on a one-for-one basis.
- Enhance retiree benefits
- Compensate long-term employees

9. Will the district rehire all positions that become vacant as a result of the SERP?

The district has committed to directly rehire only positions deemed “critical,” or “essential,” such as faculty positions required to meet our Faculty Obligation Number (FON), or other classified or management positions that provide key duties related to health and safety, licensure requirements, legal compliance issues, or are essential to the operations of the District, for example.

Vacant positions that are not directly rehired will be considered for reorganization, reassignment of current employees, and streamlining in order to best serve the needs of SRJC’s student population. This may also mean the reduction of services in some areas, as the district must consider the workload of remaining employees.

10. Why is SRJC offering a SERP?

The district has seen a decline in enrollment for years, as a result of factors such as changing demographics in Sonoma County, housing shortages, the state of the economy and loss of local populations who moved away after the October 2017 fires. Declining enrollment equates to lost revenue for the college, creating a budget deficit.

At the same time, SRJC will soon be subject to the new funding formula from the Chancellor’s Office, which will further decrease the college’s overall funding.

The SERP is a proactive way for SRJC to become a smaller college and stabilize its budget, while protecting its remaining permanent workforce and adjusting offerings to better serve the changing local community.

11. Who is eligible?

- Currently employed Contract faculty, classified, or management (Certificated, Classified, and Confidential) at Santa Rosa Junior College.
- Employees who are at least 55 years of age by their retirement date.
- Employees who have at least five years of full-time equivalent service with the District as a regular, eligible employee type by their retirement date.
- Employees who are eligible to retire from CalSTRS or CalPERS.
- Employees who retire from the District during the time period between May 20, 2019 and December 30, 2019.
- Employees who submit a Letter of Retirement and SERP Enrollment Package, no later than May 7, 2019.

12. If I am eligible and submit my retirement letter within the guidelines, am I guaranteed to receive the ERI?

The overall goal of the ERI is to provide budgetary savings to the district. In order to do so, there must be a minimum cost savings achieved by the plan.

If the district decides not to move forward with the ERI, those employees who submitted retirement letters would be allowed to rescind their retirements, if they choose to do so.

13. Will SRJC offer the ERI again?

At this time, there are no plans to offer this incentive in the future.

14. I have more questions. Where can I go to learn more?

Keenan & Associates will hold several group orientation meetings and individual counseling sessions, which are designed to provide an overview of the plan and to answer additional questions. The dates and times of these meetings are included in the SERP General Announcement document from Keenan.