

Placentia-Yorba Linda Unified School District Supplementary Retirement Plan (SRP)



INTRODUCTION (Page 1)

To: Eligible Employees

Contingent on formal approval of the plan by the Board of Education on October 27, 2009, Placentia-Yorba Linda Unified School District is offering a retirement incentive plan for eligible employees for the 2009-10 school year. Based on information provided to PARS by the District, you are eligible to participate in the District's PARS retirement incentive plan. The District will provide this benefit, which you will receive in addition to and separately from your STRS retirement allowance. The District is implementing this plan through PARS, Public Agency Retirement Services. Details of the Supplementary Retirement Plan (SRP) are contained in the attached materials.

The attached Benefit Illustration (page 2) was prepared specifically for you. Please review the Benefit Illustration and accompanying enrollment materials carefully to ensure that you understand your rights and responsibilities should you choose to participate in this plan.

If you are interested in participating in this plan, review the "Assumptions Table" on the Benefit Illustration. To change any inaccurate assumptions, submit a Correction Form (page 4) to PARS in the enclosed return envelope for a revised Benefit Illustration.

To enroll in the plan and receive benefits as shown on the attached Benefit Illustration, you must meet all the Eligibility and Participation Requirements outlined in the Plan Summary (page 3).

The Plan Enrollment Deadline is December 4, 2009.

Identical group orientation meetings have been scheduled. Please refer to the enclosed flyer for dates, times and locations. If you are interested in participating in the plan, you are encouraged to attend one of the meetings. Spouses and financial advisors are welcome.

If you have questions about the PARS plan, please contact the PARS Plan Enrollments Department at (800) 731-7884 or via email at enrollments@pars.org.

Sincerely,
Plan Enrollments Department
PARS, Public Agency Retirement Services

Placentia-Yorba Linda Unified School District Supplementary Retirement Plan (SRP)

PLAN SUMMARY (page 3)

TYPE OF PLAN

This plan is a retirement incentive plan. The District has agreed to pay all costs necessary to provide a monthly benefit. Sufficient participation to meet the District's fiscal and operational objectives must be met by the December 4, 2009 enrollment deadline in order for the plan to go into effect. After the deadline, resignations of participants are locked in and may not be rescinded unless the District withdraws the plan. If a level of participation acceptable to the District has not been reached as of the enrollment deadline, the District may withdraw the incentive and will notify enrolled participants of withdrawal on or before December 18, 2009. If the District withdraws the plan, resignations will be automatically rescinded.

BENEFIT DESCRIPTION

- The District shall make non-elective employer contributions into the participant's 403(b) annuity contract held at Pacific Life Insurance Company. The sum of the contributions shall equal **95% of Final Pay**.
- Final Pay shall be defined as the participant's 2009-10 Contract Salary multiplied by the participant's current FTE (full-time equivalent).
- Participants shall elect from the following monthly benefit payment options that are calculated based on current annuity rates obtained through Pacific Life at the time of purchasing the annuity:
 - Lifetime Option (Option 1):** a monthly cash payment for your lifetime only.
 - Joint-and-100% Survivor Option (Option 2):** a modified monthly lifetime payment; upon your death, the payment continues at the same level for the lifetime of your one named beneficiary, upon your beneficiary's death, the payment ends.
 - Life or Ten-Year Option (Option 3):** a modified monthly payment paid for the greater of 10 years or your lifetime. In the event of death within 10 years of your retirement, monthly payments will continue to be paid to your beneficiary or estate at the same level until a total of 120 payments have been received. If you live beyond 10 years of your retirement, the benefit will end at the time of your death.
 - Fixed Payment Options: (Options 5-15):** a higher monthly payment, but for a fixed period of time, ranging from 5 to 15 years; upon your death, if you have not received all of the payments due, payments will continue to your beneficiary or estate until the total number of payments have been received.Options 5-9 may be rolled over into an IRA or to an eligible employer plan that accepts the rollover.
- Participants shall not have a cash option to the employer 403(b) contributions.
- All contributions into the participant's 403(b) account must be made in accordance with the applicable IRS rules and regulations.
- Choice of District benefit option and designation of beneficiary for Option 2 will become final as of the December 4, 2009 enrollment deadline and cannot be changed thereafter.

