



# SUPPLEMENTAL EMPLOYEE RETIREMENT PLAN

**Santa Monica-Malibu Unified School  
District  
November 15<sup>th</sup>, 2018**

*Keenan*  
*Associates*  
*Innovative Solutions. Enduring Principles.*



Supplemental Employee Retirement Plan (SERP) is Keenan's early retirement incentive solution since 1984. The program is designed to:

- Address declining enrollment
- Assist in proactive staff planning
- Compensate long-term employees
- Enhance economic flexibility



# Demographic Study

## 1. General Eligibility:

1. Employee must be at least fifty five (55) years of age
2. Employee must have at least five (5) years of service

Employee Group	Certificated	Certificated Child Development	Certificated Management	Classified	Classified Management
Total Eligible Employees	102	20	8	221	7
Average Age	61.5	62.5	60.4	62.4	61.5
Average Service	23.7	23.5	18.4	18.8	22.1

# Annuity Options: Benefits

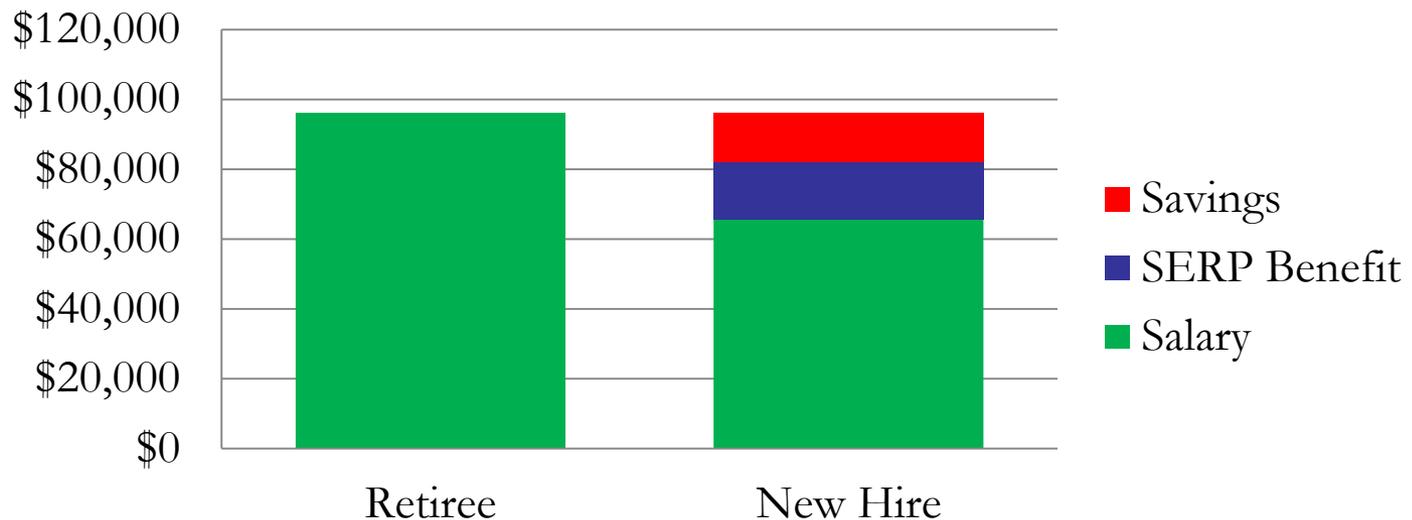
## Estimated Monthly Payments

	Annuity Option	Certificated (80%)	Child Development (80%)	Certificated Mgmt. (80%)	Classified (80%)	Classified Mgmt. (80%)
1	Life Only	\$359.47	\$171.93	\$441.72	\$167.92	\$387.34
2	Joint & 50% Survivor	\$331.39	\$158.02	\$408.56	\$154.36	\$357.08
3	Life or Ten Years	\$351.22	\$167.44	\$432.95	\$163.58	\$378.45
<b>4</b>	<b><u>Five (5) Year*</u></b>	<b><u>\$1,250.89</u></b>	<b><u>\$582.87</u></b>	<b><u>\$1,579.40</u></b>	<b><u>\$570.52</u></b>	<b><u>\$1,347.87</u></b>
5	Six (6) Year*	\$1,062.30	\$495.00	\$1,341.28	\$484.51	\$1,144.66
6	Seven (7) Year*	\$927.81	\$432.33	\$1,171.47	\$423.17	\$999.74
7	Eight (8) Year*	\$827.12	\$385.41	\$1,044.34	\$377.24	\$891.24
8	Nine (9) Year*	\$748.96	\$348.99	\$945.65	\$341.60	\$807.03
9	Ten (10) Year	\$686.58	\$319.93	\$866.89	\$313.15	\$739.81
* Eligible for tax-deferred IRA Rollover						

# How Does SERP Work?

SERP generates cost savings through the differential in salary costs for a retiring employee and a new hire. The benefit design depends on the size of differential.

## Year #1 Savings Concept



# SERP Analysis at 80% of Salary

## Certificated

Estimated Participation  
25 retirees

Non-Replaced Positions  
7 Not Replaced

Average Salary per Retiree  
\$93,761

Minimum Participation  
20 retirees

Estimated 5 yr. Savings  
**\$1,596,287**

## Child Development

Estimated Participation  
