

**Sebastopol Independent Charter School
Program to Join the California State Teachers' Retirement System (CalSTRS)¹**

Purpose of the Program:

- To provide improved retirement benefits to current eligible employees;
- To enhance the ability of the school to attract and retain new teachers; and
- To offer a competitive benefits package on par with or better than other Waldorf-inspired charter schools.

Personnel Affected:

- Eligible credentialed teachers and staff.
- Note: Classified and non-credentialed employees are not eligible for this program.

Effective Date:

- January 1, 2014²; (or as soon thereafter upon acceptance into CalSTRS)

Program Details and Policy Changes:

1. The School will increase the employer-contributed amount that the school currently provides on behalf of qualified employees by 2.05%. This is the difference between what the school currently pays to Social Security (6.20%) on behalf of each employee and what it will pay into CalSTRS (8.25%) for each eligible employee.
2. The School will increase eligible credentialed teacher and staff salaries by 1.95% (gross) to offset the 1.80% (net) increase in the amount of employee-contributed amounts for CalSTRS. This is to cover the difference between employee-contributed amounts to Social Security (6.20%) and CalSTRS (8.00%) so that affected employees receive the same net pay.
3. For the first 4 years following the date of its enrollment in CalSTRS, the school will distribute a one-time lump sum payment of \$7,500 to qualified credentialed staff³ who retire in good standing at the age of 62 or older before they become vested in CalSTRS.
4. The School will continue participation in the California State Disability (SDI) and Paid Family Leave (PFL) Insurance program towards which employees currently have deducted 1% of their wages.
5. The California State Teachers' Retirement System (CalSTRS) replaces the former SICS Retirement / Profit Sharing Plan⁴ for affected employees as of the effective date. As of the effective date, CalSTRS becomes the SICS retirement plan for eligible credentialed staff. The *Board of Directors Retirement Plan Contribution Policy* is modified by this resolution and will be updated accordingly. School employment policy is also modified making enrollment in CalSTRS a mandatory condition of employment for all eligible credentialed employees, unless otherwise allowed under CalSTRS rules.

¹ Approved by resolution of the school's Board of Directors 12/9/2013

² Both CalSTRS and Social Security offer partial year credit. Social Security operates on a calendar year (FYE 12/31) while CalSTRS operates on a school year (FYE 6/30).

³ Only applies to eligible staff employed as of the date of the school's enrollment in CalSTRS.

⁴ This is the 401(a) plan offered through VALIC. Note: The 401(a) EMPLOYER-sponsored plan is different from the 403(b) EMPLOYEE tax deferred retirement savings plans that the school offers through Vanguard and VALIC. Employees may continue to contribute via monthly payroll deductions to their selected 403(b) tax deferred retirement savings plan. CalSTRS also offers a 403(b) plan; enrollment information on this will become available once the school is enrolled in CalSTRS.