BENEFIT PAYMENT

- District benefits are due to commence February 1, 2010 provided that you have submitted all required PARS enrollment materials and District Letter of Resignation to PARS by the December 4, 2009 enrollment deadline.
- The projected benefit amounts illustrated on the Benefit Illustration are based on annuity rates at the time the illustration was printed. The final amount of the benefit option you select will be determined prior to your first distribution based on the most current annuity rates at the time of purchasing the annuity.
- District benefit amounts will ultimately be determined based on the provisions of the plan and are subject to verification of all relevant assumptions.
- Participants shall not be eligible for any other District sponsored retirement incentive programs.
- Participants shall not return to the District under a full-time contract without forfeiting their PARS benefit.

ELIGIBILITY REQUIREMENTS

1. Certificated Non-Management employees of Placentia-Yorba Linda Unified School District as of October 27, 2009
2. Reach age 55 with 10 years of District service as of January 31, 2010
3. Resignation from District employment effective on January 29, 2010
4. Retirement under STRS effective no later than February 1, 2010
5. Completion of the Emeritus Employee Program starting February 1, 2010 through June 17, 2010

Placentia-Yorba Linda Unified School District Supplementary Retirement Plan (SRP)



ENROLLMENT PACKET

ENROLLMENT INSTRUCTIONS

- To enroll in the PARS SRP, please complete and submit all the required enrollment materials to PARS by the enrollment deadline of December 4, 2009.
- Forms must be received in the PARS office by 5:00 p.m. on the December 4, 2009 (not-postmarked). A faxed copy will be accepted for enrollment by the deadline with the original packet to follow via mail.
- You will receive a call from PARS confirming the receipt of your enrollment packet.
- This packet is for the PARS SRP only. Complete and submit a separate application to STRS before your STRS retirement date. Contact STRS to confirm the deadline for submission of your STRS retirement application.

REQUIRED MATERIALS CHECKLIST

- Correction Form (page 4)**
- Enrollment Form (page 5)**
- Beneficiary Form (page 6)**
- Tax Withholding Form (page 7)**
- Direct Deposit Form (page 8 – optional)**
- Employee Proof of Age (required for all options)**
(a legible photocopy of a driver's license, passport or state i.d. card)
- Beneficiary Proof of Age (required for Option 2 only)**
(a legible photocopy of a driver's license, passport or state i.d. card)
- District Letter of Resignation**

FOR FURTHER INFORMATION

Please contact the PARS Plan Enrollments Department with any questions at
(800) 731-7884 or via email at enrollments@pars.org.

Placentia-Yorba Linda Unified School District Supplementary Retirement Plan (SRP)



CORRECTION FORM (page 4)

INSTRUCTIONS

1. Fill in your personal information in Section 1.
2. If any of the assumptions listed on your Benefit Illustration (page 2) are incorrect, provide the correction(s) in Section 2 and return this form to PARS to receive a revised Benefit Illustration.
Note: These Assumptions are used to calculate your PARS benefit and are required to be correct.
Read the statements in Section 3, and sign and date the spaces below.
3. If the assumptions listed on your Benefit Illustration (page 2) are correct, complete Section 1 and Section 3 and return this form to PARS with your completed Enrollment Packet.

SECTION 1: Personal Information

Name: _____ Social Security #: _____
Home Address: _____
City, State, Zip Code: _____
Home Phone Number: () _____ E-mail Address: _____

SECTION 2: Correction of Assumptions

Correct ONLY the assumptions that are incorrect on your Benefit Illustration:

1. Employee Name: _____
2. Employee Date of Birth: _____
3. Final Pay (your 2009-10 Contract Salary multiplied by current FTE) _____
4. Beneficiary Date of Birth (used to calculate Option 2 only): _____ Spouse Non-Spouse

SECTION 3: Acknowledgement

I have reviewed the relevant assumptions on my Benefit Illustration (page 2) and if applicable, have corrected all that are inaccurate and agree to assumptions used to calculate my PARS benefit.

