



FACCC Retirement Committee Meeting Notes

November 17, 2023

3:00 – 4:00 pm

Attending: David Milroy, Peter Morse, Ian Walton, Jason Mayfield, Jaqueline Simon, Carlynne Albee and Adam Wetsman

Absent:

Staff: Herlim Li

1. Review the Committee description, possibly re-configure as proposed "Core Responsibilities" and "Best Practices".

Currently:

- **Retirement Committee description:** FACCC advocates on behalf of its membership to strengthen the position of faculty in the State Teachers' Retirement System (CalSTRS), protect defined benefit pensions, and to ensure the Legislature continues to support and fund pensions for faculty in the California Community Colleges.

Proposed draft:

The FACCC Retirement Committee's core responsibilities are to:

- Advocate on behalf of FACCC members in order to
 - strengthen the position of faculty in the State Teachers' Retirement System (CalSTRS)
 - protect defined benefit pensions
 - ensure the Legislature continues to support and fund pensions for faculty in the public California community college system.
- Educate FACCC members as to retirement options and retirement security

The FACCC Retirement Committee's goals include:

- Identifying faculty at the time of retirement and creating a process to continue their membership in FACCC.
- Increasing outreach to non-member retirees
- Diversifying the committee through active recruitment.

- Educating members on faculty retirement issues
- Working more closely with the Part-time Committee to examine avenues to improve PT retirement options and improve PT retirement education

NOTES:

- CalRTA: pre-retirement in Spring;
- handout (why stick with FACCC) paired with reminders (CalSTRS, FACCC, health care etc...)
- Ian: **exit process** - include info on how to continue deductions at retirement can continue through STRS: if it can, make sure it happens...
 - David: include form/info on the FACCC page
 - Ian: new retirees can do it (\$4/mo)
- CalRTA:
 - Interested in expanding
 - (CTA retired (Jim Gross) - work together)
 - Meet and discuss common strategies
 - **Do a free sign up**
- Adam: general public education, via members
 - Simple talking points - take-aways
- David: FACCC advocate for WEP/GPO more visibly
- Jackie and Carlynn: **joint meeting**

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2. Discuss ways to better coordinate with FACCC Part-Time Committee (including at A&P) on retirement issues
 3. Discuss ways to engage with faculty after retirement to increase membership (such as through other statewide retirement organizations, CalRTA, other union groups)
 4. Quick recap of the last CalSTRS Board meeting (post-retirement earnings limit increase, WEP/GPO

[Proposing simplifying compensation rules](#)

- Amend the definition of “creditable service” to be “service in a position subject to membership,” as defined, eliminating the list of creditable service activities.
- Consolidate “creditable compensation” definitions for CalSTRS 2% at 60 and 2% at 62 members, while retaining separate compensation limits and benefit formulas to comply with existing law, including PEPRA.
- Provide that “creditable compensation” is comprised exclusively of three pay types:
 - Two types of “base pay” to be used for determining compensation earnable and generally limited to ongoing compensation for full-time employment in a position subject to membership:
 - “Salary.”
 - “Remuneration in addition to salary,” sometimes called “special pay.” Examples of this pay type may include ongoing pay for holding an advanced degree or for reaching years of experience.
 - “Supplemental pay,” to include *any* other compensation that is provided to a member and is not explicitly prohibited under the statute, such as stipends for additional duty assignments, limited-term payments or overtime.
- Clarify that annualized pay rates must be established according to a “publicly available pay schedule,” as specified, and exclusively determined as the salary for performing creditable service on a full-time basis in a position subject to membership.
- Provide that “supplemental pay” must not affect compensation earnable but can be used to provide additional service credit for members with less than one year in a school year, credited at the ratio of the supplemental pay earned to the compensation earnable for that year. For those with a year of service in one school year, any additional supplemental pay is credited to the DBS Program.
- Eliminate the requirement that employers return excess member contributions submitted to CalSTRS and later credited to the DBS Program.

