



PERRIS UNION
HIGH SCHOOL DISTRICT

RETIREMENT STIMULUS PLAN

Informational Presentation



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WHAT IS THE RETIREMENT STIMULUS PLAN?

- Reduces the need to work longer than desired by offering a contribution towards health coverage or a one-time financial incentive
- Voluntary plan for employees of PUHSD and CMI meeting eligibility requirements
- Provides a budgetary savings to the District when veteran employees are replaced with employees who have a lower base salary
- Get in front of teacher shortfall

CERTIFICATED ELIGIBILITY REQUIREMENTS

- At least 60 years of age by June 30, 2018
- Active employment status as of February 1, 2018
- Open to all Certificated and Certificated Management employees of PUHSD or CMI meeting the eligibility requirements above

CLASSIFIED ELIGIBILITY REQUIREMENTS

- At least 55 years of age by June 30, 2018
- At least 10 years of service to the District and/or CMI by June 30, 2018
- Active employment status as of February 1, 2018
- Open to all Classified, Confidential and Classified Management employees of PUHSD or CMI meeting eligibility requirements above

RESIGNATION/RETIREMENT

- Must either resign or retire with an effective date no later than June 30, 2018
- No requirement to retire from CalSTRS or CalPERS
- By March 23, 2018, submit to Human Resources:
 - Retirement Stimulus Plan Enrollment Form
 - Irrevocable letter of resignation or retirement

PLAN OPTIONS

1. Annual contribution of \$10,000 towards health & welfare benefits until 65 years of age.
 - Limited to 5 years for Classified Employees
2. A one-time bonus incentive of \$25,000
 - *Classified employee plan options will be prorated for employees who are less than full-time*
 - *PSEA employees who qualify for the \$10,000 retirement bonus (Column 6 with at least 20 years of service) will receive this benefit in addition to one of the plan options above*

HEALTH CARE CONTRIBUTION

- Annual contribution of \$10,000 towards health and welfare benefits until 65 years of age
 - The contribution will be prorated in the fiscal year (July 1 - June 30) the employee turns 65, expiring at the end of the month of their 65th birthday.
- May select single, two-party or family for any medical, dental and vision benefit package offered to current employees in their employee group at the retiree rate
- Offer of health coverage and acceptance is reported annually to the IRS on form 1095-C but is not reported on form W-2.*

* Current law for 1095-C and W-2 reporting. PUHSD will remain compliant with any changes in law.

HEALTH CARE CONTRIBUTION

- Plan changes can be made during Open Enrollment
 - Notification of Open Enrollment and Health Fair dates will be provided annually
 - Qualifying life events are eligible for change mid-year
 - Plan designs and rates change annually
- An annual invoice will be mailed for plans selected in excess of the district contribution
 - Payment can be made in full or arrangements can be made for quarterly or monthly payments
 - Insurance coverage will be terminated if timely payments are not made. Once terminated, coverage cannot be reinstated.

NEW HEALTH REIMBURSEMENT ARRANGEMENT OPTION (HRA)

- May elect to have health insurance contribution deposited into an HRA account
- HRA accounts can be used to purchase medical insurance and pay for copays, prescriptions and other health care expenses
- HRAs are funded by the employer only (employee contributions are not permitted)
- HRAs provide tax free deposits and tax free reimbursements
- HRAs can be used out of state

NEW HEALTH REIMBURSEMENT ARRANGEMENT OPTION (HRA)

- Administration
 - HRA is administered by MidAmerica
 - Participants will receive a debit card to pay for their qualifying expenses
 - Online account access
- Eligibility
 - Must retire (not simply resign) to be eligible
 - Employees choosing the HRA option may not use these funds to purchase a district plan nor may they later decide to switch from the HRA to a district plan
- Contributions
 - Unused amounts carry over from year to year
 - Retiree has access to all unused funds until exhausted

ONE-TIME BONUS INCENTIVE

- The one-time bonus incentive of \$25,000 will be paid in June 2018 on the employee's last paycheck
 - A separate check may be requested
- The bonus amount is taxable
 - A new W-4 to change withholdings for June paychecks must be submitted by June 8th
- For both CalSTRS and CalPERS employees, the bonus is not creditable and will not be included in the Retirement calculation.

NEXT STEPS

- Recommend meeting with CalSTRS or CalPERS
- Consult with your tax professional
- Call us with any questions you may think of later!



QUESTIONS?