



# UPDATE

September 17, 2007

• A Publication of the All Faculty Association at Santa Rosa Junior College •

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## We've Got a Contract – Finally!

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Dear Faculty Colleagues,

After 15 long months of negotiating, we finally have a contract. Although the vote to ratify the Tentative Agreement (TA) was 427 to 69, the dissenting votes send a clear message to the District — we are adamant that cost-sharing of medical benefits premiums is a bad idea, AND many faculty still feel undervalued for the great work they do for Santa Rosa Junior College. In the approximately fourteen years I have served on the AFA Executive Council, I have rarely seen so much interest in the content of a TA. What I hope will come out of these discussions is a greater number of people willing to attend the District-wide Fringe Benefits Committee meetings and several bright, energetic people willing to run for the Executive Council. It is one thing to have an opinion, and yet another to have all the facts to back up the opinion.

At the end of this semester, I will resign as President of AFA so that I can spend more time in the classroom and less time in meetings. I will continue to serve on the Negotiating Team and look forward to continued service to the faculty, but in a somewhat reduced capacity.

Once again, I invite all faculty to attend Executive Council meetings, particularly if you have a concern that you would like to see addressed. All faculty may address the Council on any issue of interest during the “Members’ Concerns” portion of the agenda at the beginning of each meeting. If you can’t attend the meeting, please call me, or one of the Council members, to carry your concerns forward.

*Janet McCulloch*  
AFA President

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## Planning for Your Retirement: Two Negotiated Options

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Starting with a shocking statistic is a great way to get a reader’s attention — 75% of the SRJC Faculty — yes, fully three quarters — will be eligible for retirement in the next three years. This is probably why so many people are talking about retirement, the various options, the potential problems with the California State Teachers Retirement System (CalSTRS), the Social Security Windfall Act, Tax Sheltered Annuities, and the portability of health insurance. As these discussions take on greater significance, AFA receives more and more questions about two important options — the Early Retirement Option (ERO) and the Pre-retirement Reduction in Workload. These are extremely valuable and beneficial options for

those considering their future retirement, but many faculty members have expressed some confusion about how they work and the difference between the two options.

### **The Early Retirement Option (ERO) — Another Kind of Golden Handshake**

#### **What is it?**

In 1990 AFA negotiated the Early Retirement Option, also known as the ERO, an option that many community college districts regard with great envy. Essentially Article 24.01 allows an individual to retire at a minimum of age fifty-five (55) and the District will pay for the same medical/dental benefit package

*(cont. on page 2)*

# Retirement Options *(cont. from page 1)*

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that is received by full-time faculty employed at that time by the District. An alternative to receiving these benefits would be a monthly payment option equal to the cost of the premiums that would otherwise be paid for medical and dental benefits. Depending on the age at which an individual retires, this ERO benefit can total as much as \$100,000 over a ten-year period; the amount of the unfunded liability must be calculated and set aside in a special reserve fund which will become an irrevocable allocation to a trust fund. This fund will be used to pay for this on-going future liability and may not be used by the District for any other expenses. This is why faculty must apply and be approved by the Board of Trustees in order to receive this potentially costly benefit.

## **Who is eligible?**

The requirements for eligibility are outlined in Article 24.01.B of the AFA Contract, but here is a summary:

- Regular Faculty who have completed the equivalent of a minimum of fifteen (15) years of full-time employment with the District, five of which must have been as a regular faculty member;
- Fifty-five (55) years or a maximum of sixty-four (64) years of age on, or before, June 30 of the final year of service (or January 31 in the event of a mid-year retirement);
- Satisfactory completion and submission of the necessary Early Retirement Application and Agreement Forms by the applicable deadline.

## **Can I work someplace else?**

The simple answer is “yes, you can” but, if you become re-employed, some serious restrictions might apply. For example, if the early retiree subsequently becomes employed elsewhere, the benefits provided by the Sonoma County Junior College District under the ERO provisions become secondary to those provided by the new employer.

## **What about my benefits?**

Should the early retiree terminate his/her

medical/dental benefits package with the District in order to use the stipend elsewhere, the District cannot guarantee that the early retiree will be reinstated by the insurance carrier under SRJC group coverage currently provided to the currently employed faculty. For instance, if you moved to Arizona and were insured under another carrier, and subsequently moved back to California, the District could not guarantee your approval for any currently existing SRJC health plans.

## **What should I do?**

If you are interested in taking advantage of this option, you must contact Louise Burke in Human Resources at ext. 4304. The deadline for each academic year is the first work day of October, and mid-year retirees must apply in the first week of the Fall semester. In special cases, exceptions to these deadlines can be made, but the final decision lies with the President/Superintendent and the Board of Trustees.

## **Pre-retirement Reduction in Workload—Easing Into Retirement**

When we have discussions about retirement, we realize that many faculty have confused the ERO with the Pre-retirement Reduction in Workload. They are two entirely different processes which provide very different benefits to the faculty member. The Pre-retirement Reduction allows eligible faculty to make a contract with the District to reduce his/her workload assignment to a specified percentage and for a specific period of up to ten (10) years. Other requirements under Education Code 87483 are:

- Age 55;
- Full time in an academic position or a position requiring certification qualifications, or both, for at least 10 years of which the immediately preceding five years were full-time employment without a break in service (sabbatical or other approved leaves of absence shall not be used in this calculation);

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# Retirement Options *(cont. from page 2)*

- The option of the reduced load shall be exercised by the employee, but can only be revoked with mutual consent of the employee and the District;
- Load and pro-rata salary of 50% or more at the election of the employee;
- Benefits to be paid by the employer;
- The period of reduced load shall not exceed the employee's 70<sup>th</sup> birthday.