- 46,000 retirees saw increases due to SBMA restructuring under SB 868

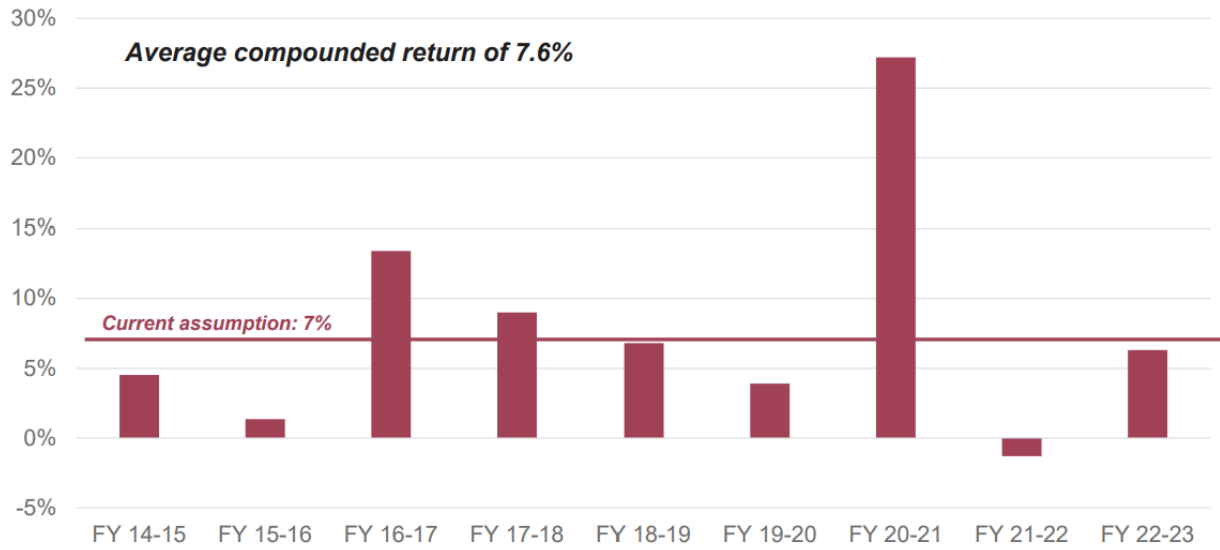
The table below compares the number of members and their beneficiaries who received a payment from SBMA in October in each of the last five years as well as the total quarterly amounts paid from the SBMA in October.

Month and Year	Number of members and beneficiaries who received an SBMA payment	Quarterly SBMA payment
October 2019	70,862	\$55.8 million
October 2020	65,705	\$50.1 million
October 2021	67,900	\$63.0 million
October 2022	111,680	\$123.9 million
October 2023	108,128	\$163.7 million

Although the number of members and beneficiaries receiving benefits from the SBMA decreased slightly between 2022 and 2023, the quarterly payments increased from the previous year. This was due primarily to the implementation of Senate Bill 868 (Cortese - 2022) which became effective July 1, 2023, and provides an additional 5% to 15% increase for all members and their beneficiaries that began receiving a benefit prior to 1999. Almost 46,000 CalSTRS members and beneficiaries received an additional increase as a result of SB 868.

