

**LVEA/LVUSD Early Retirement Pilot Program**  
**Jan 1, 2015 – June 30, 2017**  
**Frequently Asked Questions**

**Program Summary**

Unit members who are at least 60 years of age and have 15 or more years of service in LVUSD are eligible for this program. The retirement incentive amount will be \$4600 each year until the unit member reaches age 65. Unit members retiring at or above the age of 65 will be entitled to a single year payment of \$4600. Additionally, those unit members electing insurance coverage through the PERS Health Benefit Program will receive the statutorily mandated direct contribution to their medical insurance premiums (approximately \$1400 annually).

Q1: Will this program actually pay for my benefits until the age of 65?

A1: *The District is obligated to pay the statutorily mandated direct contribution of approximately \$1400 towards your benefits as a retiree, if you purchase one of the CalPERS medical benefits options through the District. The \$4600 payment will be deposited yearly (until the age of 65) into a tax sheltered annuity (i.e. 403b plan that will be set up by the District in the retiree's name). The \$4600 yearly payment will be made regardless of whether or not you purchase any type of medical benefits as a retiree, and it may be used at your discretion to offset the cost of your medical premiums*

Q2: What if I am already 65 years of age or older?

A2: *You will receive one \$4600 installment to a tax sheltered annuity.*

Q3: Will the \$1400 statutorily mandated direct contribution continue beyond the age of 65?

A3: *Yes! It will continue as long as the district offers medical benefits from CalPERS and you purchase a medical benefits plan through CalPERS that is supplemental to Medicare.*

Q4: When will the District deposit the \$4600 into my tax sheltered annuity?

A4: *On or before July 31 of each year until the age of 65.*

Q5: How much will I receive the year I turn 65?

A5: *You will receive a prorated amount based on your actual birth date.*

- Q6: Do I have to spend the tax sheltered amount (i.e. \$4600/yr) on medical benefits?
- A6: *No, you can spend this money on anything you want. There is no requirement to purchase medical benefits; however, you are required to purchase medical benefits from CalPERS through the district in order to receive the \$1400 yearly statutorily mandated direct contribution.*
- Q7: Is there any way to get the approximately \$1400/year if I do not purchase CalPERS benefits through the district?
- A7: *No.*
- Q8: Will I have to pay taxes on either the \$1400/yr or \$4600/yr amounts?
- A8: *LVEA strongly recommends that you consult a tax professional to see how these payments will impact your personal situation; however, the \$1400/yr is paid directly from the District to CalPERS as a part of your benefits premium and should not be taxable. The \$4600/yr is paid into a tax sheltered annuity and is therefore tax deferred. You will likely incur a tax liability when funds are withdrawn from this annuity – whether they are spent on a benefits premium or not.*
- Q9: Is this a good deal for me?
- A9: *LVEA strongly suggests that you make an appointment with a STRS counselor a.s.a.p. to discuss whether this Early Retirement Program is right for you. You can make an appointment by calling STRS at 800-228-5453. Unfortunately, there is no longer a local STRS office at the Ventura County Office of Education.*
- Q10: Will this pilot program continue beyond June 30, 2017?
- A10: *LVEA hopes to prove that this program saves the district money, and that it should be continued; however, you can only count on it being available between Jan 1, 2015 and June 30, 2017.*
- Q11: When during the school year do I have to notify the District if I plan to participate in this program and retire at the end of the school year?
- A11: *No later than 5:00 pm on February 15 of the planned year of retirement/resignation.*
- Q12: Can I revoke my intent to retire?
- A12: *Yes, but no later than 5:00 pm of April 30 of the same year.*
- Q13: Can I utilize this program if I retire mid-year?
- A13: *Yes, you will simply need to notify the District of your intent no later than 5:00 on November 1 prior to the proposed midyear retirement/resignation date.*

Q14: What if I have an unusual situation that might require special consideration?

A14: *Please contact LVEA at [lasvirgenesea@gmail.com](mailto:lasvirgenesea@gmail.com), and we'll review your situation and, if appropriate, discuss the specifics of your issue with the District. Any discussion with the District should be done after consulting a STRS counselor.*

Q15: Can I retire/resign and then wait until I'm eligible for the STRS 2.4 age factor before collecting my STRS pension?

A15: *Yes; however, LVEA strongly suggests discussing any plan like this with a STRS counselor. You would not receive any retirement compensation from STRS while waiting to reach the 2.4 age factor. For more information on the 2.4 age factor, contact a STRS counselor.*

Q16: What if I have further questions about the specifics of this Early Retirement Pilot program?

A16: *Please contact LVEA at [lasvirgenesea@gmail.com](mailto:lasvirgenesea@gmail.com).*

Q17: If I'm on any type of Leave from the district as described in article 7 of our contract, can I participate in this retirement program?

A17: *Yes, as long as you are at least 60 years of age and have 15 or more years of service in LVUSD.*

Q18: If I'm utilizing the Willie Brown "reduced workload" program as referenced in article 11.4 of our contract, can I participate in this retirement program?

A18: *Yes, as long as you are at least 60 years of age and have 15 or more years of service in LVUSD.*