

# Pension Rate Stabilization Program

A Comprehensive Prefunding Solution to Address Rising STRS/PERS Costs

**PARS (Public Agency Retirement Services), in partnership with Community College League of California, is proud to offer the Pension Rate Stabilization Program (PRSP), a first-of-its-kind, IRS-approved, IRC Section 115 irrevocable trust program designed to help community college districts manage ongoing pension obligations.**

## Why Prefund Pension Obligations with the PARS PRSP?

### Stabilize Costs

Access funds to reimburse your District for pension-related expenses to help offset rising STRS/PERS contribution rates

### Local Control

District maintains autonomy over assets, contributions, disbursements, timing and investment risk tolerance

### Protection

Funds in the trust are securely set-aside and protected from diversion for uses other than pension

### Diversified Investing

Assets in an exclusive benefit trust can be diversely invested and may achieve greater returns than your general fund/treasury pool

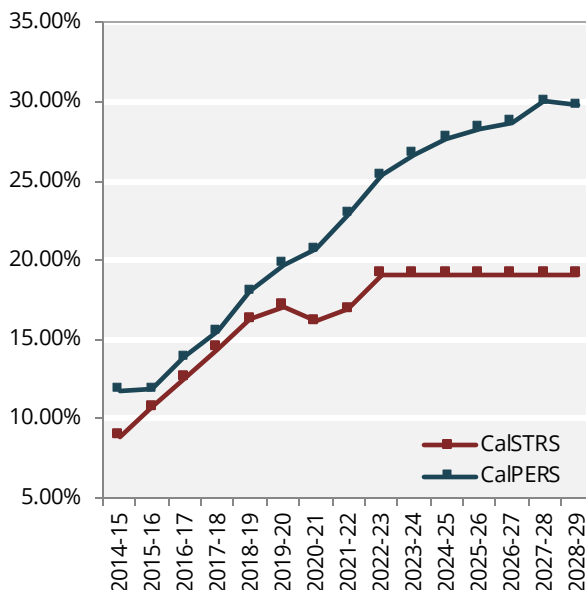
### Rainy Day Fund

Emergency source of funds when employer revenues are strained in difficult budgetary or economic times

### Long-Term Planning

Prudent solution for managing ongoing pension liabilities on financial statements due to GASB 68

## STRS/PERS Rate Increases through 2028-29



Fiscal Year	CalSTRS	CalPERS
2014-2015	8.88%	11.77%
2015-2016	10.73%	11.85%
2016-2017	12.58%	13.89%
2017-2018	14.43%	15.53%
2018-2019	16.28%	18.06%
2019-2020	17.10%	19.72%
2020-2021	16.15%	20.70%
2021-2022	16.92%	22.91%
2022-2023	19.10%	25.37%
2023-2024	19.10%	26.68%
2024-2025	19.10%	27.70%
2025-2026	19.10%	28.30%
2026-2027	19.10%	28.70%
2027-2028	19.10%	30.00%
2028-2029	19.10%	29.80%

## Key Program Advantages

PARS is the market leader and largest provider in CA. Over 300 public agencies, including 17 community college districts, have already adopted the Pension Rate Stabilization Program.



### Turn-Key

A simple governance trust structure and full service approach reduces staff and fiduciary burdens.



### U.S. Bank

Security of the 5<sup>th</sup> largest commercial bank and one of the nation's largest trustees for Section 115 trusts.



### Program Pioneer

PARS pioneered the pension prefunding trust in 2015, receiving a first-of-its-kind IRS private letter ruling.



### Low-Cost Approach

Economies of scale without risk sharing, low-cost investments, and fees that decrease as assets grow across investment pools.



### Investment Flexibility

Partners Vanguard and HighMark Capital Management offer active and index portfolios at a variety of risk tolerance levels.



### Personalized Service

PARS and Community College League provide a dedicated and experienced team to serve your ongoing needs.

Program Sponsor:



COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

## Trust Administrator & Consultant



- Recordkeeping/reporting
- Coordinates all District services
- Monitors plan compliance
- Processes contributions/disbursements
- Hands-on, dedicated support teams

39

Years of Experience  
(1984-2022)

2,000+

Plans  
Administered

1,000+

Public Agency  
Clients

50+

CCD Clients

650K+

Plan Participants

\$6.7B

Assets under  
Administration



## Supplementary Retirement Plans (SRP) for California Community Colleges

The PARS early retirement incentive known as the **Supplementary Retirement Plan (SRP)**, offers community college districts a constructive and appealing tool to achieve budget, fiscal, or cash flow savings. PARS provides a comprehensive, in-depth analysis based on your unique demographics to help determine the feasibility of offering a SRP.

### A Helpful Fiscal and Workforce Tool to:

- Address declining enrollment
- Reorganize or restructure departments or divisions
- Revitalize workforce for the future
- Mitigate potential future layoffs or more adverse options
- Meet mutual needs of labor and administration

## For More Information, Contact Us At:

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