



Beverly Hills Unified School District

February 10, 2010

Lic. No. 0451271
Keenan & Associates

Innovative Solutions. Enduring Principles.

Keenan
Financial Services

What is **SERP** ?

A Keenan Solution

- Supplemental Employee Retirement Plan
- Provides monthly retirement income benefits to you
- Income is in addition to CalSTRS or CalPERS benefits

Facts & SERP Advantages

- CalSTRS or CalPERS is your primary source of income
- Start enjoying retirement early
- Reduce the need to work longer to increase the lifetime pension benefit
- Provides current supplemental income, allowing your other investments to gain back stock market losses
- Market downturn does not affect your CalSTRS or CalPERS or SERP pension benefit

Facts & SERP Advantages

- Financial bridge between working & retirement:
 - Retirement is among the Top 10 most stressful life changes
 - Attend an Individual Counseling Session
 - Our Counselors are retired school employees
 - Provide insight into life after retirement
- Flexible payment options to protect spouse or other loved ones

Facts & SERP Advantages

- If income is not needed, roll into a traditional IRA, defer income taxes, and allow for tax deferred growth
- SERP allows for accelerated payment of benefits compared to the CalSTRS Golden Handshake
- May return to service with CalSTRS
- It costs you NOTHING

How does SERP work?

- Annuity Purchased by Employer
 - United of Omaha – A+ Insurance Company
 - Retirement income can be custom designed with income for 60-120 months or lifetime income options
 - Supplements CalSTRS or CalPERS pension benefit
 - Monthly checks begin the month after SERP effective date
- Keenan Financial Services
 - Contract Administrator
 - Individual Counseling Sessions
 - Customer Service

SERP Plan Formula

- Each eligible employee retiring under the SERP will receive a benefit based on a cost of 95% of your annual salary with health benefits
- SERP is a 401(a) Defined Benefit Pension Plan

Example: Income Benefit Options

Example: Certificated Non-Management Employee - Age 59
Benefits Based on 95% of Salary \$82,381

| | MONTHLY ALTERNATIVE | BENEFIT |
|----------|---|-------------------|
| A | Life Only Benefit | \$404.26 |
| B | Joint & 50% Survivor | \$376.49 |
| C | Life or Ten (10) Years, <i>whichever is longer</i> | \$395.01 |
| D | Five (5) Year Monthly Payments* | \$1,223.30 |
| E | Six (6) Year Monthly Payments* | \$1,043.06 |
| F | Seven (7) Year Monthly Payments* | \$914.57 |
| G | Eight (8) Year Monthly Payments* | \$819.88 |
| H | Nine (9) Year Monthly Payments* | \$745.33 |
| I | Ten (10) Year Monthly Payments | \$685.93 |

* Eligible for IRA tax deferred rollover. Mandatory 20% tax applies to benefits not rolled over.

Acceptance of your application to participate in the Supplemental Employee Retirement Plan (SERP) is contingent on the District's verification of eligibility.

Annuity benefits are provided by an insurance company and quoted amounts are estimates only. Estimated benefits are subject to change prior to actual purchase of annuity benefits. Estimated benefits may change due to changes in the data supplied by the District, changes in current interest rates, mortality assumptions, commission percentages and state premium tax.

The District may be subject to penalty fees for late premium payments and benefits may cease if all installment premiums are not paid in accordance with the installment premium schedule.

Eligibility Guidelines

1. Employee must be a Certificated Non-Management Employee of the Beverly Hills Unified School District
2. Employee must be at least 55 years of age by June 30, 2010
3. Employee must have at least 5 years of service with the District by June 30, 2010
4. Employee must be eligible to retire from CalSTRS by June 30, 2010

Eligibility Guidelines - continued

5. Employee must retire from the District on June 30, 2010
6. Employee must submit the SERP Enrollment Package and Letter of Resignation to the District Office, no later than April 13, 2010
7. The District will verify the Final Savings by April 27, 2010. If a savings is not realized, the participants will be allowed to rescind their letters of resignations and return to service the following year.

SERP Participation Guidelines

1. Schedule your Individual Counseling Session for March 8 – 12, 2010
2. Complete and submit Enrollment Package Materials and Letter of Resignation to the District Office by April 13, 2010
3. Retire from the District by June 30, 2010
4. Receive your first benefit payment on August 1, 2010

SERP Individual Counseling Session

IMPORTANT REMINDERS:

1. Schedule an appointment TODAY
2. You're welcome to bring your family members and/or Financial Advisor with you.
3. Be sure you confirm the day, time and place of the meeting
4. Check for your latest CalSTRS or CalPERS statement and make an appointment with a CalSTRS or CalPERS counselor
5. Take a look at their websites:
www.calstrs.com
www.calpers.ca.gov



Any questions?

Thank you!

Keenan & Associates and its employees or representatives do not provide personal accounting, tax, or legal advice.