I understand that my benefit will ultimately be determined based on the provisions of the Plan and that it is subject to verification of all the relevant assumptions.

Employee Signature: _____ **Date:** _____

Placentia-Yorba Linda Unified School District Supplementary Retirement Plan (SRP)



ENROLLMENT FORM (page 5)

INSTRUCTIONS

1. Provide your personal information in Section 1.
2. Indicate your PARS SRP Option in Section 2.
3. Read the Enrollment Statement in Section 3. Sign and date in the spaces provided.

SECTION 1: Personal Information

Participant Name: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone Number: Work () _____ Home: () _____

Date of Birth: _____ Gender: _____ Social Security #: _____

Position: _____

SECTION 2: Benefit Selection

Please select one of the following SRP Options and indicate it in the space provided below:

Option 1; Option 2; Option 3; or one of the Options 5 –15

PARS BENEFIT OPTION: _____

(Your choice of PARS Option cannot be changed after the enrollment deadline.)

SECTION 3: Enrollment Statement

I am a Certificated Non-Management employee of the Placentia-Yorba Linda Unified School District as of October 27, 2009. I will reach age 55 with 10 years of District service as of January 31, 2010. I will resign from District employment effective on January 29, 2010 and will retire under STRS no later than February 1, 2010. I will participate and complete the Emeritus Employee Program starting February 1, 2010 through the last day of the 2009-10 school year, June 17, 2010. I hereby apply for the benefits for which I qualify under the Placentia-Yorba Linda Unified School District PARS Supplementary Retirement Plan.

I understand that the projected monthly benefit amounts illustrated on my Benefit Illustration for all options are based on annuity rates at the time the illustration was printed. The final amount of the benefit option I select will be determined prior to my first distribution based on the most current annuity rates at the time of purchasing the annuity. The benefit amount is subject to verification of the relevant assumptions and will ultimately be determined according to the provisions of the Plan.

If I elect Option 3 or one of the Options 5-15 and I die before I have received the number of payments due, the payments will continue to the beneficiary I designate or to my estate until that total number of payments has been received.

My choice of benefit option and beneficiary for Option 2 is final as of December 4, 2009 and cannot be changed thereafter.

To enroll in the PARS SRP, I must submit a Correction Form, Enrollment Form, Beneficiary Designation Form, Tax Withholding Request Form, Proof(s) of Age, and District Letter of Resignation to the PARS office by December 4, 2009.

Neither Placentia-Yorba Linda Unified School District nor PARS, Public Agency Retirement Services, offers tax, accounting or legal advice, and I will consult my own tax, accounting or legal advisors for information on the consequences of my retirement.

My resignation is irrevocable as of the enrollment deadline or my date of resignation unless the District withdraws the plan. If the District withdraws the plan, my resignation is automatically rescinded.

I will consult STRS for official calculations of my STRS retirement allowance.

I have reviewed the entire contents of this enrollment packet.

Participant Signature: _____ **Date:** _____

Placentia-Yorba Linda Unified School District Supplementary Retirement Plan (SRP)

PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

Making retirement work for you.

BENEFICIARY FORM (page 6)

INSTRUCTIONS

1. Complete Section 1, Participant Information.
2. If selecting Option 1, complete Section 2.
If selecting either Options 2, 3 or one of the Options 5-15, skip Section 2, read the rules for Designation of Beneficiary in Section 3 and provide your beneficiary information. **Please note that spousal/registered domestic partner consent is NOT required if your spouse/registered domestic partner is your 100% primary beneficiary.**

SECTION 1: Participant Information

Participant Name: _____ Social Security #: _____
Marital Status: Single Married Widowed

SECTION 2: Complete if Electing Lifetime Option

I have elected Option 1, the lifetime payment. I understand that this option does not pay out to a beneficiary.

