

**RETIREMENT INCENTIVE**  
**PROPOSAL FROM THE**  
**PASADENA AREA COMMUNITY COLLEGE DISTRICT**  
**TO THE**  
**PASADENA CITY COLLEGE FACULTY ASSOCIATION**

**May 5, 2025**

The collective bargaining proposal presented herein by the Pasadena Area Community College District to the Pasadena City College Faculty Association and is expressly made pursuant to the Education Employment Relations Act and the Collective Bargaining Contract between the parties.

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**Memorandum of Understanding**  
**Between the Pasadena Area Community College District and the Pasadena City College**  
**Faculty Association Regarding Supplemental Retirement Plan**

1. The Pasadena Area Community College District (District) and the Pasadena City College Faculty Association (PCCFA) enter into this Memorandum of Understanding (MOU) to provide for a one-time only supplemental retirement plan (SRP) on all of the terms and conditions set forth below.
2. The SRP shall be administered by Public Agency Retirement Services (PARS).
3. The eligibility, participation requirements, incentive payments, and additional terms are described in **Exhibit 1**, which is attached hereto and incorporated herein.
4. The District and PCCFA specifically agree that the District has not made any representations or given any oral or written advice or suggestions as to the treatment of the incentive by STRS/PERS or as to any tax consequences of the incentive to any individual unit member; that the District is not responsible for or liable for any such tax consequences to unit members and herein recommends that members consult their own tax preparer or other legal adviser with respect to the effect(s), if any, of the incentive on their individual tax liability or any benefits to which entitled under STRS/PERS.
5. This SRP shall be offered to eligible unit members on a one-time only basis. The parties to this MOU agree that neither the fact of this MOU nor its contents, in whole or in part, or the District's action(s) in furtherance of its obligations under this MOU, shall be construed to be or used by PCCFA as evidence of any precedent or practice on the part of the District or as evidence of the violation of any law, regulation, policy, collective bargaining agreement or unfair practice on the part of the District, and that this MOU shall not be admitted in any tribunal as evidence of any of the above except if PCCFA or an eligible unit member contend that the District violated this MOU.

6. This MOU is subject to final approval by the District's Governing Board. Upon final ratification of this MOU by the District Governing Board, the Board shall adopt a Resolution authorizing the creation of the SRP Plan pursuant to a contract with PARS.

Signed and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

FOR THE DISTRICT

\_\_\_\_\_

FOR THE ASSOCIATION

\_\_\_\_\_

# **2025-2026 Supplementary Retirement Plan**

**Pasadena Area Community College District**

**Faculty, Academic Management, Classified Non-Management, Confidential and Classified Management and Supervisory**

## **Exhibit 1**

With regard to the Supplementary Retirement Plan ("SRP") for the 2025-2026 Academic Year, the Pasadena Area Community College District ("District") proposes the following:

### **1.0 Eligibility**

1.1 Those Faculty, Academic Management, Classified Non-Management, Confidential and Classified Management and Supervisory employees who:

- a) Are employed by the District as of August 13, 2025;
- b) Are 55 of age as of December 31, 2025 (if resigning from District employment effective no later than December 31, 2025) or June 30, 2026 (if resigning from District employment effective no later than June 30, 2026);
- c) Have completed at least five (5) full years of full-time service as an employee of the District as of December 31, 2025 (if resigning from District employment effective no later than December 31, 2025) or June 30, 2026 (if resigning from District employment effective no later than June 30, 2026);
- d) Are 1.0 FTE;
- e) Complete either the 2025-2026 Fall Semester (if resigning from District employment effective no later than December 31, 2025) or the 2025-2026 Academic Year (if resigning from District employment effective no later than June 30, 2026);
- f) Have resigned from District employment effective no later than December 31, 2025 or June 30, 2026; and
- g) Submit all required SRP enrollment materials and District Letter of Resignation to the office of Public Agency Retirement Services ("PARS") no later than October 17, 2025 by 5:00PM.

### **2.0 Participation Requirements**

2.1 The SRP must have sufficient plan participation in order to meet the District's fiscal and operational objectives by the enrollment deadline of October 17, 2025, in order for the incentive to go into effect. Participating employees shall submit all required SRP enrollment materials and District Letter of Resignation to PARS on or before this deadline. As of the enrollment deadline, resignations of participants are irrevocable and may not be rescinded unless the District withdraws the SRP pursuant to Paragraph 2.2 below.

2.2 If a level of participation acceptable to the District has not been reached as of the enrollment deadline, the District may withdraw the SRP, and it will notify enrolled employees of the withdrawal on or before November 21, 2025. If the District withdraws the SRP resignations will automatically be rescinded.

