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 2026-27

<table>
<thead>
<tr>
<th>FY</th>
<th>STRS</th>
<th>PERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>12.58%</td>
<td>13.89%</td>
</tr>
<tr>
<td>2017-18</td>
<td>14.43%</td>
<td>15.53%</td>
</tr>
<tr>
<td>2018-19</td>
<td>16.28%</td>
<td>18.06%</td>
</tr>
<tr>
<td>2019-20</td>
<td>17.10%</td>
<td>19.72%</td>
</tr>
<tr>
<td>2020-21</td>
<td>16.15%</td>
<td>20.70%</td>
</tr>
<tr>
<td>2021-22</td>
<td>16.92%</td>
<td>22.91%</td>
</tr>
<tr>
<td>2022-23</td>
<td>19.10%</td>
<td>26.10%</td>
</tr>
<tr>
<td>2023-24</td>
<td>19.10%</td>
<td>27.10%</td>
</tr>
<tr>
<td>2024-25</td>
<td>19.10%</td>
<td>27.70%</td>
</tr>
<tr>
<td>2025-26</td>
<td>19.10%</td>
<td>27.80%</td>
</tr>
<tr>
<td>2026-27</td>
<td>19.10%</td>
<td>27.60%</td>
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</tbody>
</table>
Key Program Advantages

PARS is the market leader and largest provider in CA. 240 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.

**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.

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

**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.

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

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### Trust Administrator & Consultant

- **PARS**
  - Recordkeeping/reporting
  - Coordinates all District services
  - Monitors plan compliance
  - Processes contributions/disbursements
  - Hands-on, dedicated support teams

**Years of Experience:**
- 37
  - (1984-2021)

**Plans under Administration:**
- 2,000

**Public Agency Clients:**
- 1,000

**CCD Clients in California:**
- 42

**Plan Participants:**
- 500K+

**Assets under Administration:**
- $6.0B

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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

**Years of Experience:**
- 46
  - (1975-2021)

**Assets under Management:**
- $7.5T

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**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)

**Years of Experience:**
- 102
  - (1919-2021)

**Assets under Administration:**
- $18.2B

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