

RESOLUTION NO. 09:19-20

RESOLUTION OF THE BOARD OF TRUSTEES OF THE PERRIS UNION HIGH SCHOOL DISTRICT IMPLEMENTING A SUPPLEMENTARY EMPLOYEE RETIREMENT PLAN (SERP)

WHEREAS, California Government Code Section 53224 authorizes school districts to make contributions to retirement plans; and

WHEREAS, the Board of Trustees of the Perris Union High School District has determined it to be in the best fiscal interest of the District to provide a retirement incentive offer to employees who wish to voluntarily exercise their option to separate from the District under such a plan; and

WHEREAS, a retirement incentive will increase and accelerate the retirement, in excess of the natural attrition rate for employees; and

WHEREAS, there is a budgetary shortfall in 2020-21 and beyond, and as such the District will use the retirement incentive as a cost savings measure in its efforts to maintain fiscal solvency; and

WHEREAS, savings is expected to be generated by replacing veteran employees with employees who would start at a lower base salary, or by not replacing certain positions vacated by veteran employees.

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE PERRIS UNION HIGH SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. The Board hereby establishes a Supplementary Employee Retirement Plan (SERP) for certain eligible employees of the District effective July 01, 2020.

Section 3. For purposes of this plan, Certificated employees are defined as employees within the Perris Secondary Educators Association and Classified employees are defined as employees within the California School Employees Association Chapter No. 469 or who are unrepresented Confidential employees. Certificated Management employees, Classified Management employees and Charter school employees are not eligible for this plan.

Section 4. To be eligible for the SERP, Certificated employees must be at least fifty-five (55) years of age and have completed at least five (5) years of service with the District by June 30, 2020. Classified employees must be at least fifty-five (55) years of age and have completed at least ten (10) years of service with the District by June 30, 2020. Only those employees holding an active employment status with the District on November 1, 2019 will be eligible for the SERP. Employees who have been issued dismissal charges will not be eligible unless participation in the SERP is included as part of a settlement agreement. The Superintendent or designee may make exceptions to this eligibility requirement only when it is in the best fiscal interest of the District.

Section 5. Eligible Certificated employees shall be offered two (2) plan options: A District contribution to fund the SERP equal to 70% of base salary, or 50% of base salary including a Health Reimbursement Account (HRA). Eligible Classified employees shall be offered two (2) plan options: A District contribution to fund the SERP equal to 50% of base salary, or 30% of base salary including a HRA. Employees who elect the option including the HRA will receive \$5,000 per year, for five (5) years or until age 65, whichever comes first.

Section 6. The benefit under the available plan options shall be based on a percentage of the 2019-20 base salary as determined by the District. Extra duty and overtime shall not be used when calculating the proration. The plan options will be prorated for any Certificated employee working less than a full contract and for any Classified employee whose shift is less than full time and regularly work less than forty (40) hours per week.

Section 7. Employees electing to participate in the SERP must submit an irrevocable letter of resignation to Human Resources by January 15, 2020 with an effective no later than June 30, 2020.

Section 8. If the District determines that enrollment in the SERP does not provide a financial savings, the District may rescind the plan on or before January 17, 2020. If the District chooses to rescind the SERP, employees may revoke their letters of resignation on or before January 24, 2020.

Section 9. The Board hereby appoints Keenan & Associates as the contract administrator to assist the District in the implementation and administration of the SERP.

Section 10. The District shall make all contributions to the SERP to fund said benefits.

Section 11. For purposes of the limitations on contributions and benefits under the SERP, as prescribed by section 415 of the Internal Revenue Code of 1986, as amended, the "limitation year" shall be the plan year, as defined under the terms and provisions of the SERP.

Section 12. For purposes of clarification of administration of the SERP but not for purposes of making said SERP subject to title I of ERISA, the Board hereby designates the District as the plan administrator.

Section 13. The Board hereby authorizes and directs the Deputy Superintendent, Business Services to take the following actions:

- A. Execute the SERP and any and all other documents necessary or proper to implement the plan.
- B. Contract with Keenan & Associates as contract administrator to provide all services described in the contract.
- C. Execute any and all documents, including any amendment to the SERP, necessary or proper to maintain favorable determination of the plan.
- D. Enter into any other contract or agreement which he or she deems necessary or proper to administer and/or fund the SERP and to attain and maintain the income tax qualification of the plan under the Internal Revenue Code of 1986, as amended.

ADOPTED, SIGNED AND APPROVED this 16th day of October, 2019.

**BOARD OF TRUSTEES OF THE PERRIS
UNION HIGH SCHOOL DISTRICT**

By: _____
Edward D. Garcia, Jr., President of the Board of
Trustees of the Perris Union High School District

ATTEST:

By: _____
Dr. Randall Freeman, Clerk of the Board of
Trustees of the Perris Union High School District

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, Dr. Randall Freeman, Clerk of the Board of Trustees, do hereby certify that the foregoing is a full and correct copy of a resolution duly passed and adopted by said Board at a regularly called and conducted meeting held on said date: Wednesday, October 16, 2019.

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Edward D. Garcia, Jr.	_____
Anthony T. Stafford, Sr.	_____
Dr. Randall Freeman	_____
Dr. Jose Luis Araux	_____
David G. Nelissen	_____

By: _____
Dr. Randall Freeman, Clerk of the Board of Trustees of the
Perris Union High School District