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2.3 Participation for the SRP requires all of the following:

- a) Completion of either the 2025-2026 Fall Semester (if resigning from District employment effective no later than December 31, 2025) or the 2025-2026 Academic Year (if resigning from District employment effective no later than June 30, 2026);
- b) Submission of all required SRP enrollment materials and District Letter of Resignation to the office of PARS no later than October 17, 2025 by 5:00PM; and
- c) Resignation from District employment effective no later than December 31, 2025 or June 30, 2026.

2.4 Participating employees shall not be eligible for any other District sponsored retirement incentive programs.

2.5 Participating employees shall forfeit any future benefits under this SRP, or any future SRP offered, if they become re-employed by the District in any manner other than: a substitute or hourly employee as defined by the District; a professional expert as defined by the District; a consultant as defined by the District; an interim position pursuant to a Board-approved contract; part-time temporary (adjunct) instructor.

### **3.0 Incentive Payments**

3.1 Regarding the basic incentive under this plan:

- a) The District shall make non-elective employer contributions to the participant's 403(b) annuity contract held at Pacific Life Insurance Company ("Pacific Life").
- b) The sum of the contributions shall equal 75% of Final Pay, according to the following schedule for employees resigning from District employment **effective no later than December 31, 2025:**

Contribution Date	Percent of Final Pay
January 10, 2026	15%
January 10, 2027	15%
January 10, 2028	15%
January 10, 2029	15%
January 10, 2030	15%
<b>Total Contributions</b>	<b>75%</b>

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- c) The sum of the contributions shall equal 75% of Final Pay, according to the following schedule for employees resigning from District employment **effective no later than June 30, 2026:**

Contribution Date	Percent of Final Pay
July 10, 2026	15%
July 10, 2027	15%
July 10, 2028	15%
July 10, 2029	15%
July 10, 2030	15%
<b>Total Contributions</b>	<b>75%</b>

- d) For purposes of this plan, Final Pay shall be defined as follows:

- i. The final annual base salary based on the applicable salary schedules in effect for the 2025-2026 Fiscal Year, including applicable longevity.
- ii. Final Pay does not include differentials, stipends, extra and hourly assignments, overload, and overtime pay, and contract extension days (extra contract days) as applicable.
- iii. For those participating in the Reduced Workload Program, Final Pay shall be defined as the final annual base salary based on the applicable salary schedules in effect for the 2025-2026 Fiscal Year, including applicable longevity as if the participating employee was working 1.0 FTE.
- iv. For those on a temporary leave of absence (of any kind), Final Pay shall be defined as the final annual base salary based on the applicable salary schedules in effect for the 2025-2026 Fiscal Year, including applicable longevity as if the participating employee had worked in the same classification in regular status for the entire 2025-2026 Fiscal year.

- 3.2 Alternative monthly forms of payment of equivalent present value to the basic benefit (which shall be paid in the form of a monthly life annuity) shall be offered. They shall include:

- a) Monthly 100% joint-and-survivor payments; and
- b) Monthly lifetime payments with a ten (10) year guarantee; and
- c) Fixed term monthly payments from five (5) to fifteen (15) years. These payments are guaranteed to the participant for the full term selected.

- 3.3 The amount of monthly cash payment shall be fixed upon annuity purchase date and shall not be subject to increase or decrease thereafter.

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- 3.4 The choice of form of payment (and the choice of payment beneficiary if choosing a joint and survivor form of payment) shall become final upon October 17, 2025, and shall not be subject to change thereafter.
- 3.5 Participants shall not have a cash option in lieu of the employer 403(b) contributions.
- 3.6 All contributions into the participant's 403(b) account must be made in accordance with applicable IRS Rules and Regulations.
- 3.7 SRP benefits are scheduled to commence as follows:
- a) For employees resigning from District employment **effective no later than December 31, 2025:** February 1, 2026; and
  - b) For employees resigning from District employment **effective no later than June 30, 2026:** August 1, 2026.

### **4.0 Contract Administrator**

- 4.1 The Contract Administrator for the SRP shall be PARS.

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### Projected Timeline:

1. Board of Trustees approves SRP via Resolution August 13, 2025
2. Enrollment Window Opens August 14, 2025
3. PARS mails SRP Enrollment Packets to eligible employees TBD (Approx. August 14-19, 2025)
4. PARS Orientation Meetings TBD (Approx. Late August/Early September 2025)
5. PARS One-on-One Workshop TBD (Approx. Mid-October 2025)
6. Enrollment Window Closes October 17, 2025
7. District approves/cancels the SRP based on actual plan participation and Post Analysis results November 12, 2025
8. District announces whether SRP goes forward No later than November 21, 2025
9. Employees Resign from District employment After completing the 2025-2026 Fall Semester effective no later than December 31, 2025 or after completing the 2025-2026 Academic Year effective no later than June 30, 2026
10. Benefits Commence For employees resigning from District employment **effective no later than December 31, 2025:** February 1, 2026  
For employees resigning from District employment **effective no later than June 30, 2026:** August 1, 2026.