

Why is SERP a Win-Win?



SERP allows Districts to develop and offer an incentive plan that will enhance retiree benefits and improve job security for existing employees while providing an effective budget and staff planning solution.



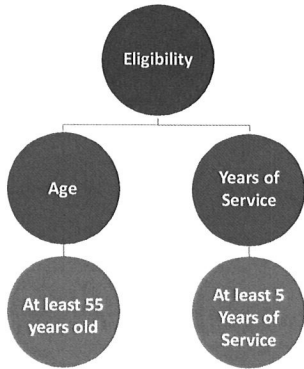
Who is Eligible

The SERP is a voluntary plan for employees who meet all eligibility guidelines including but not limited to:

- Employee must be a Full-time Faculty, Executive Officer, Management, Classified, or Confidential employee of the District as of December 13, 2023
- Employee must be at least 55 years of age and at least 5 years of service with the District by June 30, 2024
- Employee must be eligible to retire from CalSTRS/CalPERS by June 30, 2024
- Full-time Faculty employees must retire from the District on June 30, 2024
- Full-time Faculty employees must submit their Letter of Retirement and the SERP Enrollment Package between April 4, 2024 and May 3, 2024
- Executive Officer, Management, Classified, or Confidential employees must retire from the District on December 31, 2023, June 30, 2024, or December 31, 2024
- Executive Officer, Management, Classified, or Confidential employees must submit their Letter of Retirement and the SERP Enrollment Package by March 12, 2024



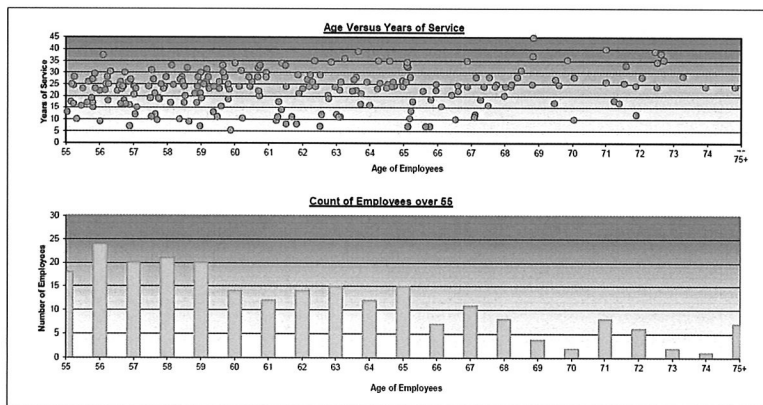
Understand the Demographics



Employee Group	Faculty	Academic Management	Classified	Classified Management	Confidential
Total Eligible Employees	241	23	162	28	2
Average Age	62.5	60.6	60.5	60.4	62.7
Average Service	23.3	13.2	20.5	16.4	9.98

Demographics Faculty

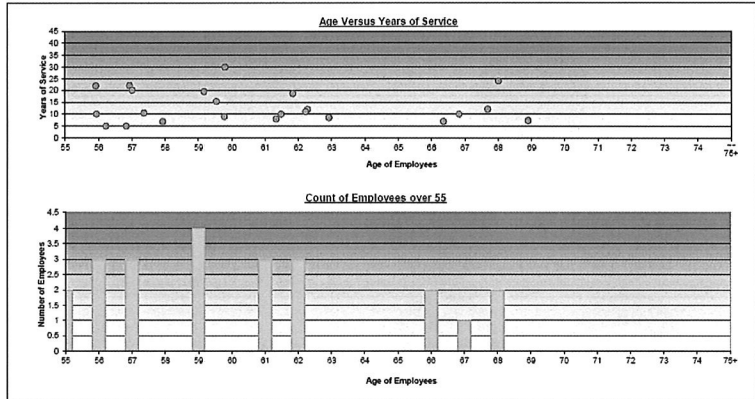
Demographic Factor	Data
# of Employees Over 60	138 of 241
% of Employees Over 60	57%