Essentially the individual would choose a period of up to 10 years and designate a pro-rata load. Some faculty believe that this means 50%, but each individual may choose the percentage of load/income between 50 and 100% s/he desires. With a 50% load many faculty choose to work only one semester out of the academic year, but others have chosen 60% or 70% as a way to gauge the feasibility of actual retirement. Choosing a 60% load would mean working any load combination that averages 60% over the academic year.

Another area of confusion is about payment of benefits. Should you choose this pre-retirement reduction, you will be required to contribute to CalSTRS as if you were working a 100% load, and the District will continue to pay their full contribution. The District will also fully pay the premiums for your medical, dental, and vision benefits. The great advantage is that during this period of reduced workload, you will be accruing 100% of credit toward your CalSTRS years of service, while receiving fully paid health benefits. Many of our colleagues have worked this pre-retirement reduced load until they reached the magic 25 or 30-year mark where CalSTRS incentives are so important.

## Planning Ahead

In looking toward retirement, you can actually choose either or both of these options depending on your length of service in the District and years of service in CalSTRS. Those decisions are yours to make, but be sure that you consult with a CalSTRS counselor and your tax advisor before you forge ahead. We recommend that you make an individual

telephone appointment with a CalSTRS counselor in Sacramento by calling (800) 228-5453. They will set up an hour-long teleconference to discuss your situation—you may choose the location (home, office, or anywhere else) and time that works best for you. Or, you could make an appointment with a counselor at a CalSTRS regional office. The Santa Rosa CalSTRS office, which is located in the Sonoma County Office of Education building on Skylane Blvd., can be reached by calling 524-2627.

## Early Retirement Option Application Due Oct. 1

Regular faculty who are at least 55 but younger than 65 years of age, and have completed the equivalent of a minimum of 15 years of full-time employment at SRJC (five of which must have been as a regular faculty member), may be eligible for the Early Retirement Option. This option provides, upon retirement, the same medical/dental benefit package that currently employed full-time faculty receive until the retiree is age 65.

Upon reaching the age of 65, the retiree would then be eligible for a monthly medical/dental stipend (currently, \$84 for the retiree only and \$136.50 for the retiree and spouse or dependents). A detailed description of this retirement program is located in Article 24 of the AFA/District Contract, which can be found on the AFA Web site at: [www.santarosa.edu/afa/](http://www.santarosa.edu/afa/).

Application and Agreement forms are available by request from the Human Resources Department. If you plan to retire in 2007-08, the forms must be completed and returned to Human Resources no later than Monday, October 1, 2007. If you have further questions, contact the Human Resources Department at 527-4688 or the AFA office at 527-4731.

## Adjunct Faculty Medical Benefits Program Applications Due Sept.30

At the beginning of September, the Human Resources Department mailed out a packet of materials regarding the Adjunct Faculty Medical Benefits Program to the home addresses of all adjunct faculty actively employed this semester. Continuation of this program was one of AFA's top priorities in the previous negotiations cycle. It is included in the August 2007 Agreement between AFA and the District, and is effective until June 30, 2008.

Completed applications must be postmarked by September 30 or delivered to the Human Resources Department by Monday, October 1. Coverage will be effective October 1. Even if you are currently enrolled in the program, you still must complete and submit forms by the deadline. Contact Susan Muskar in Human Resources at 524-1624 or the AFA office at 527-4731 with any questions.

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## Attn: Adjunct Faculty Want to Join FACCC for One Year for Free?

Through an agreement between the Faculty Association of California Community Colleges (FACCC) and AFA, ten eligible adjunct faculty members will receive a one-year FACCC membership at no cost. FACCC is a statewide, nonprofit association that lobbies on behalf of community college faculty before the State Legislature, Governor, California Community Colleges Board of Governors, CalSTRS Board and other important political forums.

If you are a member of AFA, have at least a 40% load this semester and have been an adjunct for six or more semesters at SRJC, you are eligible to enter our lottery to select the lucky SRJC ten.

Call the AFA office at 527-4731 or send an e-mail to [afa@santarosa.edu](mailto:afa@santarosa.edu) with your name, department, telephone number and e-mail address, by Monday, October 1, if you wish to be entered in the lottery. This is a great opportunity to become more informed about what's happening at the state level.

## Attn: Regular Faculty Enhanced Maximum Dental Benefit Ends Dec. 31

Due to a conversion of the District's self-insured dental plan from an academic-year basis to a calendar-year basis, the maximum benefit per person participating in the plan for the 18-month period of July 1, 2006 to December 31, 2007 was increased to a one-time enhanced maximum benefit of \$2,625 (one-and-a-half times the annual maximum benefit of \$1,750). In June 2006, the Human Resources Department sent all eligible dental plan participants a letter describing this benefit change. If you're facing an expensive dental procedure and haven't met your maximum limit yet, you might want to consider having it done prior to December 31, 2007, to take advantage of this opportunity to reduce your out-of-pocket dental expenses. For more information about your level of coverage or dental benefits, contact Shirrell Consulting Services at 544-1801.

## Retirement Workshops

### Presentation and Q & A by Ken Jones, local CalSTRS Regional Benefits Counselor

Friday, November 2, 2007  
1 – 2:30 pm (Regular Faculty)  
Doyle Library, Rm #4245

Thursday, November 15, 2007  
5:00 – 6:30 pm (Adjunct Faculty)  
Doyle Library, Rm #4246

Both sessions will be videoconferenced  
to Mahoney Library, Room #154

1½ hours of Flex credit (pending)

To register, contact the AFA office at  
527-4731 or [afa@santarosa.edu](mailto:afa@santarosa.edu)

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