

Article 24: Retirement

24.01 EARLY RETIREMENT OPTION: The Early Retirement Option (ERO) shall be available to any full-time faculty member who meets the minimum qualifications.

A. Retirement Medical Benefits Bridge Program: Incentive Plan

1. The District will grant the individual who chooses the early retirement provisions the same medical/dental benefit package that full-time faculty employees of the District receive at that time. These District-paid benefits will cease on the first day of the month in which the retiree reaches age 65.
2. Alternate early retirement provisions for medical/dental coverage
 - a. Monthly payment option. Upon request, early retirees who move out of the District's medical service area will be granted a monthly payment equal to the amount of the premium that would otherwise be paid to the medical coverage provider upon proof that the retiree is securing medical and dental benefits elsewhere.
 - b. No guarantee of reinstatement. There is no guarantee that a retired faculty member who elects this form of the benefit will be eligible for reinstatement into the health plan at a later date, if the retiree should want to return to the plan.
3. On the first day of the month in which the retiree reaches age 65, the incentive benefits will be converted to the same medical/dental stipend regular retirees of equal or superior age receive at that time.
4. It is the responsibility of each potential early retiree to carefully evaluate his/her personal economic situation with respect to the [California State Teachers' Retirement System \(CalSTRS\)](#) and other retirement income prior to applying for early retirement. Once the Superintendent/President and the Board of Trustees approve the signed application and agreement form(s), the decision to resign and retire may not be rescinded. Candidates for early retirement are encouraged to consult a CalSTRS advisor and pursue all other advisory sources that will clarify their personal financial situation upon retirement.
5. All early retirements commence at the beginning of the fiscal year following the last date of service (or at the beginning of the spring semester for midyear retirees).

B. Eligibility

1. The regular faculty member must have completed the equivalent of a minimum of fifteen (15) years of full-time employment with the District, five (5) of which must have been as a regular faculty member. Unpaid leaves of absence will not be considered in the computation of years of service. Probationary or regular service at less than 100 percent, and adjunct faculty service, will be computed and accumulated on a pro-rata basis.
2. The applicant must have attained a minimum age of 55 years or a maximum age of 64 years on, or before, June 30 of the final year of service (or January 31 in the event of midyear retirement).
3. The applicant must satisfactorily complete and submit the necessary *Early Retirement Application and Agreement Form(s)* by the first working day in October of the final year of service. For individuals planning midyear retirement, the application is due during the first week of the fall semester.

- 24.01** B. 4. If the early retiree subsequently becomes employed, the benefits provided by the District under the early retirement provisions become secondary to those provided by the new employer.
5. Should the early retiree terminate his/her medical/dental benefits package with the District, the District cannot guarantee that the insurance carrier will reinstate the early retiree under group coverage currently provided to currently employed faculty.

C. Procedures

1. *Early Retirement Application and Agreement Form(s)* may be obtained from the Human Resources Department.
2. To be considered for early retirement under the provisions of the incentive program, the applicant must complete and submit the application form(s) to the Human Resources Department no later than the first working day in October of the final year of service.
3. The Human Resources Director and the Superintendent/President will review all applications. The Human Resources Director will forward the applications of those candidates who qualify for the program, in a timely fashion, to the Board for appropriate action at the next regular Board meeting. Any questions that arise regarding the eligibility of an individual will be reviewed with the applicant.
4. Anyone planning a midyear retirement must submit his/her application during the first week of the fall semester of that year.
5. The Superintendent/President and the Board of Trustees must approve any exceptions to the application deadline due to extenuating circumstances.

24.02 PRERETIREMENT REDUCTION IN WORKLOAD: The District may offer a Preretirement Reduction in Workload Option plan for eligible faculty according to the provisions of [Education Code Section 87483](#) which provides a mechanism where a contract with the District is made for a specific reduced workload assignment while both parties contribute to CalSTRS at the 1.0 FTE workload rate.

24.03 RETIREE SUPPLEMENTAL BENEFITS

- A. **Medical/Dental Benefit Package.** The District will grant regular faculty who retire with the Early Retirement Option prior to reaching the age of 65 the same medical/dental benefit package that full-time faculty employees of the District receive at that time, until the retiree reaches age 65.
- B. **Medical and Dental Stipend.** Effective July 1, 1996, the medical and dental stipend for retirees who have reached the age of 65 shall be:
1. Retiree only: Eighty-four Dollars (\$84.00) per month
 2. Retiree and spouse or dependents: One Hundred Thirty-six Dollars and Fifty Cents (\$136.50) per month.
- C. **Eligibility for Medical and Dental Stipend**
1. All regular faculty members who retire at or beyond age 65 are entitled to receive the retiree medical and dental stipend – regardless of years of employment.