Age of Employee	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75+
Number of Employees	18	24	20	21	20	14	12	14	15	12	15	7	11	8	4	2	8	6	2	1	7
Reverse Cumulative Totals	241	223	199	179	158	138	124	112	98	83	71	56	49	38	30	26	24	16	10	8	7
Reverse Cumulative %	100	93	83	74	66	57	51	46	41	34	29	23	20	16	12	11	10	7	4	3	3

Demographics Academic Management

Demographic Factor	Data
# of Employees Over 60	12 of 23
% of Employees Over 60	48%



Age of Employee	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75+
Number of Employees	2	3	3	0	4	0	3	0	0	0	2	1	2	0	0	0	0	0	0	0	0
Reverse Cumulative Totals	23	21	18	15	15	11	11	8	5	5	5	3	2	0	0	0	0	0	0	0	0
Reverse Cumulative %	100	91	78	65	65	48	48	35	22	22	22	13	9	0	0	0	0	0	0	0	0

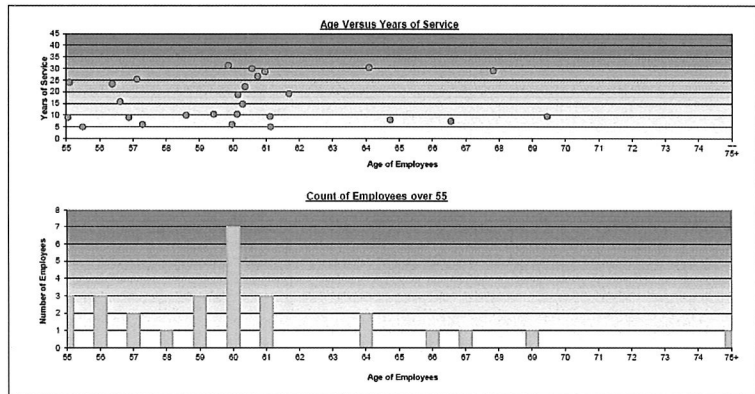
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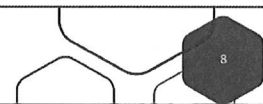
Demographics Classified Management

Demographic Factor	Data
# of Employees Over 60	16 of 28
% of Employees Over 60	57%



Age of Employee	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75+
Number of Employees	3	3	2	1	3	7	3	0	0	2	0	1	1	0	1	0	0	0	0	0	1
Reverse Cumulative Totals	28	25	22	20	19	16	9	6	6	6	4	4	3	2	2	1	1	1	1	1	1
Reverse Cumulative %	100	89	79	71	68	57	32	21	21	21	14	14	11	7	7	4	4	4	4	4	4

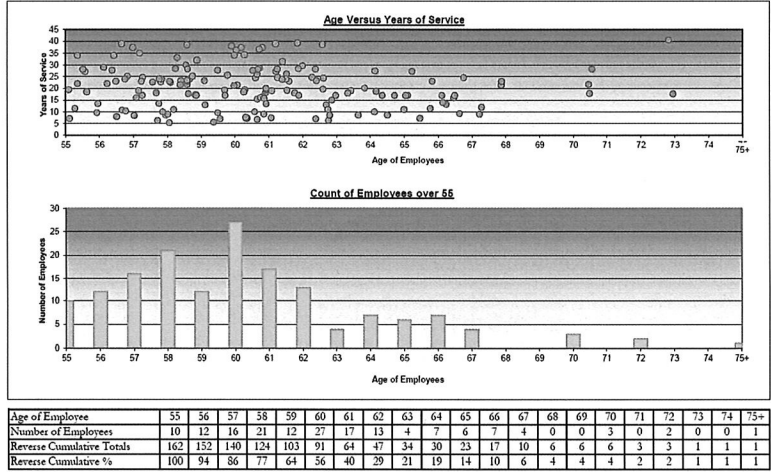
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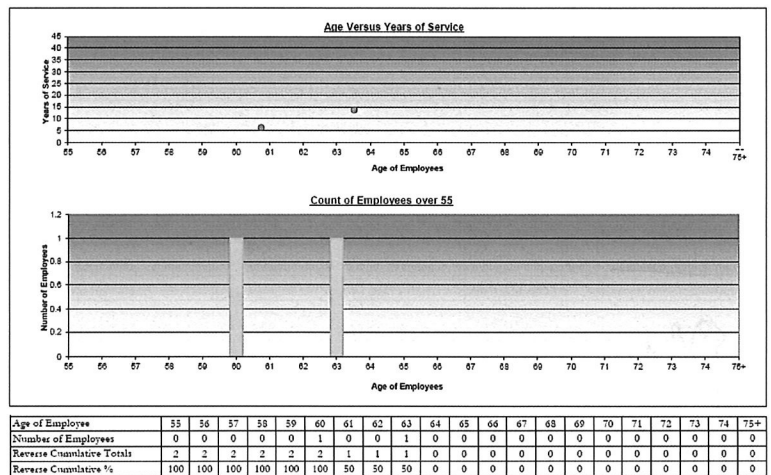
Demographics Classified

