

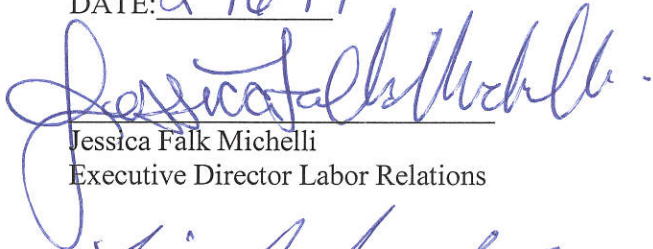
MEMORANDUM OF UNDERSTANDING
By and between
SAN DIEGO UNIFIED SCHOOL DISTRICT and the
SAN DIEGO EDUCATION ASSOCIATION
For the
2016-2017 SUPPLEMENTAL EARLY RETIREMENT PROGRAM (SERP)

The San Diego Unified School District ("District) agrees to move forward with a SERP for the 2016-2017 fiscal year. The intent of offering a 2016-2017 SERP is to mitigate the impact to SDEA bargaining unit members. For example, laid off bargaining unit members may be able to fill vacancies created by the SERP. District and San Diego Education Association (SDEA) agree to implementation of a 2016-2017 SERP upon Board of Education and County Office of Education approvals.

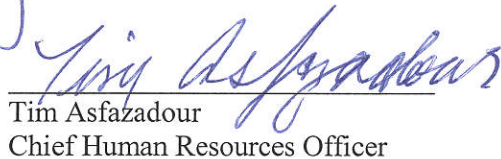
The SERP will only be available to SDEA bargaining unit members in accordance with the terms described in **Exhibit 1**, which is attached hereto and incorporated herein.

FOR THE DISTRICT

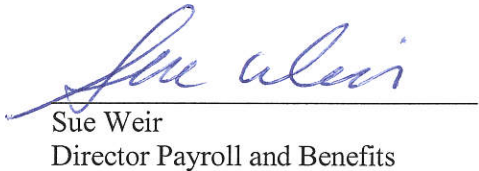
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Jessica Falk Michelli
Executive Director Labor Relations



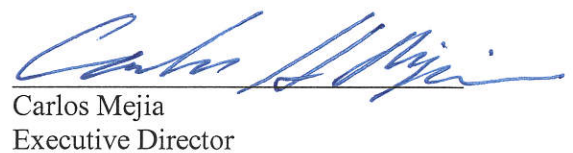
Tim Asfazadour
Chief Human Resources Officer



Sue Weir
Director Payroll and Benefits

FOR SDEA:

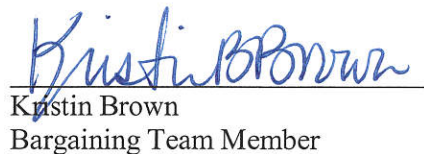
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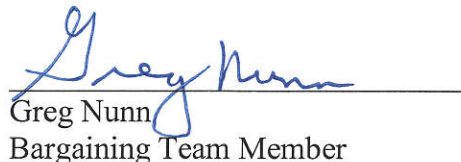
Carlos Mejia
Executive Director



Lindsay Burningham
President



Kristin Brown
Bargaining Team Member



Greg Nunn
Bargaining Team Member

**2016-2017 SUPPLEMENTARY EARLY RETIREMENT PLAN (SERP)
San Diego Unified School District for SDEA Bargaining Unit Members**

EXHIBIT 1

Parties agree to offer and actively encourage the following Supplementary Early Retirement Plan (“SERP”) during the 2016-17 school year:

1.0 Eligibility

- 1.1 Those Certificated employees who meet all of the following criteria:
- a) Are San Diego Education Association (“SDEA”) Bargaining Unit members;
 - b) Are permanent contract employees of the District or College Career Technical Education (CCTE) teachers as of February 21, 2017 (date of Board of Education adoption);
 - c) Have 5 years of contracted District service as of June 30, 2017, for traditional school or central office employees, or as of July 21, 2017, for year-round school employees;
 - d) Are eligible to retire under STRS (age 55 with 5 years of STRS service credit or age 50 with 30 years of STRS service credit) or PERS (age 50 with 5 years of PERS service credit) as of June 30, 2017, for traditional school or central office employees, or as of July 21, 2017, for year-round school employees;
 - e) Submit all required SERP enrollment materials and District Letter of Resignation to the office of Public Agency Retirement Services (“PARS”) on or before April 21, 2017; and
 - f) Have resigned from District employment after the last work day of the 2016-2017 school year, effective on or before June 30, 2017, for traditional school or central office employees, or on or before July 21, 2017, for year-round employees.

