

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

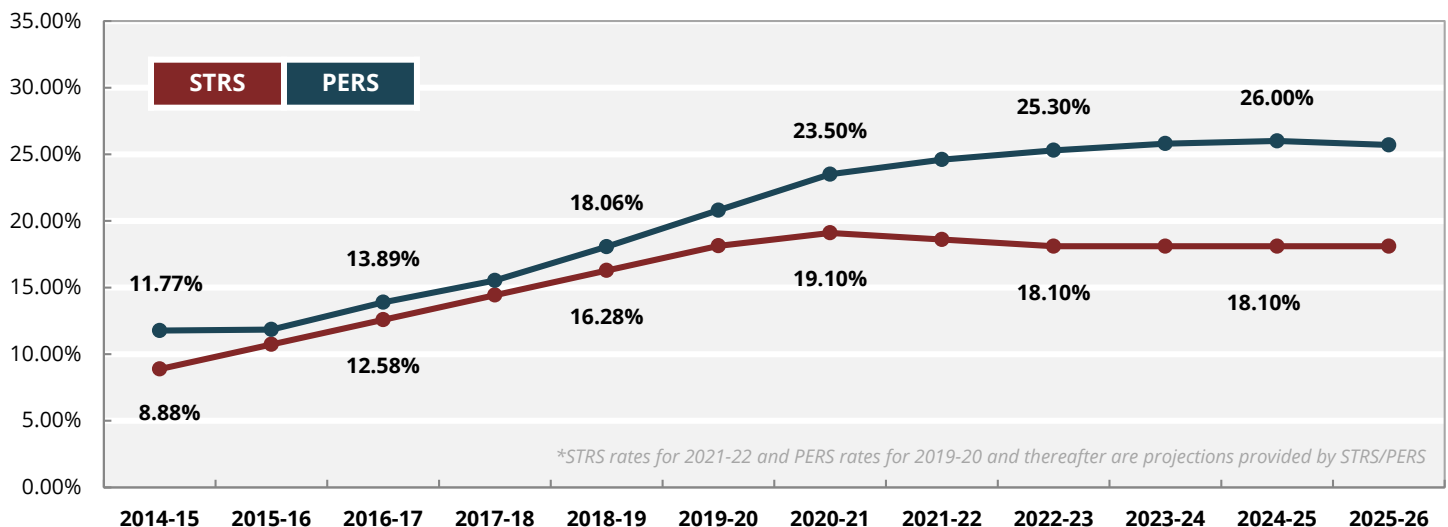
Rainy Day Fund

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



Key Program Advantages

PARS is the market leader and largest provider in CA. Over 190 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

Trust Administrator & Consultant



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

35

Years of Experience
(1984-2019)

1,400+

Plans under
Administration

900+

Public Agency
Clients

500K+

Plan Participants

\$3.6B

Assets under
Administration

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)

\$5.0T

Assets under
Management

Investment Manager Option



- 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)

\$15.8B

Assets under
Administration

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