Demographic Factor	Data
# of Employees Over 60	91 of 162
% of Employees Over 60	56%



Demographics Confidential

Demographic Factor	Data
# of Employees Over 60	2 of 2
% of Employees Over 60	100%



Analyze the Economics

SERP generates cost savings through the differential in salary costs for a retiring faculty and a new hire:

Replaced Positions		Un-Replaced Positions	
Input	Amount	Input	Amount
Retiree	\$148,141	Retiree	\$148,141
New Hire	(\$56,474)	New Hire	(\$0)
Statutory	\$19,384	Statutory	\$31,258
Health Care	(\$2,958)	Health Care	(\$2,958)
75% plus Commission	(\$22,341)	75% plus Commission	(\$22,341)
Savings	\$85,752	Savings	\$154,100

** The examples above illustrates projected savings for one Faculty employee in the first year after the plan is effective. The figures are based on a 75% benefit and the average salary of the eligible Faculty group.

Annuity Illustration: 75% Benefit

Estimated Monthly Payments

** The examples below illustrates estimated monthly payments for a 75% benefit and are based on the average salaries of each eligible group **

Annuity Option	Faculty (\$142,526) 75%	Academic Management (\$218,339) 75%	Classified Management (\$180,441) 75%	Classified (\$77,544) 75%	Confidential (\$106,488) 75%
1 Life Only	\$568.31	\$832.12	\$686.44	\$295.53	\$426.29
2 Joint & 50% Survivor	\$526.71	\$775.87	\$640.19	\$275.55	\$394.88
3 Life or Ten Years	\$553.76	\$815.67	\$673.02	\$289.69	\$415.15
4 Five (5) Year*	\$1,782.12	\$2,730.08	\$2,256.20	\$969.60	\$1,331.51
5 Six (6) Year*	\$1,520.44	\$2,329.21	\$1,924.92	\$827.23	\$1,136.00
6 Seven (7) Year*	\$1,333.98	\$2,043.56	\$1,688.84	\$725.78	\$996.68
7 Eight (8) Year*	\$1,194.54	\$1,829.96	\$1,512.32	\$649.92	\$892.50
8 Nine (9) Year*	\$1,086.43	\$1,664.34	\$1,375.45	\$591.10	\$811.73
9 Ten (10) Year	\$1,000.25	\$1,532.32	\$1,266.34	\$544.21	\$747.34

