

Contra Costa Community College District Comparison of STRS Retirement Plans

PART-TIME FACULTY PLEASE READ!

RETIREMENT PLAN OPTIONS FOR PART-TIME FACULTY

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[Approved for distribution by the United Faculty of CCCCC]

Part-time Faculty are required to make an election for contributing to a retirement plan while working as a teacher, counselor or librarian for the Contra Costa Community College District unless you are already employed full-time by another school district or retired.

It is very important that you read about these options and make an informed decision about your retirement. You need to consider your current working status in this district and other employment you may be doing. Be sure to read the in-depth information about the plans that are available in the STRS (State Teacher's Retirement System) handbook and brochures as well. If you have questions after reading this retirement material you may consult STRS or Social Security via the following methods to help you make your choice or contact the United Faculty for basic retirement information or workshops.

STRS 1-800-228-5453; www.calstrs.ca.gov

Social Security 1-800-772-1213; www.socialsecurityadministration.com

This district offers you three options for retirement: Social Security, STRS Cash Balance and STRS Defined Benefit plans.

1. State Teacher's Retirement System [STRS] Cash Balance Plan [CB] [4% deduction]

The Cash Balance Plan by STRS was designed for part-time faculty who normally teach only one class or works very few hours as a counselor/librarian and would not normally "vest" in the Defined Benefit Plan. The CB plan is a "defined contribution" plan in which the employee and employer both contribute 4%. Vesting [which entitles you to both contributions] is immediate. The money and interest accumulated at retirement (or at age 55) can then be taken out lump sum or rolled into an annuity. [You can take it out before age 55 if no longer working as a teacher, but must wait one year to receive your account.] Typically this is not enough to retire and live, but is a nice extra if you have another retirement from other plans. It should be noted that this "could" off-set your social security if you do not have 30 years of "substantial" earnings into that system. This is not recommended for a career part-time teacher who works 60% or more in one or more districts.

If you choose this plan then:

1. Complete the Retirement Questionnaire [ccccd form #7321] [need form #5]
2. Complete the Acknowledgment form, checking you are DECLINING the Defined Benefit plan. [mr 350]
3. Complete the gray tri-fold form in the pocket of the brochure from STRS [cb 533]
4. Complete the Beneficiary form for the 4% deductions; if you have a spouse, they must sign the form. [cb 534]

2. State Teacher's Retirement System Defined Benefit Plan [DB] [8% deduction]

This plan is designed for the "career" teacher. It is required of all full-time faculty and must be made available to all part-time faculty as an option. Typically this is the plan for any PT faculty member who teaches at 50% or more [either in one district or a combination of districts]. You are "vested" in the plan with 5 years full-time equivalent service. The benefits include a life-time pension that can be left to beneficiaries, disability coverage, sick leave conversion to service credit, inflation protection, and possible future benefits. This is a good option for a teacher or counselor/librarian who works at least 40%, works in more than one district, plans on being full-time someday, and has the years ahead of work experience to "vest". At 50% it would take 10 years to "vest" in the program.

If you are a full-time K-12 instructor, then you are automatically in STRS DB and your work in the CCCCDC will go into your STRS DBS Supplemental account. Be sure to let HR know that you are already in STRS DB as a FTER. The Supplemental Account [DBS] is also used for PT faculty who work more than 100% through freeway flying to a variety of districts and currently all STRS DB faculty have 2% of their contributions going into the DBS program.

If you are retired from STRS, then you pay into NO plan.

If you choose this plan then:

1. Complete the Retirement Questionnaire. [need form #5]
2. Complete the Acknowledgment form, checking you are ACCEPTING the Defined Benefit plan.
3. Ask for and complete an alternate Beneficiary form (MS0002).

3. Social Security [aprox. 6.25 +/- % deduction as designated by Federal Government]

Social Security is the Federal Defined Benefit Plan. It is based upon years of contributions by the employee and employer. You must have a minimum of 40 quarters of work to receive Social Security. For most this is a "private sector" job. If you work full-time in a social security job, you might consider staying in social security. If you work part-time in a social security job, you definitely should consider staying with that plan. Why? As a full-time employee you will probably in your life-time work experience contribute 30 years of substantial earnings to the SS system which would mean any STRS contributions you receive would not affect the Social Security pension. If, however, you only work PT in a Social Security job and elect to receive either of the STRS plans, you will probably have your social security pension off-set due to the Federal Windfall Elimination Provision and the

Government Pension Off-set Provision. To avoid this do not sign up for STRS. Remember that BOTH [CB and DB] STRS plans affect Social Security if you do not have 30 years of “substantial earnings” as designated by the Social Security Administration. To find out if you have substantial earnings contact SS for their brochure on Windfall Elimination Provision [WEP] and Government Pension Off-set [GPO].

If you choose this plan then:

1. Complete the Retirement Questionnaire.
2. Complete the gray tri-fold form and check the box “My employer offers and I elect Social Security.”