



# SUPPLEMENTAL EMPLOYEE RETIREMENT PLAN

**Rialto Unified School District  
Certificated  
2020-2021 SERP**



# What is SERP?

- Supplemental Employee Retirement Plan
  - Provides monthly retirement income benefits to you
- CalSTRS / CalPERS is your primary source of income
- Voluntary for employees & paid for by employers



# SERP Advantages

- Start enjoying retirement early
- Reduce the need to work longer to increase the lifetime pension benefit
- Provides current supplemental income, allowing your other investments to continue to grow



# SERP Advantages

- Financial bridge between working & retirement
- Flexible payment options to protect spouse or other loved ones



# SERP Advantages

- Several payment options to fit your needs
- Monthly payments of 9 years or less are eligible to be rolled over into a tax deferred IRA, 403(b) or 457(b) Plan
- May return to service part-time with CalSTRS or CalPERS after 180 days

# How Does SERP Work?

- Submit letter of retirement or resignation and complete enrollment packet
- Annuity Purchased by Employer
  - Monthly checks begin the month after SERP effective date
  - United of Omaha – A+ Rating
- Keenan Financial Services
  - Contract Administrator
  - Individual Counseling Sessions
  - Customer Service



# Example: Income Benefit Options

Example: Certificated Employee – Age 60

Benefits Based on 85% of your annual salary of \$98,922

	Monthly Alternative	Benefit
A	Life Only Benefit	\$345.06
B	Joint & 50% Survivor	\$316.52
C	Life or Ten (10) Years, <i>whichever is longer</i>	\$338.72
D	Five (5) Year Monthly Payments*	\$1,387.00
E	Six (6) Year Monthly Payments*	\$1,170.95
F	Seven (7) Year Monthly Payments*	\$1,016.74
G	Eight (8) Year Monthly Payments*	\$901.18
H	Nine (9) Year Monthly Payments*	\$811.38
I	Ten (10) Year Monthly Payments	\$739.62

\* Eligible for IRA Tax Deferred Rollover. Mandatory 20% Federal Tax applies to benefits not rolled-over. Under IRS rules, if you are over the age of 72, you may not rollover your annuity payments and they will be fully taxable.

Acceptance of your application to participate in the Supplemental Employee Retirement Plan (SERP) is contingent on the District's verification of eligibility.

Annuity benefits are provided by an insurance company and quoted amounts are estimates only. Estimated benefits are subject to change prior to actual purchase of annuity benefits. Estimated benefits may change due to changes in the data supplied by the District, changes in current interest rates, mortality assumptions, commission percentages and state premium tax.

The District may be subject to penalty fees for late premium payments and benefits may cease if all installment premiums are not paid in accordance with the installment premium schedule.

# SERP Excise Provision

- Only applies to retirees ages 50 through one day before your 55<sup>th</sup> birthday
- You may have to pay an extra tax equal to 10% Federal Taxes and 2.5% CA State Taxes if you choose to receive a Period Certain (options D-I) as cash
- Does not apply if you rollover your whole payment to a tax deferred account
- Does not apply to Lifetime Options A, B & C



# Eligibility Guidelines for Employees

- Employee must be a Certificated (Management or Non-Management), Classified (Management or Non-Management) or Confidential employee of the Rialto Unified School District with an FTE of at least 0.75.
- Employee must be in paid and active status as of the last day of their assigned work calendar.
- Employee must be at least 55 years of age with 5 consecutive years of service or at least 50 years of age with 20 consecutive years of service with the District by June 30, 2021.



# Eligibility Guidelines for Employees

- Employee must retire from the District on or before July 1, 2021.
- Employee must submit a completed SERP Enrollment Package, a Letter of Resignation and an Irrevocable Letter of SERP Participation no later than January 22, 2021.



# Eligibility Guidelines for Employees

- Final implementation of the SERP is contingent upon savings as determined through a final savings analysis provided to the District at the end of the plan window period and final rescind date. The final determination will be made by Business Services and reported to the Board. If there is not adequate savings, those who submitted letters of retirement shall be permitted to rescind his or her resignation and return to work for the next 2021-22 school year.



# SERP Participation Timeline

- Schedule your Individual Counseling Session via Zoom, Telephone or in person:  
November 2<sup>nd</sup>-5<sup>th</sup> & November 9<sup>th</sup>-10<sup>th</sup>, 12<sup>th</sup>, 2020
- Complete and submit a SERP Enrollment Package, a Letter of Resignation and an Irrevocable Letter of SERP Participation by January 22, 2021
- Retire from the District on or before July 1, 2021
- Receive your first benefit payment on August 1, 2021



# SERP Individual Counseling Session

## Important Reminders

- Sign-up for an appointment today
  - Schedule your appointment at:  
**<https://rialtoerp.appointy.com>**
  - You're welcome to bring your family members and/or financial advisor with you
- Check for your latest CalSTRS or CalPERS statement and make an appointment with a CalSTRS or CalPERS counselor
  - [www.calstrs.com](http://www.calstrs.com)
  - [www.calpers.ca.gov](http://www.calpers.ca.gov)

# Technology Questions?

- Zoom, Appointy or DocuSign Question?

[KFSTechSupport@Keenan.com](mailto:KFSTechSupport@Keenan.com)

Or

800-444-9995 ex 3671

# About Keenan

## SNAPSHOT OF *Keenan*

NICHE AGENCY  
FORMED IN **1972**

**JOINED**

  
AssuredPartners

**IN 2017**

**MORE THAN**

**700**

CALIFORNIA BASED  
EMPLOYEES



### WE PROVIDE SERVICES TO

 **850** SCHOOL DISTRICTS

 **110** PUBLIC AGENCIES

 **65** JPAS

 INDIVIDUALS & FAMILIES  
THROUGH KEENANDIRECT

ASSURED PARTNERS IS THE  
**13<sup>TH</sup> LARGEST**  
BROKER IN U.S.



(BUSINESS INSURANCE, JULY 2016)

**9** OFFICES  
IN CALIFORNIA

### YOUR LOCAL OFFICE

2355 CRENSHAW BLVD, SUITE 200  
TORRANCE, CA 90501



# ANY QUESTIONS?

Keenan & Associates and its employees or representatives do not provide personal accounting, tax, or legal advice.