59% Increase at 80%

* Eligible for tax-deferred IRA Rollover

Underlying Assumptions

Minimum Age	Minimum Service	Benefit			
55 Years	5 Years	Commencement Date	9/1/2024		
Number of Eligible Employees:		241			
Projected Regular Retirees:		20			
Projected SERP Retirees:		53			
Retirees Replaced:		100%			
Average Salary (Eligible Employees Only)		\$47,528			
Retiree Health Care (HC) Assumptions:					
HC Cost:	\$3,264	HC Change Cost Age:	65		
HC COLA:	3.00%	HC Change Cost:	\$3,399		
HC Pay to Age:	100	HC Change COLA:	5.00%		
Statutory Benefits					
	Year 1	Year 2	Year 3	Year 4	Year 5
STRS Contributions:	19.10%	19.10%	19.10%	19.10%	19.10%
Workers Compensation:	0.50%	0.50%	0.50%	0.50%	0.50%
Unemployment Insurance:	0.05%	0.05%	0.05%	0.05%	0.05%
Illness:	1.45%	1.45%	1.45%	1.45%	1.45%
Statutory Total:	21.10%	21.10%	21.10%	21.10%	21.10%
Existing Salary					
	COLA	Salary			
Year 1:	3.04%	\$145,141			
Year 2:	3.29%	\$153,015			
Year 3:	3.19%	\$157,896			
Year 4:	3.00%	\$162,633			
Year 5:	3.00%	\$167,512			
Replacement Salary					
	COLA	Salary	Description		
Year 1:	3.04%	\$56,274	10% FT / 90% Adj.		
Year 2:	3.29%	\$60,393	10% FT / 90% Adj.		
Year 3:	3.19%	\$66,712	50% FT / 50% Adj.		
Year 4:	3.00%	\$94,742	50% FT / 50% Adj.		
Year 5:	3.00%	\$101,038	50% FT / 50% Adj.		
Keenan Commission		Billed separate:	4.50%		

Participation Assumptions

Healthcare & Statutory Costs

Salary Differential

Keenan Fee

Scenario Results 1 – 75% All Replaced

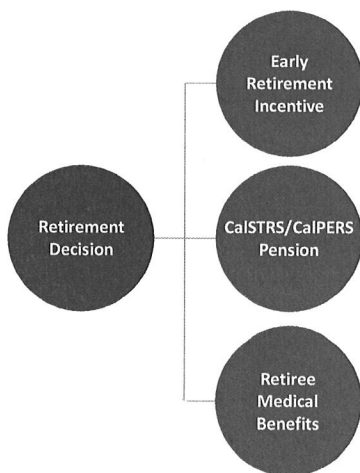
Group	Total Number of Eligible	Estimated Participants	Unreplaced Positions	Keenan SERP Net Savings
Faculty Adjunct Years 1-5	241	53 (22%)	All Replaced	\$8,794,560
Academic Management	23	6 (26%)	All Replaced	-\$333,674
Classified Management	28	5 (21%)	All Replaced	-\$256,895
Classified	162	35 (22%)	All Replaced	\$6,821
Confidential	2	1 (50%)	All Replaced	\$88,994
Total	456	100	All Replaced	\$8,299,805

Scenario Results 2 – 80% All Replaced

Group	Total Number of Eligible	Estimated Participants	Unreplaced Positions	Keenan SERP Net Savings
Faculty Adjunct Years 1-5	241	57 (24%)	All Replaced	\$9,706,888
Academic Management	23	7 (30%)	All Replaced	-\$411,648
Classified Management	28	7 (25%)	All Replaced	-\$305,594
Classified	162	38 (23%)	All Replaced	-\$62,724
Confidential	2	1 (50%)	All Replaced	\$83,430
Total	456	110	All Replaced	\$9,010,352



Retirement Decision Support



Keenan’s SERP maximizes participation by providing education and support around these three main pillars of knowledge required to make a retirement decision.

