SERP
Supplemental Employee Retirement Plans

Ohlone Community College District

July 15, 2009

What is SERP?

• A District sponsored Supplemental Employee Retirement Plan
• IRS approved 401(a) plan
• Provides incentive for an employee to retire early
• Provides participating employees with a financial package that can be used to fit their needs
• Separate from CalSTRS or CalPERS benefit
How Does SERP Work?

• Keenan Financial Services
  – Plan Design Consultant
  – Contract Administrator
  – Conducts Enrollments
  – Customer Service

• Insurance Carrier
  – United of Omaha
  – Rated A + by A.M. Best Company, Inc.
  – Issues monthly checks to retirees
How Can SERP Benefit Districts?

- Create savings to meet budget problems
- Gives incentive for highest paid employees to retire early
- Provides flexibility with replacement strategies
- Reward long-term employees
Assumptions

• Plan provides an incentive in the form of an annuity purchased at a cost of 75% of salary
  – Benefit is typically higher than the Golden Handshake
  – Benefit paid over life or a defined period of time

• Defined eligibility by classification

• Natural attrition vs. Plan participation

• Final cost analysis provided once participation is defined
Faculty Timeline

- **July 16, 2009**
  Announcement Letters Mailed by Keenan (SERP Window Opens)

- **August 27, 2009**
  Group Orientation Meetings
  District Office 10:00 a.m.

- **August 31 – September 4**
  Individual Counseling Meetings
  District Office Noon – 7:00 p.m.

- **October 30, 2009**
  SERP Enrollment Forms &
  Letters of Resignation due
  (Window to elect to resign RETIRE closes for all
  retirement dates)

- **December 30, 2009**
  Employee Must Retire/Resign from District
  (except see chart for second semester dates)

- **January 1, 2010**
  Plan Effective Date

- **February 1, 2010**
  First Benefit Payment
## Timeline Chart

<table>
<thead>
<tr>
<th>Options</th>
<th>Election Date</th>
<th>Retirement Date</th>
<th>Plan Effective Date</th>
<th>First Benefit Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (End of Fall 2009 semester)</td>
<td>10/30/2009</td>
<td>12/30/2009</td>
<td>01/01/2010</td>
<td>02/01/2010</td>
</tr>
<tr>
<td>2 (End of academic year for 175 day employees)</td>
<td>10/30/2009</td>
<td>05/28/2010</td>
<td>06/01/2010</td>
<td>07/01/2010</td>
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<tr>
<td>3 (End of academic year for 185 days employees)</td>
<td>10/30/2009</td>
<td>06/30/2010</td>
<td>07/01/2010</td>
<td>08/01/2010</td>
</tr>
</tbody>
</table>
Management, Confidential & Classified Timeline

- **July 16, 2009**: Announcement Letters Mailed by Keenan (SERP Window Opens)
- **July 28, 2009**: Group Orientation Meetings 9:30 a.m. & 6:30 p.m.
- **August 3 – 6**: Individual Counseling Meetings 8:00 a.m. – 7:00 p.m.
- **August 31, 2009**: SERP Enrollment Forms & Letters of Resignation due (Window Closes)
- **December 30, 2009**: Employee Must Retire from District
- **January 1, 2010**: Plan Effective Date
- **February 1, 2010**: First Benefit Payment
Questions?

Thank you!