**Contra Costa Community College District**

**Retirement Plans Options for Part-time Faculty**

Part-time Faculty are required to make an election for contributing to a retirement plan while working as a teacher, counselor or librarian for the Contra Costa Community College District unless you are already employed full-time by another school district or retired.

**The district offers three (3) options for retirement election for part-time faculty.**

**STRS Cash Balance Plan, STRS Defined Benefit Plan, and Social Security**

It is very important that you read about these options and make an informed decision about your retirement. You need to consider your current working status in this district and other employment you may be doing. Be sure to read the in-depth information about the plans that are available in the STRS (State Teacher’s Retirement System) handbook and brochures as well. If you have questions after reading this retirement material you may consult STRS or Social Security via the following methods to help you make your choice. The United Faculty also provides basic retirement information and workshops. You have a 60 day window in which to complete signing up for a retirement plan, but it is best to do it sooner rather than later. If you have questions do not hesitate to contact the United Faculty for any clarifications.

STRS 1-800-228-5453: [www.calstrs.ca.gov](http://www.calstrs.ca.gov)

Social Security 1-800-772-1213: [www.socialsecurity.gov](http://www.socialsecurity.gov)

United Faculty: [www.uf4cd.org](http://www.uf4cd.org)

United Faculty email: uf@uf4cd.edu phone: 925-680-1771

NOTE: If you are already a member of STRS Defined Benefit in another district, you are required to remain in Defined Benefit and you need to inform Human Resources (HR) of this fact.

**1. State Teacher’s Retirement System Defined Benefit Plan [DB] [9+% adjusting deduction]**

This plan is designed for the “career” teacher. It is required of all full-time faculty and must be made available to all part-time faculty as an option. Typically this plan is recommended for any PT faculty member who teaches at 50% or more [either in one district or a combination of districts], hopes to be full-time in the future, or will be working long enough to “vest” in the plan. You are “vested” in the plan with 5 years full-time equivalent service. At a 50% load it will take ten (10) years to vest in the program. All academic work during the school year (including summer) is creditable service (including substituting and paid office time).

The benefits include a lifetime pension that can be left to beneficiaries and survivors, disability coverage, sick leave conversion to service credit, inflation protection, 2% annual COLA, and other additional benefits that may be established in the future. If you are a full-time K-12 instructor, then you are automatically in STRS DB and your work in the CCCCD will go into your STRS Supplemental account (DBS). Be sure to let HR know that you are already in STRS DB as a full-time teacher at another school. The Supplemental Account [DBS] is also used for PT faculty who work more than 100% through teaching in a variety of college districts.

**If you choose this plan, you will be asked to fill out the following:**

1. STRS/PERS Questionnaire
2. STRS Permissive Membership Form
3. You may be given an alternate Beneficiary form, which can be filled out later.

**2. State Teacher’s Retirement System [STRS] Cash Balance Plan [CB] [4% deduction]**

The Cash Balance Plan by STRS was designed for part-time faculty who normally teach only one class or who work very few hours as a counselor/librarian and would not normally “vest” in the Defined Benefit Plan. The CB plan is a “defined benefit hybrid” plan in which the employee and employer both contribute 4%. Vesting [which entitles you to both contributions] is immediate. The money and interest accumulated at retirement (or at age 55) can then be taken out lump sum, paid out via a STRS benefit or rolled into an annuity. [You can take it out before age 55 if you are no longer working as a teacher, but you must wait one year to receive the funds in your account.] Typically this is not enough on which to retire and live, but it can be a nice addition to your other retirement savings. It should be noted that this “could” offset your social security if you do not have 30 years of “substantial” earnings into that system. This is not recommended for a career part-time teacher who works 50% or more in one or more districts. The Cash Balance plan is fully convertible to the STRS Defined Benefit plan if one chooses to change at a future date (however, the cost to do this can be substantial if one waits to do it later). Cash Balance may not be available in other districts in which you work (DB is available in all districts).

**If you choose this plan, you will be asked to fill out the following:**

1. STRS/PERS Questionnaire

2. STRS Cash Balance Form

3. You may be given an alternate Beneficiary form, which can be filled out later.

**3. Social Security [approx. 6.25 +/- % deduction as designated by Federal Government]**

Social Security (SS) is the Federal Defined Benefit Plan. It is based upon years of contributions by the employee and employer and set by Congress. You must have a minimum of 40 quarters of work to receive Social Security. For most this is a “private sector” job. If you work full-time in a social security job, you might consider staying in social security.

If you work part-time in a social security job, you definitely should consider staying with that plan. Why? As a full-time employee you will probably in your lifetime contribute 30 years of substantial earnings to the SS system, which would mean any STRS contributions you receive would not affect the Social Security pension. If, however, you only work PT in a Social Security job and elect to receive either of the STRS plans, you will probably have your social security pension offset due to the Federal Windfall Elimination Provision and the Government Pension Offset Provision. To avoid this do not sign up for STRS. BOTH [CB and DB] STRS plans affect Social Security if you do not have 30 years of “substantial earnings” as designated by the Social Security Administration. To find out if you have substantial earnings contact SS for their brochure on Windfall Elimination Provision [WEP] and Government Pension Offset [GPO].