Participant Signature: _____ Date: _____

SECTION 3: Complete if Selecting Option 2, Option 3 or one of the Options 5-15

Rules for Designation of Beneficiary

1. The Plan requires that if you are married or have a registered domestic partner, your surviving spouse/registered domestic partner will be your sole primary beneficiary, unless your spouse/registered domestic partner waives this right.
2. If you wish to designate a person or persons other than your spouse/registered domestic partner, or in addition to your spouse/registered domestic partner, as your sole primary beneficiary, you must obtain the notarized consent of your spouse/registered domestic partner in writing on this form by completing Section 4 (the Notary must attach a separate acknowledgement to notarize your spouse/registered domestic partner's signature). Failure to obtain your spouse/registered domestic partner's consent in these instances will render this designation invalid. Any consent by a spouse/registered domestic partner applies only to that spouse/registered domestic partner and not any future spouse/registered domestic partner. Therefore, if a new marriage or domestic partnership occurs, a new Designation of Beneficiary Form must be completed and the new spouse/registered domestic partner's consent must be obtained.
3. You are considered married if you are under decree of separate maintenance or decree of legal separation.
4. If the location of your spouse/registered domestic partner is unknown, you must attach to this form a notarized statement stating that your spouse/registered domestic partner cannot be located.
5. You reserve the right to revoke or change your designation of beneficiary, subject to the other provisions of the Plan. You may not change your beneficiary designation for Option 2 (Joint-and-100% Survivor) after the enrollment deadline.
6. It is your responsibility to keep your designation of beneficiary current.
7. If, upon your death, there is no valid designation of beneficiary on file with the Trust Administrator, any payments that are due will be paid in accordance with the Plan Document.

(Note: If selecting Option 2, you are permitted only one beneficiary designation.)

Beneficiary: percentage = _____% Primary Secondary
Beneficiary Name: _____ Social Security #: _____
Address: _____ City: _____ State: _____ Zip: _____
Date of Birth: _____ Sex: _____ Relationship: _____ Phone #: _____

Beneficiary: percentage = _____% Primary Secondary
Beneficiary Name: _____ Social Security #: _____
Address: _____ City: _____ State: _____ Zip: _____
Date of Birth: _____ Sex: _____ Relationship: _____ Phone #: _____

(To designate additional beneficiaries, attach a separate sheet providing the same information requested above.)

Participant Signature: _____ Date: _____

SECTION 4: Spousal/Registered Domestic Partner Consent

I hereby consent to the above beneficiary designation of my spouse/registered domestic partner, a participant of this Plan. I understand that in consenting to the designation of anyone except myself as beneficiary, I am waiving my rights to a survivor benefit that I would legally be entitled to at a later date.

Spouse/Registered Domestic Partner Signature: _____ Date: _____

SECTION 5: Signature and Stamp of Notary Public

Please have the notary attach a separate acknowledgement to notarize Spousal/Registered Domestic Partner Signature in Section 4.

Placentia-Yorba Linda Unified School District Supplementary Retirement Plan (SRP)



TAX WITHHOLDING FORM (page 7-side A)

INSTRUCTIONS

1. Read carefully the information provided in Section 1, General Information.
2. Complete Section 2 (front side) ONLY if you have selected one of the Options 1, 2, 3 or 10-15.
3. Complete Section 3 (back side) ONLY if you have selected one of the Options 5-9.

SECTION 1: General Information

- ◆ Effective January 4, 1996, California stopped taxing the retirement income of anyone who is not a resident of the state.
- ◆ If you elect not to have federal or state income tax withheld, you are liable for payment on the taxable portion of your benefits. You may also be subject to a tax penalty under the "estimated tax" payment rules if your withholding, plus any estimated tax payments, are not at an adequate level.