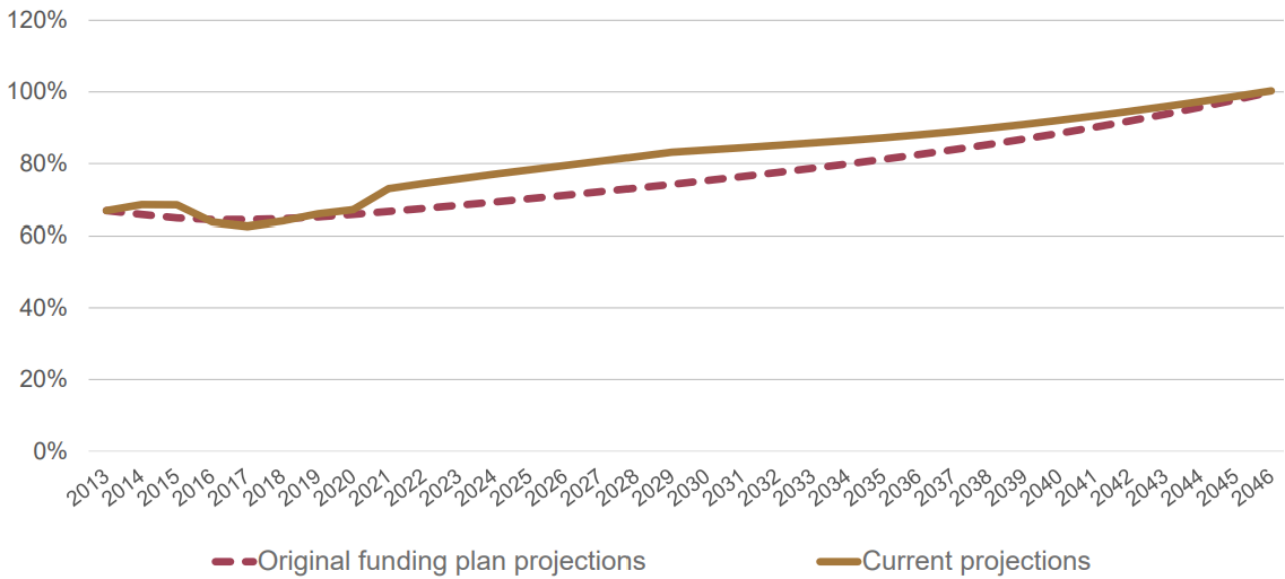
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- Those who retired after 2006 are still above the 85% replacement value.

Investment performance since June 2014



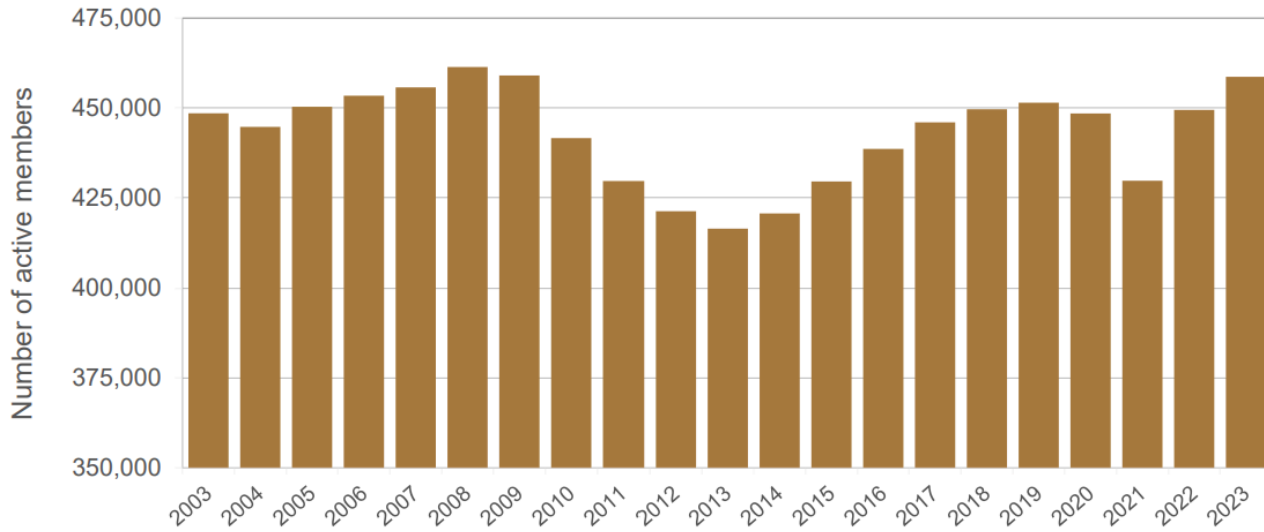
Projected funded status

(Assumes 7% investment return each year into the future and 3.5% payroll growth)



Number of active members

(Last 20 years – Defined Benefit Program only)



5. Video (possibly to be distributed in the Weekly?) reminding all faculty to find out what retirement plan they are participating in (first of a series?)
6. Other business

Herlim: we used to have folks rollover on retirement - opt in rather than opt out