**If you choose this plan, you will be asked to fill out the following:**

1. Retirement Questionnaire.
2. Form SSA 1945 and check the box “My employer offers and I elect Social Security.

**IMPORTANT NOTES:**

\*You have 60 days to fill out an election form. You will be placed in non-membership status with Social Security being taken out until day 60 at which time if no form has been submitted you will be defaulted into the STRS Cash Balance Plan.

\*\*If you are coming into this district from another Community College District in CA, you have a right to have your unused sick leave transferred to Contra Costa Community College District (4CD). This is important, because you can have access to those sick leave hours if needed while working at 4CD. If you become vested and retire from this district, any unused sick leave (both earned at 4CD and the transferred amount) will be transferred to STRS and added to your service credit if you are in the STRS Defined Benefit Plan (DB). If you are a Cash Balance or Social Security participant unused sick leave hours are lost at the time of retirement.

\*\*\*It is recommended that you consider attending a STRS Retirement Workshop (either held by STRS or your local United Faculty Association) to find out more about your options. You can also contact STRS on their website or by phone for the current handbook, information on the plans they offer, benefits of being a STRS members, pension calculators, affects on Social Security, statements and current publications and forms.

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| **Plan Terms** | **Cash Balance Plan (CB)** | **Defined Benefit Plan (DB)** | **Social Security (SS)** |
| **Time until vested** | Immediate to receive both district and employee contributions. | 5 years full-time equivalent service to vest and is required to receive a pension. | 40 quarters |
| **Disbursement** | Upon retirement (age 55+), funds are withdrawn in a lump sum or rolled into an IRA or other qualified retirement account. IF over $3500 in a CB account, you can choose a monthly annuity. For more info: <http://www.calstrs.com> | A life-time pension with optional survivor benefits based upon a formula: service credit X age factor X final earnable compensation at 100% equivalentFor more info: <http://www.calstrs.com> | A Federal government retirement, disability, and survivor insurance program that offers a variety of social welfare programs and provides monthly benefits upon retirement. For more info:<https://www.ssa.gov> |
| **Employee contribution** | 4% | 9.25% (increasing annually to 10.5%) | 6.25% as set by Congress. |
| **District Contribution** | 4% | 12.58% (increasing annually to 19%) | 6.25% as set by Congress. |
| **Social Security WEP/GPO** | May offset Social Security benefits if you do not have 30 years of “substantial earnings”. Will offset spousal Social Security benefits. | May offset Social Security benefits if you do not have 30 years of “substantial earnings”. Will offset spousal Social Security benefits. | No offset if one only pays into Social Security. |
| **Retirement** | One year waiting period to receive benefit to assure that one is actually retiring or not returning to service. | Minimum retirement age is 55. If hired before 2013, maximum age factor is reached at 63. If hired after 2013, maximum age factor is 65. | For most this is age 65 or higher. One may apply for Social Security at 63 (or earlier if disabled) with a decreased pay out or wait until age 70 for the maximum benefit. Review annual statement. |
| **Conversion to other plan** | Convertible to Defined Benefit service credit. The longer you wait to roll CB funds into the Defined Benefit Plan, the higher the conversion cost. | Once in the DB plan you may not choose to exit unless you leave the teaching profession and no longer work in a STRS school. CSU and UC are not in STRS. | Social Security cannot be converted to another plan. One can choose to enter CB or DB and stop paying into Social Security, but SS account remains intact. |
| **Disability Retirement** | No STRS disability benefits. | Disability Retirement available once vested. | As set by Congress and SS rules. |
| **Inflation** | Does not have inflation guarantees or COLA. | Inflation guarantee of 85% purchasing power with 2% COLA yearly. | COLA as set by Congress. |
| **Sick Leave** | Cannot convert your accrued sick leave for credit. | Sick leave hours added to service credit at time of retirement. | Cannot convert your accrued sick leave for credit. |
| **Program Fit** | Typically for non-career teachers or those who work only sparingly. | Required plan for all Full-time faculty. Beneficial plan for Part-time faculty who work more than 40% or work in more than one district. | Typically for someone who works PT in private sector and expects that the combination of work will improve SS benefit and/or an expected spousal benefit. |
| **Service credit** | No service credit is accrued. Acts as a savings account similar to a Defined Contribution Account or IRA. | Service credit available from instruction, office hours, substituting, summer and intercession work. | No service credit associated with this option. |
| **NOTE** | Same benefits and plan regardless of first date of hire. | Vesting time and benefits determined by first date of hire (before or after Jan. 1, 2013. |  |
| **Stop/Start** | If you return to PT teaching within one year of retiring (and before receiving the CB funds), one can reinstate the plan. After one year, a new CB account will start or one can opt for SS. | After retiring one must wait 180 days (at $0 earnings) until one can return to creditable work at a STRS school. After 180 days one can return to PT work reclassified as a retiree (no service credit will accrue and nothing will be submitted to STRS).  | One can retire with Social Security and continue to work PT. There is a limitation on earnings set by Congress depending on age of retirement. Check SS rules. |