Pension Rate Stabilization Program
A Comprehensive Prefunding Solution to Address Rising STRS/PERS Costs

PARS (Public Agency Retirement Services), in partnership with Community College League of California, is proud to offer the Pension Rate Stabilization Program (PRSP), a first-of-its-kind, IRS-approved, IRC Section 115 irrevocable trust program designed to help community college districts manage ongoing pension obligations.

Why Prefund Pension Obligations with the PARS PRSP?

- **Stabilize Costs**: Access funds to reimburse your District for pension-related expenses to help offset rising STRS/PERS contribution rates.
- **Local Control**: District maintains autonomy over assets, contributions, disbursements, timing and investment risk tolerance.
- **Protection**: Funds in the trust are securely set-aside and protected from diversion for uses other than pension.
- **Diversified Investing**: Assets in an exclusive benefit trust can be diversely invested and may achieve greater returns than your general fund/treasury pool.
- **Rainy Day Fund**: Emergency source of funds when employer revenues are strained in difficult budgetary or economic times.
- **Long-Term Planning**: Prudent solution for managing ongoing pension liabilities on financial statements due to GASB 68.

STRS/PERS Rate Increases through 2025-26

*STRS rates for 2021-22 and PERS rates for 2019-20 and thereafter are projections provided by STRS/PERS.*
Key Program Advantages

PARS is the market leader and largest provider in CA. 200 public agencies, including 14 community college districts, have already adopted the Pension Rate Stabilization Program.

- **Turn-Key**
  A simple governance trust structure and full service approach reduces staff and fiduciary burdens.

- **Low-Cost Approach**
  Economies of scale without risk sharing, low-cost investments, and fees that decrease as assets grow across investment pools.

- **U.S. Bank**
  Security of the 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts.

- **Program Pioneer**
  PARS pioneered the pension prefunding trust in 2015, receiving a first-of-its-kind IRS private letter ruling.

- **Investment Flexibility**
  Partners Vanguard and HighMark Capital Management offer active and index portfolios at a variety of risk tolerance levels.

- **Personalized Service**
  PARS and Community College League provide a dedicated and experienced team to serve your ongoing needs.

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Program Sponsor: **Community College League of California**

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**Trust Administrator & Consultant**

- **PARS**
  - Recordkeeping/reporting
  - Coordinates all District services
  - Monitors plan compliance

  - 35 Years of Experience (1984-2019)
  - 1,500+ Plans under Administration
  - 900+ Public Agency Clients
  - 500 K+ Plan Participants
  - $3.6 B Assets under Administration

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**Investment Manager Option**

- **Vanguard**
  - Independent low-cost investment leader
  - Specially designed pools for program
  - Portfolios comprised of institutional class, index funds with low expense ratios
  - Fees decrease by economies of scale as assets in all Vanguard pools grow

  - 44 Years of Experience (1975-2019)
  - $5.4 T Assets under Management

- **HighMark Capital Management**
  - Investment sub-advisor to discretionary trustee U.S. Bank
  - Manages plan investments by established policy
  - Uses open architecture
  - Active and passive fund options
  - Customized portfolios (with minimum assets)

  - 100 Years of Experience (1919-2019)
  - $15.9 B Assets under Administration

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**For More Information, Contact Us At**

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