

FREQUENTLY ASKED QUESTIONS & ANSWERS

1. 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 Supplementary Retirement Plan (SRP).

2. What is the SRP?

The SRP is the retirement incentive plan that the Los Angeles Community College District (District) is offering to eligible employees for the 2020-2021 academic year only. All employees who meet the established eligibility requirements are eligible to participate.

The eligibility requirements are listed below:

1. Be a full-time Academic Faculty, Academic Administrator, Academic Supervisor, Represented Classified (Clerical/Technical, Operations, Crafts and Supervisors), Classified Confidential, or Classified Manager who is employed by the District as of September 2, 2020
2. Have completed at least five (5) full years of District service as of December 31, 2020 (if resigning from District employment effective no later than December 31, 2020) or June 30, 2021 (if resigning from District employment effective no later than June 30, 2021)
 - o Full year of service is defined by 1.0 FTE and fulfillment of their contractual obligation for the 2020-2021 academic year
3. Are 1.0 FTE
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 December 31, 2020 (if resigning from District employment effective no later than December 31, 2020) or June 30, 2021 (if resigning from District employment effective no later than June 30, 2021)
5. Complete either the 2020-2021 Fall Semester (if resigning from District employment effective no later than December 31, 2020) or the 2020-2021 Academic Year (if resigning from District employment effective no later than June 30, 2021)
6. Submit all required SRP enrollment materials, District Resignation Form (HR-P-310), and Acknowledgement Form to the PARS office no later than October 26, 2020 by 5:00PM
7. Have resigned from District employment effective no later than December 31, 2020 or June 30, 2021

Part-time employees and employees who have already separated from the District are not eligible to participate in the SRP.

SRP eligibility and SRP benefit amounts 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 the ineligibility.

3. Does the SRP apply to employees in categorical or SFP positions?

Yes, all employees who meet the eligibility requirements are included.

4. Does time on leaves affect eligibility for the SRP?

Time on mandatory and approved optional leaves counts as time served with the District.

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) in an amount equal to 65% of your Final Annual Base Pay.

Final Annual Base Pay shall be defined as the final annualized base salary (inclusive of career increment/longevity) for the 2020-2021 Fiscal Year.

- Final Annual Base Pay does not include any additional or other differentials, stipends, and extra and hourly assignments, as applicable.
- For employees resigning effective no later than December 31, 2020, Final Annual Base Pay does not include any career increment/longevity that are scheduled to become effective after December 31, 2020.
- For those participating in the Reduced Workload Program, Final Annual Base Pay shall be defined as the final annual base salary (inclusive of career increment/longevity) for the 2020-2021 Fiscal Year as if the participating employee was working 1.0 FTE.
- For those on a temporary leave of absence (of any kind), Final Annual Base Pay shall be defined as the final annual base salary (inclusive of career increment/longevity) for the 2020-2021 Fiscal Year as if the participating employee had worked in the same classification in regular status for the entire 2020-2021 fiscal year.

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), 5 annual lump sum payments (Option 5A) or as fixed monthly payments, ranging from 6 to 15 years (Options 6-15).

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 your individualized needs.

8. Will the incentive be subject to federal, state, and local taxes? How will I know how much to withhold?

Neither the District nor PARS offers tax, accounting, or legal advice. For more information, please refer to the enclosed Special Tax Notice Regarding Plan Payments and the Tax Withholding Form (page 5) in your enrollment packet. Employees should consult with their own tax, accounting, or legal advisors regarding tax, accounting or legal matters and the consequences of your resignation and/or retirement.

9. Can I roll over my benefit into my own plan?

Yes, if you select one of the Options 5A or 6-9, you are eligible to roll over your benefits into an IRA or to an eligible employer plan that accepts the rollover. However, if you are in the year in which you will attain age 72 or over the age of 72, you are not eligible to elect a direct rollover of your SRP benefit payments. SRP benefit payments will be treated as a required minimum distribution and will be coded as a taxable distribution for the duration of your benefit period.

10. Does the SRP benefit replace my CalSTRS or CalPERS benefit?

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 and one from either CalSTRS or CalPERS.

11. When do I have to resign from the District?

You are required to resign from the District effective no later than December 31, 2020 (after completion of the 2020-2021 Fall Semester) or June 30, 2021 (after completion of the 2020-2021 Academic Year).

12. What is the earliest day I can resign to receive a full year of service credit for the 2020-2021 Academic Year?

You can resign on the last duty day as defined by the 2020-2021 academic calendar and still be eligible for the SRP. For C basis employees, CalPERS/CalSTRS service credit and LACCD service are not negatively affected if you resign on or after these dates below as long as you resign by June 30, 2021*:

- The earliest C basis compressed employees can resign is June 7, 2021.
- The earliest C basis uncompressed employees can resign is June 5, 2021.
- The earliest A, G, D basis employees can resign is June 30, 2021. This date also applies to department chairs.

* Employees who have been in half-pay status or unpaid status while on leave during the 2020-2021 Academic Year will not earn 1.0 year of CalSTRS service credit.

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

To enroll in the SRP, you must submit all required SRP enrollment materials, District Resignation Form (HR-P-310), and Acknowledgement Form to the PARS office by 5:00PM on October 26, 2020.

14. What is deadline to enroll in the SRP?

The deadline to enroll is 5:00PM on October 26, 2020 (not-postmarked).

15. If I enroll in the SRP by the October 26, 2020 enrollment deadline, can I rescind my resignation and participation in the SRP after that date?

If you submit your SRP enrollment materials, District Resignation Form (HR-P-310), and Acknowledgement Form to the PARS office by the deadline date, your resignation and participation in the SRP is irrevocable and may not be rescinded unless the District withdraws the SRP. If the District withdraws the SRP, resignations may be rescinded.

16. Can I change my choice of option after the October 26, 2020 enrollment deadline?

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

17. What is the minimum participation requirement?

In order for the SRP to move forward, the District's fiscal and operational objectives must be met by the enrollment deadline of October 26, 2020. Therefore, there is no "magic" number that must enroll. The District will announce whether or not the SRP will move forward no later than November 20, 2020.

18. What if the minimum participation requirement is not reached by the October 26, 2020 enrollment deadline?

If the minimum participation requirement has not been reached, the District may withdraw the SRP. If the District withdraws the SRP, resignations may be rescinded.

19. When will I receive my first SRP benefit?

Your SRP benefit is due to commence February 1, 2021 (for those resigning no later than December 31, 2020) or August 1, 2021 (for those resigning no later than June 30, 2021) provided that you meet the SRP Eligibility Requirements and have submitted all required SRP enrollment materials, District Resignation Form (HR-P-310), and Acknowledgement Form to the PARS office by 5:00PM on October 26, 2020.

SRP eligibility and SRP benefit amounts 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 the ineligibility.

20. 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 SRP will be offered again.

21. 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 plansupport@pars.org.