- 24.03** C. 2. All regular faculty members who have completed the equivalent of a minimum of fifteen (15) years of full-time employment with the District, five (5) of which must have been as a regular faculty member, are eligible for the retiree medical and dental stipend. Unpaid leaves of absence will not be considered in the computation of years of service. Probationary or regular faculty service at less than 100 percent, and adjunct faculty service, will be computed and accumulated on a pro-rata basis.

24.04 ADJUNCT FACULTY RETIREMENT PLANS

- A. **Plan Selection:** Each adjunct faculty member must select a retirement plan. Adjunct faculty members have a choice between the CalSTRS Defined Benefit Plan, the CalSTRS Cash Balance Plan, and a District-provided 403(b) Retirement Plan. (Note: Due to CalSTRS regulations, the decision to select the CalSTRS Defined Benefit Plan is irrevocable.)
- B. **CalSTRS Defined Benefit Plan**
1. CalSTRS operates a "Defined Benefit Plan." This means that the retirement benefits are guaranteed by law. The benefit formula is based on age, service credits, and average final salary.
 2. In order to qualify for benefits, the participant must be "vested." "Vested" means that the participant has acquired the equivalent of five (5) years of full-time service.
 3. The CalSTRS Defined Benefit Plan requires contributions from the adjunct faculty member and from the District. Currently, the faculty member contribution is 8 percent of gross salary and the District contribution is 8.25 percent of gross salary for a total contribution of 16.25 percent of gross salary.
 4. For detailed information, contact the Sonoma County Office of Education, Certificated Retirement Department at (707) 524-2600 or call CalSTRS toll free at 1 (800) 228-5453 for free booklets and information.
- C. **CalSTRS Cash Balance Plan**
1. CalSTRS operates a "Cash Balance Plan" for employees of California's public schools. Eligibility shall be as determined by CalSTRS. The retirement benefits are based on the amount equal to the sum of the balance of credits to the employee's account including interest earned on contributions.
 2. A participant in the CalSTRS Cash Balance Plan has an immediate vested right to this retirement benefit.
 3. The CalSTRS Cash Balance Plan requires contributions from the adjunct faculty member and from the District. Currently, the faculty member contribution is 4 percent of gross salary and the District contribution is 4 percent of gross salary for a total of 8 percent of gross salary.
 4. For detailed information and free booklets, contact CalSTRS toll free at 1 (800) 228-5453.
- D. **District 403(b) Plan:** The IRS recognizes a 403(b) investment plan as a qualified pension plan that employees/employers may use in lieu of Social Security for those employees not covered by CalSTRS or CalPERS as a Sonoma County Junior College District employee. The District and AFA agree to implement a 403(b) plan subject to the following conditions:

- 24.04** D. 1. The 403(b) plan will become effective January 1, 1992.
2. The 403(b) plan shall be an employee-directed defined contribution plan.
3. The District shall contribute a share equal to 3.75 percent of the employee's gross salary.
4. There shall be a mandatory contribution of to 3.75 percent of gross salary from each employee.
5. The employee shall be fully vested in the plan at all times.
6. [Fidelity Investments](#) will provide the investment and administration program.

24.05 HOURLY ASSIGNMENT SERVICE CREDITS

- A. **Reporting:** The District will work with AFA, the Sonoma County Office of Education, (County), and CalSTRS to assure that the information reported to the County and to CalSTRS for adjunct faculty members will generate a service credit calculation which will have a reasonable relationship to their actual percentage of full-time equivalent load as reported on the workload report.
- B. **Formula Changes:** New formulas agreed to by the District and AFA for reporting to CalSTRS were implemented July 1, 1995. Future changes in formulas will occur only after mutual consultation.
- C. **Calculation of Retirement Base:** The retirement base ("earnable income") for hourly assignments will be reported to the County using the following assumptions:
1. **Allied (Counselors, Librarians, Work Experience):**
Load = 35 hours per week x 35 weeks per year = 1,225 hours per year.
Therefore, hourly wage x 1,225 hours per year = retirement base.
 2. **Credit Lecture:**
Load = 15 hours per week x 35 weeks per year = 525 hours per year.
Therefore, hourly wage x 525 hours per year = retirement base.
 3. **Credit Lab (Lab, P.E and ADN):**
Load = 22 hours per week x 35 weeks per year = 770 hours per year.
Therefore, hourly wage x 770 hours per year = retirement base.
 4. **Noncredit Instructional:**
Load = 24 hours per week x 35 weeks per year = 840 hours per year.
Therefore, hourly wage x 840 hours per year = retirement base.
 5. **Career Development College Preparation (CDCP):**
Load = 21.5 hours per week x 35 weeks per year = 752.50 hours per year.
Therefore, hourly wage x 752.50 hours per year = retirement base.