5 retirees

Non-Replaced Positions  
All Replaced

Average Salary per Retiree  
\$43,690

Minimum Participation  
Contingent on Certificated

Estimated 5 yr. Savings  
**-\$37,613**

## Certificated Mgmt.

Estimated Participation  
4 retirees

Non-Replaced Positions  
1 Not Replaced

Average Salary per Retiree  
\$118,384

Minimum Participation  
Contingent on Certificated

Estimated 5 yr. Savings  
**\$390,139**

# SERP Analysis at 80% of Salary

## Classified

Estimated Participation

53 retirees

Non-Replaced Positions

8 Not Replaced

Average Salary per Retiree

\$42,764

Minimum Participation

25 retirees

Estimated 5 yr. Savings

**\$1,603,682**

## Classified Mgmt

Estimated Participation

4 retirees

Non-Replaced Positions

1 Not Replaced

Average Salary per Retiree

\$101,030

Minimum Participation

Contingent on Classified

Estimated 5 yr. Savings

**\$555,656**

# Group Sessions

Through initial communications, eligible employees are notified of Group Session opportunities:

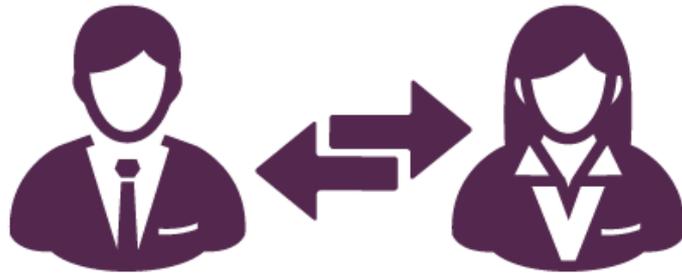


## Group Sessions

- On-Site Presentations
- Education on Offering
- 9 Annuity Options (Choice is up to Employee)
- Discuss the Decision Making Assistance Options
- Reminders of Important Deadlines
- Sign-Up Assistance for Individual Counseling

# Individual Counseling Session

Eligible participants are urged to schedule a one-on-one Q&A session with one of our SERP counselors:



## Individual Counseling

- Facilitated by *actual retirees*
- On-Site or by Telephone
- 30-minute Session
- Counselors are previous SERP participants
- Overview of Paperwork
- Personalized Attention

# SERP Communication Plan

Keenan Financial Services can assist in coordinating representatives and presentations from the following:



## **Pension Assistance**

- Group Sessions on Pension Benefits
- Education on Individual Meeting Options
- Highlight Online Tools for Estimation of Benefits

# Timeline - Proposal

## November 2018

- Development and Board Approval

## January 2019

- Confirm participants and prepare final analysis

## July 2019

- Plan Effective Date .

## December 2018

- Group and Individual Counseling Sessions

## January 2019

- Final Savings Analysis Presented to Board

## August 2019

- First Benefit Payment



**ANY QUESTIONS?**