

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

TO: Board of Trustees  
FROM: Bruce Baron, Chancellor  
REVIEWED BY: Bruce Baron, Chancellor  
PREPARED BY: Jose F. Torres, Vice Chancellor, Business & Fiscal Services  
DATE: January 19, 2017  
SUBJECT: Consideration of Approval of the 2017 Early Retirement Incentive Plan

RECOMMENDATION

It is recommended that the Board of Trustees approve the 2017 Early Retirement Incentive Plan for eligible employees effective June 30, 2017.

OVERVIEW

As a cost savings strategy and a proactive approach to increasing full-time faculty levels, we recommend approval of an early retirement incentive plan. It is important to note that this is not a typical supplemental employee retirement plan (SERP); retirement health benefits are not being offered. However, employees will still be eligible to participate in the service retirement options afforded by their bargaining unit contract.

In order for the plan's goals to be successful, a minimum number of employees must participate. If minimum levels of participation cannot be confirmed by March 24, 2017, the offer will be withdrawn.

ANALYSIS

SBCCD currently has over 130 employees that will be eligible for this early retirement incentive, however, we do not anticipate a high level of participation. Based on internal analysis, in order for the Plan's objectives to be met, we have set a goal of 15 CTA resignations and 10 resignations from any other classification.

Eligibility Requirements as of June 30, 2017	1. Must be at least 60 years of age as of June 30, 2017, <u>and</u> 2. Have a minimum of 5 years of service with the District
Classification Payout Amount	\$20,000 Management/Non-Bargaining
	\$30,000 CTA
	\$20,000 CSEA
	\$20,000 Confidential

2017 Timeline	January 19	Board approval of 2017 Early Retirement Incentive Plan
	January 20	Formal announcement to employees
	February	Q&A District Education Workshop on Retirement Plan Incentive
	March 17	Letters of resignation due to Human Resources
	March 24	Last day to rescind resignation
	May 11	Board approves resignations
	June 30	Participants retire from District
	July 1	2017 Early Retirement Incentive Plan becomes effective

BOARD IMPERATIVE

III. Resource Management for Efficiency, Effectiveness and Excellence

FINANCIAL IMPLICATIONS

The financial implications based on our target is a one-time payout amount of \$650,000 which will be paid out from the District reserves.