SECTION 2: To Determine Tax Withholding On Options 1, 2, 3 or 10 – 15

Part A: Federal Income Tax Withholding

I do NOT want to have federal income tax withheld from my monthly benefit payment.

I WANT federal income tax withheld from my benefit in the amount of \$ _____ each month. (Enter an amount, NOT a percentage, tax bracket or number of exemptions.)

Part B: State Income Tax Withholding

I do NOT want to have state income tax withheld from my monthly benefit payments.

I WANT state income tax withheld from my benefit in the amount of \$ _____ each month. (Enter an amount, NOT a percentage, tax bracket or number of exemptions.)

If you are not a resident of California, indicate in which state you have established residency.

Name of State: _____

PARS does not provide tax, accounting or legal advice.
Please contact your tax consultant, accountant or attorney for advice.

Part C: Authorization

I certify that I have received, read and understand the Special Tax Notice Regarding Plan Payments on the taxation of distributions from qualified pension plans.

Participant Name (print): _____ **Social Security #:** _____

Participant Signature: _____ **Date:** _____

Placentia-Yorba Linda Unified School District Supplementary Retirement Plan (SRP)



TAX WITHHOLDING FORM (page 7-side B)

SECTION 3: To Determine Tax Withholding On Options 5 – 9

If you select one of the Options 5-9, mandatory 20% federal income tax withholding and any mandatory or voluntary state income tax withholding (as determined by your state of residency) will be deducted from your monthly benefit unless you elect a direct rollover to an IRA or to an eligible employer plan that accepts the rollover. Withholding requirements for distributions from qualified plans vary by state. The income tax withholding requirement of your state of residency will dictate if different than your selection below.

Part A: Federal Income Tax Withholding

- I elect only to have the mandatory 20% federal income tax withheld from my monthly benefit payments.
- IN ADDITION TO the mandatory 20% federal income tax withholding, I want federal income tax withheld from my benefit in the amount of \$ _____ each month. (Enter an amount, NOT a percentage, tax bracket or number of exemptions.)
- I elect a direct rollover to an IRA or to an eligible employer plan that accepts the rollover pursuant to the instructions on my Direct Deposit Form; therefore, I am not subject to the mandatory 20% federal income tax withholding*.

Part B: State Income Tax Withholding

- I do NOT want to have state income tax withheld from my monthly benefit payments.
- I WANT state income tax withheld from my benefit in the amount of \$ _____ each month. (Enter an amount, NOT a percentage, tax bracket or number of exemptions.)
- I elect a direct rollover to an IRA or to an eligible employer plan that accepts the rollover pursuant to the instructions on my Direct Deposit Form; therefore, I do not want state income tax withheld from my benefit payments*.

*If you do not submit to PARS a Direct Deposit Form providing PARS with your rollover account information, your benefit payments will be mailed to your home less the mandatory 20% federal income tax withholding.

If you are not a resident of California, indicate in which state you have established residency.

Name of State: _____

PARS does not provide tax, accounting or legal advice.
Please contact your tax consultant, accountant or attorney for advice.

Part C: Authorization

I certify that I have received, read and understand the Special Tax Notice Regarding Plan Payments on the taxation of distributions from qualified pension plans.

Participant Name (print): _____ **Social Security #:** _____

Participant Signature: _____ **Date:** _____

Placentia-Yorba Linda Unified School District Supplementary Retirement Plan (SRP)



DIRECT DEPOSIT FORM (optional – page 8)

INSTRUCTIONS

1. Read Section 1 for information about Direct Deposit.
2. In Section 2, provide your personal information and the name of your Account Co-Tenant, if account is jointly held.
3. Contact your financial institution and verify the mailing address, ABA number (not applicable for direct rollover), and account number where your deposits will be sent. Complete Section 3 with the verified information.
4. Read the Authorization in Section 4. Sign and date the spaces provided.