2.0 Participation Requirements

- 2.1 The SERP must have sufficient plan participation in order to meet the District’s fiscal and operational objectives by the enrollment deadline of April 21, 2017 in order for the SERP to go into effect for SDEA (“the Minimum Participation Requirement”). These objectives include that the SERP will generate net savings, or no net cost, to the District’s General Fund-Unrestricted, in the initial year of implementation and cumulatively over five years. Further, the District reserves the right to determine which positions vacated by retirement shall be filled, provided that any net savings to the General Fund-Unrestricted from the 2016-2017 SERP in Fiscal Year 2017-2018 will only be used to fill positions that are in needed credential areas and/or are needed to meet contractual obligations. Participating employees shall submit all required enrollment materials and District Letter of Resignation to PARS on or before this deadline. As of the enrollment deadline, resignations of participants are irrevocable and may not be rescinded unless the District withdraws the SERP pursuant to Paragraph 2.2 below.
- 2.2 If the Minimum Participation Requirement, as defined in Paragraph 2.1 above, has not been reached as of the enrollment deadline, the District may withdraw the SERP for SDEA, provided

it notifies enrolled employees of the withdrawal on or before May 26, 2017. If the District withdraws the SERP, resignations will be automatically rescinded.

2.3 Participation in the retirement incentive requires:

- a. Submission of required SERP enrollment materials and District Letter of Resignation to PARS on or before April 21, 2017; and
- b. Resignation from District employment after the last work day of the 2016-2017 school year, effective on or before June 30, 2017, for traditional school or central office employees, or on or before July 21, 2017, for year-round employees.

2.4 Participating employees shall not be eligible for any other District sponsored retirement incentive programs.

3.0 Incentive Payments

3.1 Regarding the basic incentive under the SERP:

- a. The District shall make non-elective employer contributions to the participant's 403(b) annuity contract held at Pacific Life Insurance Company ("Pacific Life").
- b. The sum of the contributions shall equal 100% of Final Pay, according to the following schedule:

| Contribution Date | Percent of Final Pay |
|----------------------------|-----------------------------|
| July 10, 2017 | 20% |
| July 10, 2018 | 20% |
| July 10, 2019 | 20% |
| July 10, 2020 | 20% |
| July 10, 2021 | 20% |
| Total Contributions | 100% |

- c. For purposes of the SERP, Final Pay shall be defined as the participant's current 2016-2017 Contract Salary as of February 21, 2017, multiplied by the participant's current FTE (full-time equivalence).
 - In the event the participant is on a Reduced Workload Plan as provided within Article 31 of the collective bargaining agreement between the District and SDEA, Final Pay shall be defined as the participant's salary placement on the 2016-2017 Salary Schedule in the classification he/she would be if he/she returned to regular status.

- In the event the participant is on a Leave of Absence (LOA), Final Pay shall be defined as the participant's salary placement on the 2016-2017 Salary Schedule in the classification to the FTE equivalency at the time the LOA started.
- In the event the participant has reduced his/her FTE below full-time (1.0 FTE) during the 2016-2017 school year, Final Pay shall be defined as the participant's salary placement on the 2016-2017 Salary Schedule at the average of the participant's last three years' FTE or 2016-2017 FTE, whichever is greater.

3.2 Alternative monthly forms of payment of equivalent present value to the basic benefit, which is paid in the form of a lifetime annuity, shall be offered. They shall include:

- a. Joint-and-survivor payments; and
- b. Lifetime with a ten (10) year guarantee; and
- c. Fixed term monthly payments from five (5) to fifteen (15) years. These payments are guaranteed to the participant for the full term selected.

3.3 The amount of monthly cash payment shall be fixed upon annuity purchase date and shall not be subject to increase or decrease thereafter.

3.4 The choice of form of payment (and the choice of payment beneficiary if choosing a joint and survivor form of payment) shall become final upon April 21, 2017 and shall not be subject to change thereafter.

3.5 SERP benefits are scheduled to commence on August 1, 2017, except for enrollees who accept 2017 summer school or extended school year assignments. These enrollees' benefits will commence on September 1, 2017.

3.6 Participants receiving benefits under the SERP shall forfeit any future benefits under the 2016-2017 SERP, or any future SERP offered, if they become re-employed by the District in any manner, other than:

- a. A Substitute or Hourly employee as defined by the District;
- b. A Professional Expert as defined by the District; or
- c. A Consultant as defined by the District.

4.0 Contract Administrator

4.1 The Contract Administrator for the SERP shall be PARS.

5.0 Tentative Timeline

1. SDEA and District will communicate to potentially eligible employees TBD
2. Board adopts resolution to approve SERP February 21, 2017

3. District confirms employee data, provides addresses, and approves SERP communication/enrollment material February 24, 2017
4. Enrollment window opens/District announcement letter is distributed March 1, 2017
5. Enrollment packets mailed to eligible employees No later than March 3, 2017
6. Board adopts MOU for SERP between District and SDEA February 28, 2017
7. Employee informational meetings March 8, 9, 11, 15, 16 and 18, 2017
8. Employee enrollment workshops March 20-April 20, 2017
9. Enrollment window closes April 21, 2017
10. PARS works with the District on post analysis Late April 2017
11. Board decides whether SERP goes forward May 2 or 9, 2017
12. District announces whether SERP goes forward On or before May 10, 2017
13. Employees submit STRS/PERS Retirement Application Early-Mid June 2017
14. Employees resign from District employment After completion of the 2016-17 school year, as of June 30, 2017, for traditional school or central office employees, or as of July 21, 2017, for year-round school employees.
15. District makes first contribution July 10, 2017
16. SERP benefits commence August 1, 2017