

INTRODUCTION

To: Eligible Employees

Visalia Unified School District (District) is offering a one-time voluntary retirement incentive plan for eligible employees for the 2023-2024 school year. Based on information provided to Public Agency Retirement Services (PARS) by the District, you may be eligible to participate in the District's Supplementary Retirement Plan (SRP). The District will provide this benefit, which you will receive in addition to and separately from your CalSTRS/CalPERS retirement allowance, if you choose to retire from CalSTRS/CalPERS. The District is implementing the SRP through PARS. Details of the SRP are contained in the attached materials.

The attached Benefit Illustration (page B) was prepared specifically for you. Please review the Benefit Illustration and accompanying enrollment materials carefully to ensure that you understand your rights and responsibilities should you choose to participate in the SRP.

If you are interested in participating in the SRP, review the "Assumptions Table" on the Benefit Illustration and enclosed enrollment materials. To change any inaccurate assumptions, submit a Correction Form (page 1) to PARS in the enclosed return envelope for a revised Benefit Illustration.

To enroll in the SRP and receive benefits as shown on the attached Benefit Illustration, you must meet all of the Eligibility Requirements outlined in the Plan Summary (page C and D).

The SRP Enrollment Deadline is 5:00PM on Thursday, March 21, 2024.

Identical group orientation meetings have been scheduled. Please refer to the enclosed orientation meeting flyer for the dates, times and locations of the orientation meetings. The orientation meetings are designed to answer questions about the SRP. If you are interested in participating in the SRP, please attend one of the orientation meetings. Spouses, domestic partners and your financial advisors are welcome.

If you have questions about the SRP, please contact the PARS Plan Support Department at (800) 731-7884 or via email at plansupport@pars.org.

Sincerely,

Plan Support
PARS, Public Agency Retirement Services

PLAN SUMMARY (PAGE 1 OF 3)

The Supplementary Retirement Plan (SRP) is a retirement incentive plan. The District has agreed to pay all administrative costs necessary to provide a monthly benefit. Sufficient plan participation in each employee group (Certificated Non-Management and Certificated Non-Management (Adult Education), Certificated Management and Classified Management, and Classified Non-Management) in order to meet the District's fiscal and operational objectives must be met by the **March 21, 2024** enrollment deadline in order for the SRP to go into effect for a particular employee group. After the enrollment deadline, resignations of participants are irrevocable and may not be rescinded unless the District withdraws the SRP. If the District has not reached an acceptable level of participation by the enrollment deadline for an employee group, the District may withdraw the SRP for that employee group and will notify enrolled employees of the withdrawal on or before April 12, 2024. If the District withdraws the SRP for an employee group, resignations will be automatically rescinded for that employee group.

Benefit Description

- The District shall make non-elective employer contributions into the participant's 403(b) annuity contract held at Pacific Life Insurance Company. The sum of the contributions shall equal **75% of Final Pay** and may be contributed over a period of time as determined by the District.
- For purposes of this plan, Final Pay shall be defined as the 2023-2024 Contract Salary (placement on the 2023-2024 salary schedule, inclusive of longevity) multiplied by the participant's current FTE (full-time equivalence).
- For hourly employees, Final Pay shall be defined as the 2023-2024 hour rate (placement on the 2023-2024 salary schedule, inclusive of longevity) based on the employee's base position hours worked.
- The term "Final Pay" as defined in this agreement shall refer exclusively to the employee's base salary reflected on the salary schedule and excludes any additional supplemental pay, including but not limited to stipends, timesheets, degree pays, shift differential, classified school employee summer assistance program, extra duty, or working out of class.
- Participants shall elect from the following monthly benefit payment options that are calculated based on current annuity rates obtained at the time of purchasing the annuity.

Option 1: Lifetime

A monthly payment for your lifetime only. Option 1 does not pay out to a beneficiary.

Option 2: Joint-and-Survivor

A modified monthly lifetime payment. Upon your death, the payment continues at the same level for the lifetime of your one named beneficiary. Upon your beneficiary's death, the payment ends. If your beneficiary is a non-spouse more than 10 years younger than you, the monthly benefit payable to your beneficiary may be further reduced based on the age of your beneficiary.

Option 3: Life or Ten-Year

A modified monthly payment paid for the greater of 10 years or your lifetime. If you live beyond 10 years of your resignation, the benefit will end at the time of your death. In the event of death within 10 years of your resignation, monthly payments will continue to be paid to your beneficiary or estate at the same level until a total of 120 payments have been received.

PLAN SUMMARY (PAGE 2 OF 3)

Options 5-15: Fixed-Term Payments*

A higher monthly payment, but for a fixed period of time, ranging from 5 to 15 years. Upon your death, if you have not received all of the payments due, payments will continue to your beneficiary or estate until the total number of payments have been received.

** Options 5-9 may be rolled over into an IRA or to an eligible employer plan that accepts the rollover.*

Plan Guidelines

- All SRP benefits shall be paid to participants exclusively through annuity payments from Pacific Life Insurance Company.
- All contributions into the participant's 403(b) account with Pacific Life Insurance Company must be made in accordance with the applicable IRS rules and regulations.
- All District contributions made on your behalf are subject to applicable state annuity premium taxes.
- Choice of SRP benefit option and designation of beneficiary for Option 2 will become final as of the March 21, 2024 enrollment deadline and cannot be changed thereafter.
- Resignation from District employment and participation in the SRP is irrevocable and cannot be rescinded after March 21, 2024 unless the District withdraws the SRP for my employee group.
- Participants shall not be eligible for any other District sponsored retirement incentive programs (not including applicable "Early Tell" payments).
- Participating employees shall not return to the District under a full-time contract without forfeiting their SRP remaining SRP benefit payments. Participating employees may return in a part-time capacity (e.g., as a substitute teacher/employee).
- For participants considering re-employment in a part-time capacity following retirement, please contact CalSTRS/CalPERS regarding their respective rules concerning re-employment.

Benefit Payment

- SRP benefits are due to commence August 1, 2024 provided that you have submitted all required SRP enrollment materials and District Letter of Resignation to PARS by the March 21, 2024 enrollment deadline.
- The projected benefit amounts illustrated on the Benefit Illustration are based on annuity rates at the time the illustration was printed. The final amount of the benefit option you select will be determined prior to your first distribution based on the most current annuity rates at the time of purchasing the annuity.
- If you are in the year in which you will attain age 73 or over the age of 73, 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.

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.

PLAN SUMMARY (PAGE 3 OF 3)

Eligibility Requirements

1. Certificated Non-Management, Certificated Non-Management (Adult Education), Certificated Management, Classified Non-Management, and Classified Management employees who are employed by the District as of January 16, 2024
2. Have an FTE of 0.50 or greater as of January 16, 2024
3. 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 June 30, 2024
4. Have five (5) years of District service as of June 30, 2024
5. Have resigned from District employment effective after the completion of the 2023-2024 school year on or before June 30, 2024
6. Have submitted all required SRP enrollment materials and District Letter of Resignation to the PARS office no later than 5:00PM on March 21, 2024

Eligibility in the District's SRP will ultimately be determined by the District based on the provisions of the SRP. The District will verify that you have met all relevant eligibility requirements. You will be notified of your ineligibility if it is determined that you did not meet all eligibility requirements.