



PARAPROFESSIONAL RETIREMENT TRANSITION
FROM THE PARS PLAN TO SOCIAL SECURITY

Frequently Asked Questions

When will the transition to Social Security occur?

As you know, Paraprofessionals have voted to terminate the PARS plan and move back to Social Security for your retirement benefit. The target transition date is October 1, 2011.

This seems like a long time; why?

Part of the transition plan calls for offering those age 55 and over (as of June 30, 2011) the option to remain outside of Social Security. If the District determines it is legally permissible to proceed with this option, then those over 55 will have the opportunity to elect that option. The transition out of PARS for all employees would not occur until after this election is able to take place, which would be when school starts again in August 2011.

If I am over 55, what option will I have?

SFUSD is seeking legal guidance on the permissibility of offering those over the age of 55 (as of June 30, 2011), the option to remain out of Social Security. If approved, you will be sent an election form to make your choice to move to Social Security, or to remain outside of it in an alternative plan. If you are under 55, you will be placed in Social Security.

If PARS is no longer available, what will my option be?

For those over 55 who choose to remain outside of Social Security, contributions from the District, in addition to the employee contribution to meet minimum legal requirements, will be deposited in a 403(b) plan.

How do I find out how many credits (quarters) I have with Social Security?

A "quarter" with Social Security is called a credit. You can earn up to 4 credits per year. 40 credits throughout your working lifetime are needed to be fully eligible for Social Security benefits (10 years). You can go to the Social Security website to obtain a copy of your statement, as well as estimate your future benefits.

<http://www.socialsecurity.gov/OACT/anypia/index.html>

You can also visit a local Social Security office.

What happens to my PARS account after I move to Social Security?

The PARS plan will eventually be terminated. This process will take several months while final actuarial analysis is completed, which determines final account balances for each participant. Once that is complete, you will receive a distribution packet from PARS advising you of your options in the distribution of your account. The funds in your PARS account remain yours. The distribution of those funds and the options you will have will be dictated by IRS rules. This process likely will not occur until late 2011 or early 2012.

What resources are available to assist me in making financial decisions that I am faced with?

SFUSD has an employee assistance program (EAP). As one of its resources, this program offers a free one-hour consultation with experts in financial planning. This consultation is by telephone, but an in person meeting can be arranged. However, in person consultation is at employee expense. You should have received an electronic flyer on how to access this resource, but we are happy to provide further information about this, should you wish.

Will any of the years that I worked with SFUSD count toward the Social Security quarters?

With respect to the period in which you were a participant in PARS, SFUSD is working with the IRS to determine the answer to this question. The safest conclusion to draw in the interim is that you should not count potential credit for this period. If you have work history prior to the inception of PARS (1992), then any earned credits with Social Security remain part of your permanent credit history.

What if I have questions about my individual PARS account?

Contact PARS directly with any questions about your individual account balance. They will not be able to assist you with questions on the timing of the transition until after the District has given them instructions in this regard. The District will communicate this directly when the date is determined.

What if I have a question not answered here?

To facilitate your individual question, please submit your question in writing, preferably by email. Please email pararetirement@sfusd.edu and we will endeavor to answer your question, or provide the appropriate resource to assist you.