



Supplemental Early Retirement Plan (SERP)

National Insurance Services (NIS) has partnered with Keenan & Associates (Keenan) to bring you a new solution to incentivize early retirement and provide you with significant cost savings. It's called the Supplemental Early Retirement Plan (SERP).

What is SERP and How Does it Work?

SERP is a unique plan developed exclusively for public sector organizations to encourage employees to retire earlier than anticipated. It provides an attractive incentive to employees while taking into consideration your organization's financial ability in funding the plan. Cost savings are generated through the differential in salary costs for a retiring employee and a new hire.

Figure 1 shows the annual employer savings for a replaced and un-replaced position. Note, the benefit or incentive amount, which in the example below is a percentage of salary, is funded over five years by the employer.

Replaced Position	
Input	Amount
Retiree	\$100,000
New Hire	\$65,000
Incentive (65%)	\$13,000
Savings*:	\$22,000

Un-Replaced Position	
Input	Amount
Retiree	\$100,000
New Hire	\$0
Incentive (65%)	\$13,000
Savings*:	\$87,000

*Savings illustrated is per year for five years

Figure 1

Figure 2 shows the estimated monthly premium for a 65% benefit of one year's salary paid out over five years. The employee can choose one of nine available annuities for their benefit payout option.

Annuity Options: 65% Benefit Estimated Monthly Premiums	
Annuity Options	Employee with an annual salary of \$80,000 with 65% benefit
1. Life Only	\$215.45
2. Joint & 50% Survivor	\$198.36
3. Life or (10)Ten Years	\$211.76
4. Five (5) Year*	\$858.74
5. Six (6) Year*	\$725.82
6. Seven (7) Year*	\$630.95
7. Eight (8) Year*	\$559.86
8. Nine (9) Year*	\$504.65
9. Ten (10) Year*	\$460.52

*Eligible for tax-deferred IRA Rollover

Figure 2

SERP also enhances retiree benefits, improves job security, and provides effective budget and staff planning solutions. It can also help employers reduce their pension obligations, avoid layoffs, and enhances retiree benefits for existing employees.

(over)

Not Sure if SERP is Right for You? No-Cost, No-Commitment Feasibility Study

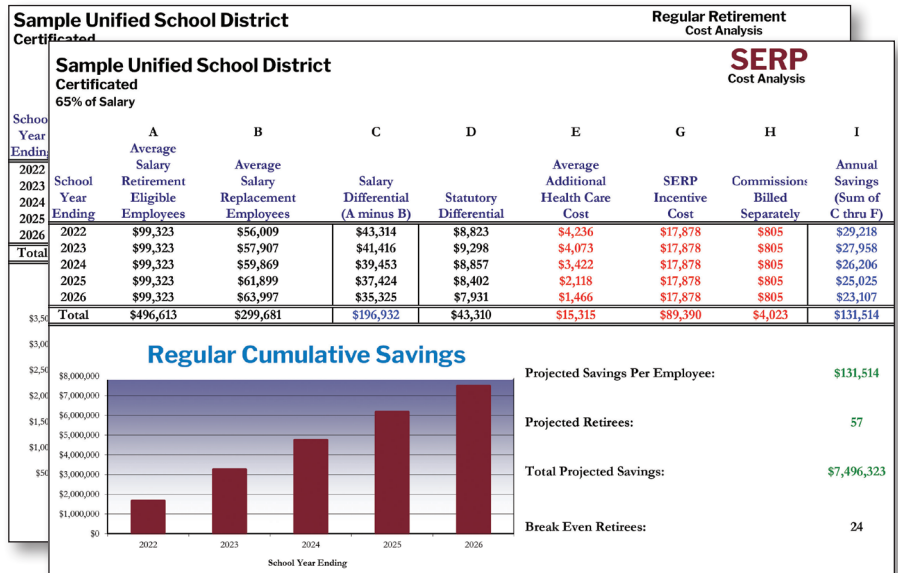
NIS and Keenan’s no-cost, no-commitment feasibility study can help you determine if SERP is the right retirement incentive solution for you.

During the assessment, we:

- Evaluate plan design options
- Project participation within the plan
- Estimate 5-year savings for the employer
- Model unreplaced and replaced positions
- Determine feasibility for your organization

You can expect to receive your results within 5-7 business days.

If you’re interested in a feasibility study, employers will need to provide a census and the employment contracts for all the employee groups who are eligible for this benefit.



How Does SERP Enrollment Work?

After the feasibility study is complete, NIS and Keenan will help you understand and secure the tools employees will need during their decision-making process.

- Initial communication materials may include announcement letters, company-wide emails, letters to members, etc.
- Enrollment is completely digital through DocuSign.
- Group sessions can help eligible participants learn more about the offering, annuity options available, decision making assistance options, etc. Sessions can be held via webinar or in-person.
- Individual counseling sessions can provide eligible participants with a one-on-one Q&A session with a SERP counselor. Counselors are retirees from districts who have taken SERP. Sessions can be held virtually or in-person.

What are Customers Saying?

“You guys saved us from layoffs!” - Ambur Borth - Assistant Superintendent Business, Menifee USD

“The SERP process and staff were incredible. They were there for us every step of the way. It was like they were members of our staff. Yet another reason why I put my trust in you.” - Brett W. McFadden - Associate Superintendent District Business Services, Monterey Peninsula USD

“We were assisted at every stage of the process; from educating our Board members and employees on the value of a SERP, and providing multiple group orientation sessions and individual counseling sessions, to sharing educational materials for all interested in the program. Our employees found both the Group Orientations and Individual Counseling sessions to be quite informative.” - Irma Ramos - Vice Chancellor of Human Resources, North Orange CCCD