SECTION 1: General Information

- ◆ Benefit payments will be mailed to your home if you do not submit a Direct Deposit Request Form.
- ◆ Complete this form to have your benefit payments deposited to an account in a bank, credit union or financial institution.
- ◆ If electing to have your benefit payments deposited into a checking or savings account, the first payment of any new direct deposit will be mailed to your financial institution; every check thereafter will be made electronically the first business day of every month. If electing a direct rollover of your benefit payments, the benefit payments will be mailed directly to the financial institution at the address you provide below.
- ◆ **You will NOT receive monthly statements from PARS; contact your financial institution to confirm that deposits are credited to your account.**

SECTION 2: Personal Information

Participant Name: _____ Social Security #: _____

Account Co-Tenant Name (if account if jointly held): _____

SECTION 3: Financial Institution Information

(Consult your financial institution to verify the information required below.)

Financial Institution Name: _____ Attn: _____

Mailing Address: _____ City: _____ State: _____ Zip: _____

Transit Routing/ABA Number: (not applicable for direct rollover) _ _ _ _ _

Please check the type of account and provide complete account number:

CHECKING: Account Number: _____

SAVINGS: Account Number: _____

DIRECT ROLLOVER*: Account Number: _____

Check Type of Rollover: IRA 403(b) Plan 457 Plan Other: _____

*Only Options 5-9 are eligible for direct rollover into an IRA or to an eligible employer plan that accepts the rollover.

SECTION 4: Authorization

The undersigned participant (Participant) hereby authorizes and directs the PARS Trustee to transfer funds for benefit payments to which the Participant may be entitled under the terms of the Supplementary Retirement Plan (the Plan) as they become due and payable, in accordance with the written direction of the Plan Administrator, and directly deposit said funds by electronic transfer or check to the account maintained by the Participant at the "Financial Institution" identified above.

Said funds shall be in full payment, satisfaction and discharge of amounts due the Participant under the Plan. The Participant authorizes and directs the Financial Institution to refund any payments to the PARS Trustee to which the Participant or the Participant's successors or estate, would not have been entitled under the Plan as a result of the Participant's death or otherwise, and the same to the Participant's Account designated above. Both Participant and any co-tenant on the Participant Account agree on behalf of themselves, their heirs, executors, successors, and any trustee of his or her trust (if any) to reimburse the PARS Trustee for such payments.

This authorization is to remain in full force and effect until the PARS Trustee has received written notice from the Participant of its termination. Direct Deposit shall be effective for all payments made by the PARS Trustee on behalf of the Participant as soon as administratively possible upon receipt of this authorization.

Participant Signature

Date

Account Co-Tenant Signature

Date

Placentia-Yorba Linda Unified School District Supplementary Retirement Plan (SRP)



DISTRICT LETTER OF RESIGNATION

I, (print name) _____, am resigning from the Placentia-Yorba Linda Unified School District. My resignation will become effective on January 29, 2010.

I have met the eligibility requirements and will meet the participation requirements established by the District for participation in the PARS Supplementary Retirement Plan (SRP). I will submit this District Letter of Resignation and all other required PARS enrollment materials to be received in the PARS office by the December 4, 2009 enrollment deadline.

Sufficient participation to meet the District's fiscal and operational objectives must be met by the December 4, 2009 enrollment deadline in order for the plan to go into effect. After the deadline, resignations of participants are locked in and may not be rescinded unless the District withdraws the plan. If a level of participation acceptable to the District has not been reached as of the enrollment deadline, the District may withdraw the incentive and will notify enrolled participants of withdrawal on or before December 18, 2009. If the District withdraws the plan, resignations will be automatically rescinded.

I understand that my resignation from District employment and participation in the PARS SRP is irrevocable as of the enrollment deadline. If the District withdraws the Plan, my resignation is automatically rescinded.

I have reviewed and understand the provisions of the District Retirement Incentive.

Participant's Signature

Date

Address

City

State

Zip

Home Phone #

Social Security #