

MEMORANDUM OF UNDERSTANDING
between the
FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT
and
CSEA CHAPTER #528
(Supplementary Retirement Plan)

This Memorandum of Understanding shall be in effect upon signatures by CSEA Representatives and District Representative. With regard to the Supplementary Retirement Plan (SRP) for the 2019-2020 school year, the District proposes the following:

1.0

Eligibility

1.1 Those Classified Non-Management employees who:

- a) Are employed by the District as of November 1, 2019;
- b) Have an FTE of 0.50 or greater as of November 1, 2019;
- c) Are fifty (50) years of age or older with fifteen (15) years of FCUSD/PERS service;
- d) Have resigned from District employment effective after the completion of the 2019-2020 school year on June 30, 2020; and
- e) Have submitted all required SRP enrollment materials and SRP District Letter of Resignation form to the PARS office no later than 5:00p.m. on February 6, 2020.

2.0

Participation Requirements

2.1

The plan must have sufficient participation to meet the District's fiscal and operational objectives by the enrollment deadline of 5:00p.m. on February 6, 2020, in order for the SRP to go into effect. Participating employees shall submit all required SRP enrollment materials and SRP District Letter of Resignation form to the PARS office on or before this deadline. As of the enrollment deadline, resignations of participants are irrevocable and may not be rescinded unless the District withdraws the SRP pursuant to Paragraph 2.2 below.

2.2

If a level of participation acceptable to the District has not been reached as of the enrollment deadline, the District may withdraw the SRP, and the District shall notify enrolled employees of the withdrawal on or before February 14, 2020. If the District withdraws the SRP, resignations will be automatically rescinded.

2.3

Participation in the SRP requires:

- a. Submission of required SRP enrollment materials and District Letter of Resignation to the PARS office no later than 5:00p.m. on February 6, 2020; and

b. Resignation from District employment effective after the completion of the 2019-2020 school year on June 30, 2020.

2.4

Participating employees shall not return to the District under a full-time contract without forfeiting their SRP benefit.

2.5

Participating employees shall not be eligible for any other District sponsored retirement incentive programs.

3.0

Incentive Payments

3.1

Regarding the basic incentive under this plan:

a) The District shall make non-elective employer contributions to the participant's 403(b) annuity contract held at Pacific Life Insurance Company ("Pacific Life").

b) The sum of the contributions shall equal 70% of Final Pay, according to the following schedule:

Contribution Date	July 10, 2020	July 10, 2021	July 10, 2022	July 10, 2023	July 10, 2024	Total
Contributions						

Percent of Final Pay 14% 14% 14% 14% 14% 70%

c) For purposes of this plan, Final Pay shall be defined as the 2019-2020 Contract Salary (placement on the 2019-2020 salary schedule) multiplied by the participant's current FTE (full-time equivalence). The following compensation will be excluded from the final base pay; overtime pay, professional development pay, summer school pay and substitute pay.

3.2

Monthly forms of payment of equivalent present value shall be offered. They shall include:

a) Lifetime payments;

b) Joint-and-survivor payments;

c) Lifetime with a ten (10) year guarantee; and

d) Fixed term payments from five (5) to fifteen (15) years. These payments are guaranteed to the participant for the full term selected.

3.3

The amount of monthly cash payment shall be fixed upon annuity purchase date and shall not be subject to increase thereafter.

3.4

The choice of form of payment (and the choice of payment beneficiary if choosing a joint-and-survivor form of payment) shall become final upon February 6, 2020 and shall not be subject to change thereafter.

3.5

Participants shall not have a cash option to the employer paid 403(b) contributions.

3.6

All contributions into the participant's 403(b) account must be made in accordance with applicable IRS Rules and Regulations.

3.7 SRP benefits are scheduled to commence on August 1, 2020.

4.0

Contract Administrator

The Contract Administrator for the SRP shall be PARS (Public Agency Retirement Services).

5.0

Retiree Health Insurance Benefits (Article 10.11.6 of Collective Bargaining Agreement)

10.11.6.1. For the period of this contract, the District agrees to pay health insurance premiums for eligible unit retirees. These payments will be made for the shortest of the following periods:

10.11.6.1.1. Ten (10) years, or

10.11.6.1.2. Until the retiree reaches the age of eligibility to receive Medicare benefits.

10.11.6.2. Eligibility Requirements

10.11.6.2.1. Must be eligible for placement on Step E of the unit employee salary schedule.

10.11.6.2.2. Ten (10) years or more of continuous in-District service.

10.11.6.2.3. Currently assigned to a position requiring four (4) or more hours of daily and nine (9) or more months of yearly for the last three (3) consecutive years.

10.11.6.2.4. Eligible for PERS retirement.

10.11.6.2.5. Official Resignation: During the term of this agreement, an official letter of resignation or notice of disability retirement shall be submitted to the Assistant Superintendent, Human Resources, or designee, no later than June 30th of the year in which the employee retires.

10.11.6.2.6. The retiree shall have actually been an employee of the District during the term of this Agreement.

10.11.6.2.7. The District's payment for these benefits shall be limited to the "CAP" insurance amount in effect at the time of his/her District-accepted retirement.

10.11.6.2.8. Eligible retirees will have a choice of any of the District's currently offered health insurance plans, subject to any restrictions imposed by the insurance provider or law.

10.11.6.2.9. Retirees under the age of 65 who reside outside of their health plan service area may receive an amount of money equal to the cost of the least expensive in-area retiree health plan. This money will be in lieu of participation in one of the District's currently offered health insurance plans.

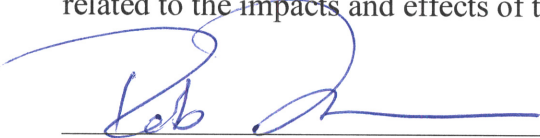
10.11.6.2.10. The District will require annual verification of alternative coverage as a condition of continued eligibility.

10.11.6.2.11. This coverage is for the retiree only; however, dependent coverage can normally be purchased by submission of the required monthly premium to the District accounting office.

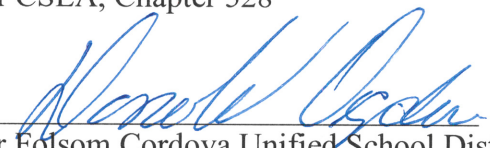
10.11.6.2.12. The retiree will have the opportunity to continue participation in his/her chosen program by means of paying his/her own premiums, subject to restrictions by the insurance provider or law.

10.11.6.2.13. Surviving spouses of District retirees may voluntarily continue participation in the program previously selected by the retiree. This participation will be paid for by the surviving spouse and subject to restrictions by the insurance provider or law.

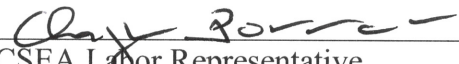
This is a one-time non-precedent setting agreement and shall fully and finally resolve all bargaining related to the impacts and effects of this agreement.


For CSEA, Chapter 528

12/5/19
Date


For Folsom Cordova Unified School District

12/5/19
Date


CSEA Labor Representative

12/5/19
Date