

# 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

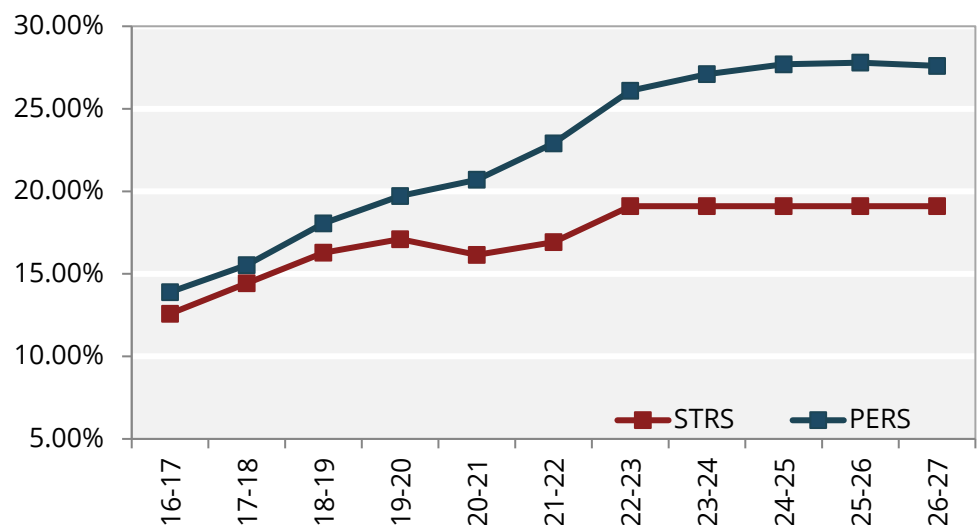
Emergency source of funds when employer revenues are strained in difficult budgetary or economic times

### Long-Term Planning

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

## STRS/PERS Rate Increases through 2026-27

FY	STRS	PERS
2016-17	12.58%	13.89%
2017-18	14.43%	15.53%
2018-19	16.28%	18.06%
2019-20	17.10%	19.72%
2020-21	16.15%	20.70%
2021-22	16.92%	22.91%
2022-23	19.10%	26.10%
2023-24	19.10%	27.10%
2024-25	19.10%	27.70%
2025-26	19.10%	27.80%
2026-27	19.10%	27.60%



## Key Program Advantages

PARS is the market leader and largest provider in CA. 240 public agencies, including 14 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



# PARS

TRUSTED SOLUTIONS. LASTING RESULTS.

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

# 37

Years of Experience  
(1984-2021)

# 2,000

Plans under  
Administration

# 1,000

Public Agency  
Clients

# 42

CCD Clients  
in California

# 500K+

Plan Participants

# \$6.0B

Assets under  
Administration

## Investment Manager Option



# Vanguard

- Independent low-cost investment leader
- Specially designed pools for program
- Portfolios comprised of institutional class, index funds with low expense ratios
- Fees decrease by economies of scale as assets in all Vanguard pools grow

# 46

Years of Experience  
(1975-2021)

# \$7.5T

Assets under  
Management

## Investment Manager Option



# HighMark

CAPITAL MANAGEMENT

- Investment sub-advisor to discretionary trustee U.S. Bank
- Manages plan investments by established policy
- Uses open architecture
- Active and passive fund options
- Customized portfolios (with minimum assets)

# 102

Years of Experience  
(1919-2021)

# \$18.2B

Assets under  
Administration

## For More Information, Contact Us At:

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