



Oakland unified school district

PARS Supplementary Retirement Plan (SRP)

November 12, 2025

Sampling of 300+ PARS SRP Clients

ALAMEDA COUNTY DISTRICTS

Alameda Unified School District
New Haven Unified School District
Oakland Unified School District
Pleasanton Unified School District

COUNTY OFFICES OF EDUCATION

Alameda County Office of Education
Los Angeles County Office of Education
Orange County Office of Education
Merced County Office of Education
Sacramento County Office of Education
San Bernardino County Office of Education
Sonoma County Office of Education

NON-ALAMEDA COUNTY DISTRICTS

Capistrano Unified School District
Clovis Unified School District
Chino Valley Unified School District
Corona-Norco Unified School District
East Side Union High School District
Elk Grove Unified School District
Irvine Unified School District
Kern High School District
Long Beach Unified School District
Los Angeles Unified School District
Poway Unified School District
Riverside Unified School District
Sacramento City Unified School District
San Bernardino City Unified School District
San Diego Unified School District
San Francisco Unified School District
San Jose Unified School District
San Juan Unified School District
Santa Ana Unified School District
Stockton Unified School District
Sweetwater Union High School District
Twin Rivers Unified School District
Vallejo City Unified School District

Retirement incentive goals

- Retirement Incentive Plans encourage long-term or senior employees, typically at the top of the salary schedule, to retire early.
- The savings are achieved by replacing the senior employee with a lower paid employee or not replacing at all.
- The goal is to increase the number of natural attrition retirements by 3-4 times.
- Additional retirements from a Retirement Incentive Plan can reduce the need for layoffs for some agencies.

SRP Process and Steps

- Board approves a contingent plan offering to designated eligible employees, which creates a 60 day enrollment window.
- Interested employees submit an irrevocable letter of resignation during the enrollment period.
- At the end of the enrollment period, a fiscal analysis is conducted to determine the savings (or cost) to District.
- Based on results, Board can determine whether Plan proceeds or is canceled by employee group.
- If Plan proceeds, employees resign.
- If Plan is canceled, the offer and resignation letters are rescinded.

Proposed Plan Design

One-time Plan offered through a tax-sheltered annuity program: Internal Revenue Code Section 403(b)

**Certificated Non-Management (OEA), Classified Non-Management (AFSC, BLDG, OCDP, SEIU, and Teamsters)
Certificated and Classified Management (UAOS), and
Certificated and Classified Management Confidential**

**75% of Final Pay
Spend Amount Benefit**

- Post-Employment contributions funded over a period of five (5) years following termination of employment
- Contributions are used to fund the purchase of an annuity through Pacific Life Insurance Company
- Distribution options receive favorable tax treatment and may be eligible for IRA rollovers (under Age 73)
- All mortality and investment risk transferred to the insurance company

Benefit Option Choices

Option 1

Lifetime

Monthly cash payment for the participant's lifetime.

Option 2

Joint & 100% Survivor

Reduced Joint and Survivor monthly payment paid for the participant's lifetime and beneficiary's lifetime.

Option 3

Life or 10 Years

Modified monthly cash payment paid for the greater of 10 years or the participant's lifetime.

Options 5-15

Fixed Payments

Higher, fixed period payments, based on the present value of the unmodified benefit, paid monthly for a fixed number of years. These options are guaranteed to pay out for the specified period.

Plan Assumptions

	Assumptions			
Eligibility Requirements	- Certificated Non-Management (OEA), Classified Non-Management (AFSC, BLDG, OCDP, SEIU, and Teamsters) Certificated and Classified Management (UAOS), and Certificated and Classified Management Confidential Employee as of November 12, 2025 - Age 55 and 5 Years of District Service as of June 30, 2026 - FTE ≥ 0.50 Remain employed through the end of the 2025-26 school year with resignation effective no later than June 30, 2026			
Benefit Level	75% of Final Pay* <i>*Final Pay defined as contract salary multiplied by FTE.</i>			
Replacement Salaries/Positions	Certificated Non-Management: \$71,966 (Based on PARS 1-Year New Hire Study) Certificated Management: 86.38% of Current Salary (Step 3) Certificated Management Confidential: 86.38% of Current Salary (Step 3) Classified Non-Management: 78.20% of Current Salary (Step 2) Classified Management: 86.38% of Current Salary (Step 3) Classified Management Confidential: 86.38% of Current Salary (Step 3)			
Health Care Costs	Active: \$19,184			
STRS/PERS Retirement Plan Costs	STRS 2025-26 19.10% 2026-27 19.10% 2027-28 19.10%		PERS 2025-26 26.81% 2026-27 26.90% 2027-28 27.80%	
PARS Plan Funding	Five annual payments paid July 10 th of each year beginning in 2026			

Pars retirement projections

Employee Group	Number of Eligible Employees	Projected Retirements with PARS SRP	Average Salary	% Retirements
<i>Certificated</i>				
Certificated Non-Management (OEA)	454	125	\$99,596	27.53%
Certificated Management (UAOS)	34	10	\$155,309	29.41%
Certificated Management Confidential	3	1	\$242,402	33.33%
<i>Classified</i>				
Classified Non-Management (AFSC, BLDG, OCDP, SEIU, Teamsters)	502	100	\$50,516	19.92%
Classified Management (UOAS)	49	12	\$139,595	24.49%
Classified Management Confidential	24	6	\$172,797	25.00%
<i>Total</i>				
All Employees	1,066	254	\$82,149	23.83%

Fiscal Summary of Savings

ALL EMPLOYEES

75% of Final Pay – Assuming 254 Retirements (23.83% of Eligible Group)				
Replacement Scenario	# of Positions Replaced	Proj. Savings in Year 1	Proj. Savings over 3 Years	Proj. Savings over 5 Years
100% Replacement	254.00	\$1,665,635	\$2,470,454	\$124,292
80% Replacement	203.20	\$5,638,334	\$15,192,864	\$22,687,473
60% Replacement	152.40	\$9,611,034	\$27,915,274	\$45,250,655
40% Replacement	101.60	\$13,583,734	\$40,637,685	\$67,813,836
20% Replacement	50.80	\$17,556,434	\$53,360,095	\$90,377,017
0% Replacement	0.00	\$21,529,133	\$66,082,506	\$112,940,199

Sample Timeline for 2025-26

- November 12, 2025** ▪ Board authorization to offer plan to eligible employees
- Late November 2025** ▪ PARS mails individual benefit illustration packets to eligible employees
- Mid December 2025** ▪ PARS Group SRP Orientation
- Late January 2026** ▪ PARS Individualized Counseling Session
- January 29, 2026** ▪ PARS enrollment window closes
- February 11, 2026** ▪ Board announces approval/rescission of the Plan
- June 30, 2026** ▪ Employees resign from District employment on last day of school
- July 10, 2026** ▪ District make initial contribution to fund Pacific Life Annuity
- August 1, 2026** ▪ PARS Benefit Checks commence