

## WHICH OPTION IS RIGHT FOR YOU?

Adjunct faculty have two retirement options available to them. The first is a defined benefit option (STRS), the second is an investment based alternative plan (FBC 3121). By law, all adjunct faculty must contribute to a retirement plan.

# RETIREMENT INFORMATION FOR ADJUNCT FACULTY



The STRS defined benefit plan pays out a set level of monthly benefits upon retirement. The level of benefit you receive is based upon your age, your total number of equivalent years of full-time service, and the average of your highest three years of earnings. The employee contribution rate to the STRS plan is approximately 10.25% of gross earnings. This amount is then subtracted from your taxable gross earnings so that you are only taxed on your gross earnings minus your STRS contribution.

You may be interested in selecting the STRS option if you:

- > Plan to work as an educator in California long enough to vest in the STRS plan. Vesting requires five years of equivalent full-time service. (An adjunct faculty member with a regular assignment of 0.50 FTEF would require ten years to vest.)
- > Want a monthly retirement benefit that provides a specific amount that is known in advance and payable for life, one with benefits based on a set formula and not on the amount of money in your account.
- > Are comfortable contributing 10.25% of your pay towards your retirement (the District contributes an even greater percentage).

Questions concerning the STRS defined benefit plan, including a calculator which can project your STRS retirement benefit amount, can be found at the STRS website: [www.calstrs.com](http://www.calstrs.com).

The FBC 3121 Retirement alternative plan is an investment plan similar to a money market or mutual fund type of investment. Employees invest 3.75% of their gross earnings into their personal account. The District also contributes 3.75% into your investment account. Upon retirement or separation from the District, you receive the accumulated investment amount, payable in different options. The return on your investment is a function of interest rates and the market.

You may be interested in selecting the alternative FBC 3121 Retirement option if you:

- > Will not work as an educator in California long enough to vest in the STRS plan.
- > Want a lump-sum or lifetime monthly retirement benefit based on monies credited to your account with a guaranteed interest rate.
- > Are comfortable contributing only 3.75% of your pay towards your retirement.

Questions concerning details of the FBC 3121 Retirement plan may be directed to the SDCCD payroll department at 619-388-6582.

It's always your choice which plan you select, however, if you elect the STRS plan, that choice is irrevocable.