



SUPPLEMENTAL EMPLOYEE RETIREMENT PLAN

Santa Rosa Junior College
February 6, 2019

Keenan
Associates

Innovative Solutions. Enduring Principles.



Supplemental Employee Retirement Plan (SERP) is Keenan's early retirement incentive solution since 1984. The program is designed to:

- Address declining enrollment
- Assist in proactive staff planning
- Compensate long-term employees
- Enhance economic flexibility



Demographic Study

1. General Eligibility:

1. Employee must be at least fifty five (55) years of age
2. Employee must have at least five (5) years of service

Employee Group	Faculty	Classified	Management
Total Eligible Employees	116	163	35
Average Age	62.4	62.4	60.4
Average Service	19.4	17.6	15.7

Annuity Options: Benefits

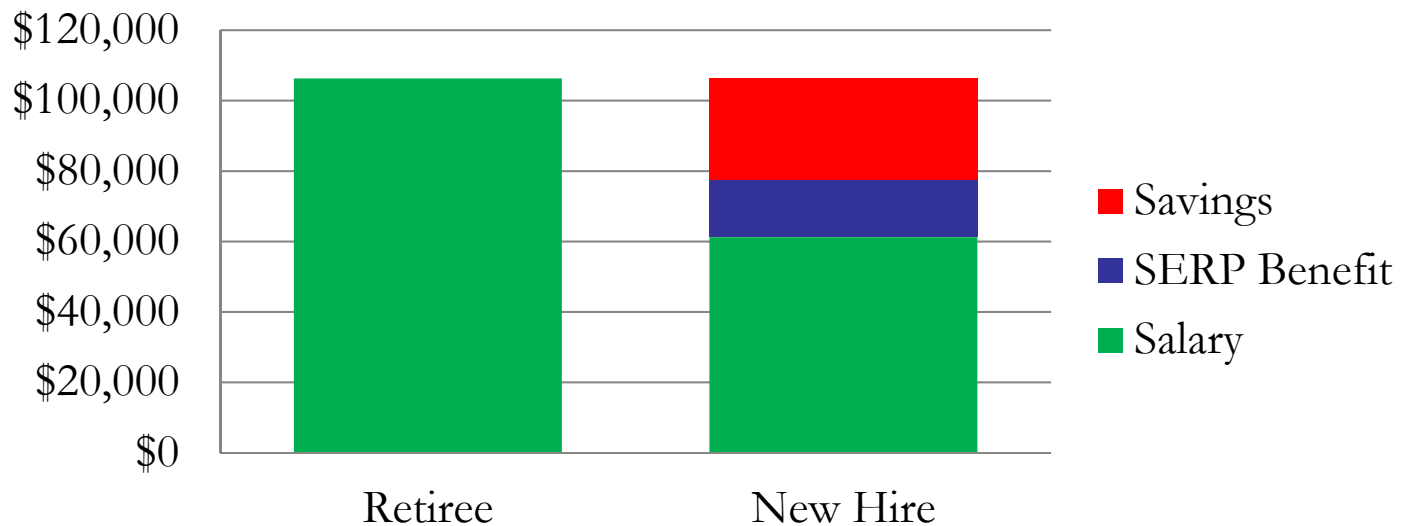
Estimated Monthly Payments

	Annuity Option	Faculty (80%)	Classified (80%)	Management (80%)
1	Life Only	\$419.02	\$256.56	\$549.73
2	Joint & 50% Survivor	\$385.82	\$236.23	\$509.29
3	Life or Ten Years	\$408.09	\$249.87	\$538.70
4	<u>Five (5) Year*</u>	<u>\$1,388.02</u>	<u>\$849.86</u>	<u>\$1,913.88</u>
5	Six (6) Year*	\$1,180.07	\$722.53	\$1,627.14
6	Seven (7) Year*	\$1,031.79	\$631.74	\$1,422.69
7	Eight (8) Year*	\$920.81	\$563.79	\$1,269.67
8	Nine (9) Year*	\$834.68	\$511.06	\$1,150.91
9	Ten (10) Year	\$765.97	\$468.99	\$1,056.16
	Average Salary	\$104,444	\$63,949	\$144,013
* Eligible for tax-deferred IRA Rollover				

How Does SERP Work?

SERP generates cost savings through the differential in salary costs for a retiring employee and a new hire. The benefit design depends on the size of differential.

