

Article 24: Retirement

24.01 EARLY RETIREMENT OPTION (ERO): The District will provide the Early Retirement Option to eligible contract faculty members.

A. Provisions of ERO Benefits

1. The District will allow each retiree eligible for ERO benefits to participate in the same medical and dental benefit package at the same cost that it allows full-time faculty members to participate, until the first day of the month in which the retiree reaches the age of sixty-five (65).
2. An eligible spring-semester retiree may begin participation in ERO benefits on July 1 directly after retirement. An eligible fall-semester retiree begins participation in ERO benefits on the January 1 directly after retirement. The District will provide employee medical and dental benefits for each eligible full-time retiree until ERO benefits begin.
3. For an eligible retiree with legal residence outside the area served by the medical and dental benefit plan in which the retiree was enrolled at the date of retirement, the District will reimburse monthly payments equivalent to the District current contribution per employee to that plan, given that the eligible retiree provides evidence that the retiree is securing individual medical benefits elsewhere. The monthly reimbursement will not exceed the equivalent monthly ERO benefits costs to the District for the retiree. A retiree who elects this form of the benefit will not be eligible for reinstatement into the health plan under the provisions of section 24.01.A.1-2 at a later date.

B. Requirements for ERO Eligibility

1. In order to be eligible for ERO benefits, a faculty member must meet the following requirements:
 - a. Have completed seventeen (17) years of full-time-equivalent employment with the District in classified or certificated positions (or completed fifteen (15) years if employed in a certificated or classified position by the District before October 1, 2013), of which five (5) years must have been as a contract faculty member. Unpaid leaves of absence will not be considered in the computation of years of service. Probationary or regular service at less than 100 percent and associate faculty service will be computed and accumulated on a pro-rata basis.
 - b. Be at least sixty-two (62) years of age (or fifty-five [55] years of age if employed by the District in a certificated or classified position before October 1, 2013) but less than sixty-five (65) years of age on June 30 of the final year of service (or on December 31 for all retirees).
 - c. Apply to the District for ERO benefits by the first working day in October of the academic year for spring semester retirements and the first Friday of the fall semester of the academic year for fall semester retirements. The faculty member's application is subject to approval by the Board, which will be based on the requirements specific in section 24.01.B.1.a-b.
2. If the retiree is eligible for other employer-provided medical or dental benefits at any time of eligibility, then the ERO benefits become secondary to those provided by the new employer.
3. The Board of Trustees may approve an exception to the application deadline for ERO benefits in individual cases.

24.02 PRERETIREMENT REDUCTION IN WORKLOAD: The District will provide a Preretirement Reduction in Workload Option plan to an eligible contract faculty member according to the provisions of [Ed Code Section 87483](#). The faculty member will be employed as a faculty member for at least ten (10) years, of which the immediately preceding five (5) years are as a contract faculty member. A faculty member who exercises the Preretirement Reduction in Workload Option may not return to full-time status without the approval of the Board.

24.03 MEDICAL AND DENTAL STIPEND: The District will provide a medical and dental stipend for eligible retirees who have reached the age of sixty-five (65). To be eligible for this stipend, the retiree either must qualify for ERO benefits at the time of retirement from the District (section 24.01.B) or have reached the age of sixty-five (65) at the time of retirement from the District. As of the 2019-20 Academic Year, the stipend is \$84 per month for a retiree without dependents and \$136.50 per month for a retiree with dependents. Increases to the stipend will be phased in as follows:

- A. In 2020-21, the stipend will be increased to \$100 for retiree without dependents and \$176 for a retiree with dependents.
- B. In 2021-22, the stipend will be increased to \$116 for retiree without dependents and \$216 for a retiree with dependents.
- C. In 2022-23, the stipend will be increased to \$132 for retiree without dependents and \$256 for a retiree with dependents.
- D. In 2023-24, the stipend will be increased to the 2023 cost of the lowest Medicare Part B premium for a single for a retiree without dependents and a double for a retiree with dependents.
- E. Beginning in 2024-24, each fiscal year, the stipend will be adjusted by the lower of the change in the CPI for that year or to the lowest cost of Medicare Part B premium for single and double as of July 1 of that year.
- F. If the amount of the stipend exceeds the amount the retiree has paid for medical benefits, the excess is taxable income. A retiree will receive a 1099 from the Accounting Office if the excess amount exceeds \$600. HR will provide a cover letter along with that 1099 that includes a clear explanation of the stipend's taxability.

24.04 ASSOCIATE FACULTY RETIREMENT PLANS

- A. The District will provide each associate faculty member with one (1) of three (3) associate faculty retirement plans: CalSTRS Defined Benefit Program, CalSTRS Cash Balance Program, and Social Security. The District will provide details about these plans to each associate faculty member at the time of initial employment and on a regular basis thereafter.
- B. Effective January 13, 2020, the District will no longer offer the 403(b) plan administered by Fidelity Investments as a retirement plan option for newly hired associate faculty members. Associate faculty members enrolled in this retirement plan may continue in the plan. The District and employee will each contribute a share equal to 3.75 percent of the employee's gross salary. The employee will be fully vested in the plan at all times.

24.05 HOURLY ASSIGNMENT SERVICE CREDITS

- A. **Reporting:** The District will ensure that the service credit information reported to the County and to CalSTRS for associate faculty members will have a reasonable relationship to their actual percentage of full-time equivalent load.
- B. **Retirement Base:** The District will determine the retirement base (“earnable income”) for hourly assignments for retirement benefit purposes. For each hourly schedule, the retirement base is the hourly wage times the Annual hours per FTEF as specified in Table 24.1.

Hourly Schedule	Hours/week for 1 FTEF	Annual hours per FTEF (35 weeks/year)
Allied/Base	35	1225
Lecture	15	525
Lab	22.5	787.5
CDCP	21.5	752.5
Non-Credit	24	840

Table 24.1