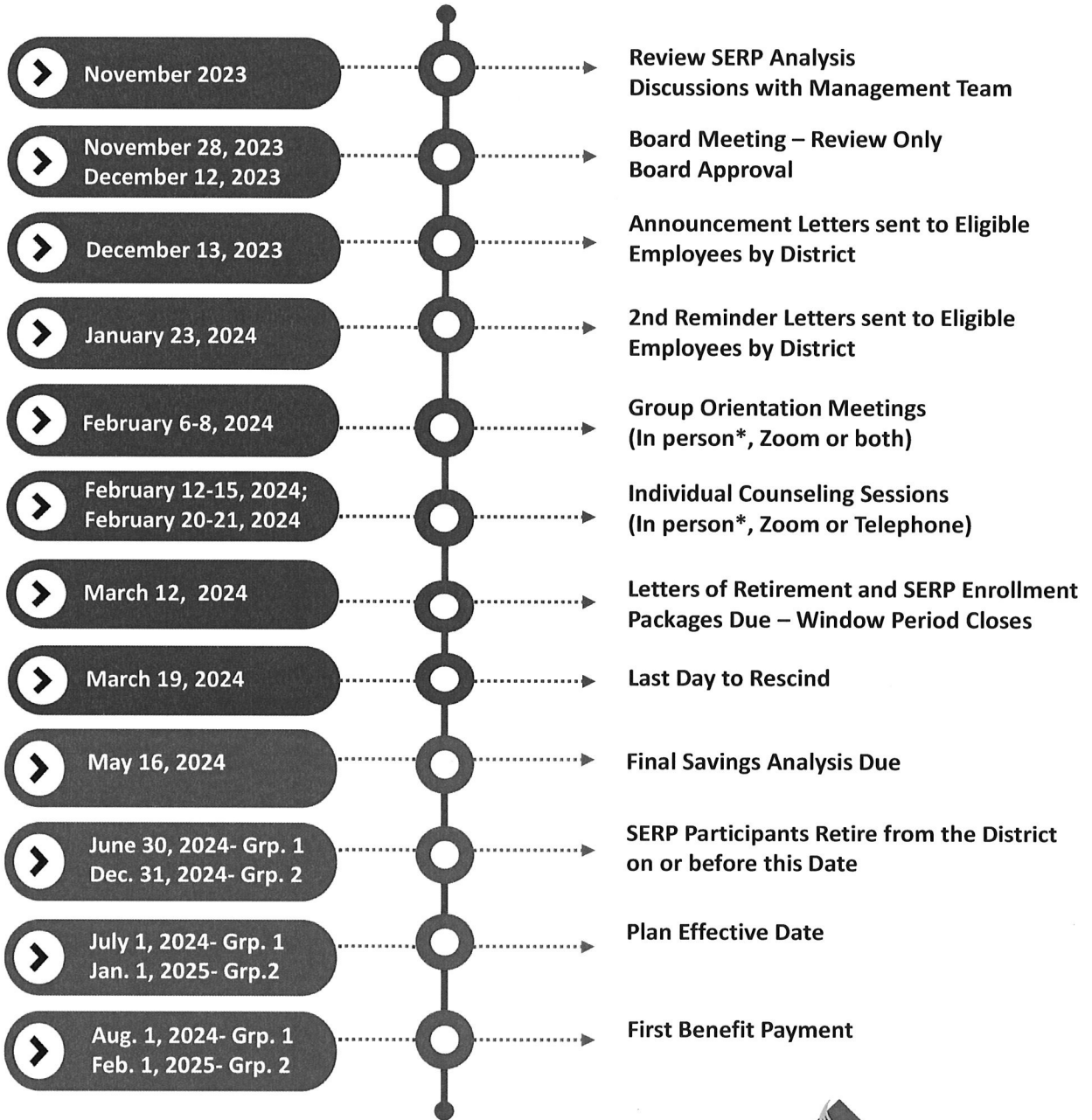




North Orange County CCD

Supplemental Employee Retirement Plan - 2023-2024 Year-End

Executive Officer, Management, Classified, and Confidential
1830 W. Romneya Drive
Anaheim, CA 92801
Phone: (714) 808-4822



- Employees who retire on 12/31/2023 and 06/30/2024 are part of Group 1 - effective 07/01/2024
- Employees who retire on 12/31/2024 are part of Group 2 - effective 01/01/2025



NORTH ORANGE COUNTY
COMMUNITY COLLEGE DISTRICT