Year #1 Savings Concept



* Additional savings in the first year if replaced by Adjunct

SERP Analysis at 80% of Salary

Faculty	Classified	Management
<u>Participation</u> 28 retirees	<u>Participation</u> 39 retirees	<u>Participation</u> 8 retirees
<u>Non-Replaced Positions</u> Year 1 Adjunct	<u>Non-Replaced Positions</u> 23 Not Replaced	<u>Non-Replaced Positions</u> 5 Not Replaced
<u>Average Cost</u> \$83,555	<u>Average Cost</u> \$51,159	<u>Average Cost</u> \$115,211
<u>Estimated 5 yr. Savings</u> -\$1,343,041	<u>Estimated 5 yr. Savings</u> \$3,958,842	<u>Estimated 5 yr. Savings</u> \$1,546,220

Group Sessions

Through initial communications, eligible employees are notified of Group Session opportunities:

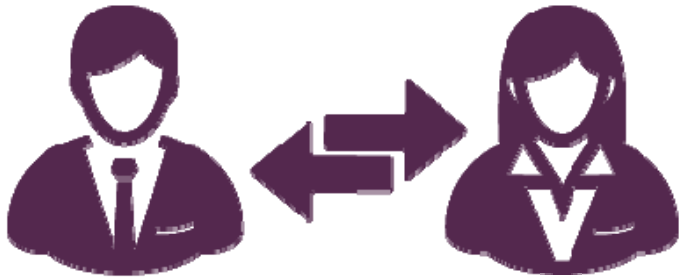


Group Sessions

- On-Site Presentations
- Education on Offering
- 9 Annuity Options (Choice is up to Employee)
- Discuss the Decision Making Assistance Options
- Reminders of Important Deadlines
- Sign-Up Assistance for Individual Counseling

Individual Counseling Session

Eligible participants are urged to schedule a one-on-one Q&A session with one of our SERP counselors:



Individual Counseling

- Facilitated by *actual retirees*
- On-Site or by Telephone
- 30-minute Session
- Counselors are previous SERP participants
- Overview of Paperwork
- Personalized Attention

SERP Communication Plan

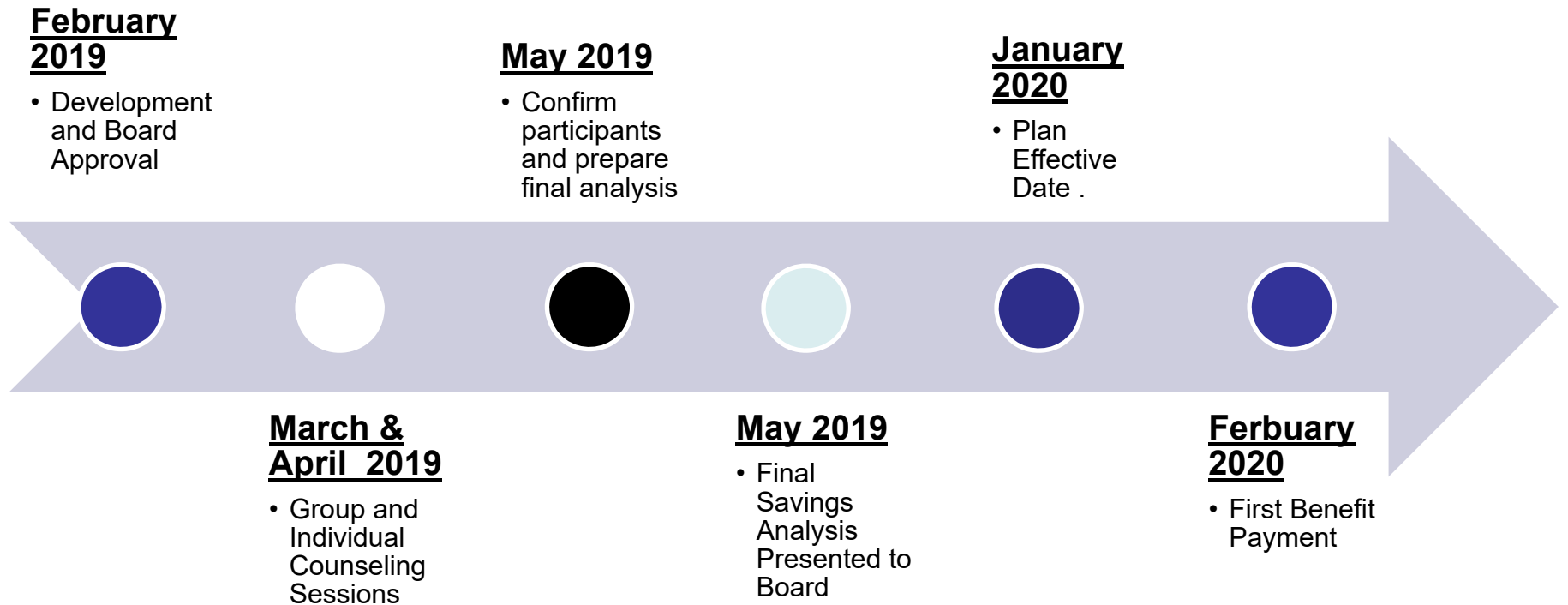
Keenan Financial Services can assist in coordinating representatives and presentations from the following:



Pension Assistance

- Group Sessions on Pension Benefits
- Education on Individual Meeting Options
- Highlight Online Tools for Estimation of Benefits

Timeline - Proposal





ANY QUESTIONS?