

MEMORANDUM OF UNDERSTANDING
between the
FOLSOM CORDOVA EDUCATION ASSOCIATION
and the
FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT
Supplementary Retirement Plan

This Memorandum of Understanding shall be in effect upon signatures by FCEA Representative and District Representative. With regard to the Supplementary Retirement Plan (SRP) for the 2018-2019 school year, the District proposes the following:

1.0 Eligibility

1.1 Those Certificated Non-Management employees who:

- a) Are employed by the District as of November 1, 2018;
- b) Have an FTE of 0.50 or greater as of November 1, 2018;
- c) Are eligible to retire under STRS (fifty-five (55) years of age with five (5) years of STRS/ PRS service or fifty (50) years of age with thirty (30) years of STRS/PRS service;
- d) Have five (5) years of Folsom Cordova Unified School District service as of June 30, 2019;
- e) Have resigned from District employment effective after the completion of the 2018-2019 school year on or before June 30, 2019; and
- f) 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 January 15, 2019.

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 January 15, 2019, 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 As of the enrollment deadline, resignations of participants are irrevocable and may not be rescinded unless the District withdraws the SRP pursuant to Paragraph 2.2 below.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 15, 2019. If the District withdraws the SRP, resignations will be automatically rescinded.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 January 15, 2019; and
- b. Resignation from District employment effective after the completion of the 2018-2019 school year on or before June 30, 2019.

- 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 80% of Final Pay, according to the following schedule:

Contribution Date	Percent of Final Pay
July 10, 2018	16%
July 10, 2019	16%
July 10, 2020	16%
July 10, 2021	16%
July 10, 2022	16%
Total Contributions	80%

- c) For purposes of this plan, Final Pay shall be defined as the 2018-2019 Contract Salary (placement on the 2018-2019 salary schedule) multiplied by the participant's current FTE (full-time equivalence). Employees receiving a ratio factor listed on Appendix B will receive the ratio factor as the final base salary. The following compensation will be excluded from the final base pay; stipends, hourly pay, professional development pay, summer school pay, substitute pay, and pay for temporary sections per article 8.4.4.

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 January 15, 2019 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, 2019.

4.0 Contract Administrator

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

5.0 Retiree/Surviving Spouse Health Benefits (Article 16.4 of Collective Bargaining Agreement)

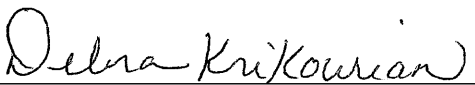
The District agrees to pay health insurance premiums for eligible unit retirees.

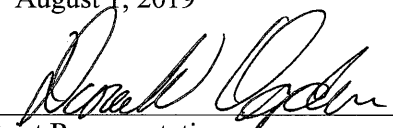
Eligibility Requirements:

- Eligibility for placement on certificated employees' salary schedule Class 4 or 5, Step 12.
- A letter of retirement or State Teachers Retirement System Disability Retirement Certificate shall be submitted to the Personnel administrator/designee.
- Eligible retirees will have a choice of any of the District's currently offered health insurance plans, subject to restrictions imposed by the insurance provider or law.
- This coverage is for the retiree only. However, dependent coverage may normally be purchased by submission of the required monthly premium to the District Accounting Office.
 - Ten (10) years, or until the retiree reaches age 65.
- The retiree will have the opportunity to continue participation in his/her chosen program after District sponsored program lapses, by means of paying his/her own premiums, subject to restrictions by the insurance provider or law.
- The term "Eligible Retiree" shall be defined as a unit member who meets the current STRS eligibility requirement for retirement or disability retirement at the time of his/her retirement from the District.
- The District's payment for these benefits shall be limited to the "CAP" insurance amount in effect at the time of unit member's District-accepted retirement.
- Retirees under the age of sixty-five (65), who reside outside of their health plan service area, may receive an amount of money equal to the cost of the least expensive retiree health plan. This money will be in lieu of participation in one of the District's currently offered health insurance plans and will not exceed the CAP amount at the time of retirement. This option will be retroactive on an individual basis for employees who retired within the last sixty (60) months.
- 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

Projected Timeline

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|---|-----------------------------------|
| 1. Board adopts Resolution to offer SRP | November 1, 2018 |
| 2. District distributes SRP Announcement | November 2, 2018 |
| 3. Enrollment Window opens | November 1, 2018 |
| 4. Enrollment Packets mailed to eligible employees | November 5, 2018 |
| 5. STRS Workshop #1 | November 9, 2018 (3:30 @ ESC) |
| 6. SRP Employee Orientation Meeting #1 | November 13, 2018 (3:30 @ ESC) |
| 7. SRP Employee Orientation Meeting #2 | November 29, 2018 (3:30 @ ESC) |
| 8. Retiree Benefits including Medicare Orientation #1 | November 29, 2018 (5:00 @ ESC) |
| 9. STRS Workshop #2 | January 7, 2019 (3:30 @ ESC) |
| 10. Retiree Benefits including Medicare Orientation #2 | January 7, 2019 (5:00 @ ESC) |
| 11. Employee SRP Workshop | January 9, 2019 (3:00-6:00 @ CLC) |
| 12. Enrollment window closes | January 15, 2019 |
| 13. Board approves/cancels SRP based on participation | January 17, 2019 |
| 14. District announces whether SRP goes forward | No later than February 15, 2019 |
| 15. Employees Resign from District employment effective after completing the 2018-2019 school year. | on or before June 30, 2019 |
| 16. Benefits Commence | August 1, 2019 |


Association Representative
For the FOLSOM CORDOVA EDUCATION
UNIFIED
ASSOCIATION
11/1/18
Date

August 1, 2019

District Representative
For the FOLSOM CORDOVA
SCHOOL DISTRICT
11-1-18
Date

Board Ratification Date _____

We are offering several workshops to help our employees make informed decisions.

STRS Workshops- STRS representative Preston Jackson will provide an informational workshop on two different nights. In order to better understand how this impacts your personal STRS account, please log into your MyCalSTRS.com Account and print a copy of your retirement progress report for June 30, 2018. Please bring the copy to the workshop. Please only attend one STRS Workshop session. This workshop will be held at the ESC, 1965 Birkmont Drive, Rancho Cordova.

SRP Employee Orientation Meetings- Representatives from PARS, Public Agency Retirement Services will provide an orientation and answer questions about the Supplementary Retirement Plan on two different nights. Please bring your enrollment packet to the workshop. Please only attend one SRP Employee Orientation Meeting. This meeting will be held at the ESC, 1965 Birkmont Drive, Rancho Cordova.

Employee SRP Workshop- Representatives from PARS, Public Agency Retirement Services will provide a workshop in which employees may enroll in the SRP program with assistance from a PARS representative. Please bring your enrollment packet to the workshop. This workshop will be held at the Cordova Lane Center, 2460 Cordova Lane, Rancho Cordova.

Retiree Benefits including Medicare Orientation- Terri Ezaki, our employee benefits broker will provide an overview of the health benefit options including Medicare. Please only attend one Retiree Benefits including Medicare Orientation. This orientation will be held at the ESC, 1965 Birkmont Drive, Rancho Cordova.