



## “What Will I Do With My BIG RAISE?”

By Charlotte Lofft, FA President

This article is taken, in part, from the following sources:  
*Invest in Your Future Now* by Lindy McKnight (Union Action, SF City College, Dec., 2001) Referenced with permission.  
*403bwise* <http://www.403bwise.com/wisemoves/403band457.html>  
Consultation with a Vanguard representative.

NOTE: This article is not intended to offer financial advice. The representations made below are intended as guidelines. You should check with financial professionals for confirmation and applicability to yourself.

**Are you wondering what to do with the significant raises the Faculty Association just negotiated for you over the next three years? Consider maintaining your current lifestyle and putting all or part of the monies into the investment opportunities described below. It will pay off in the long run, and you won't even miss the money if you do it now.**

You are probably well aware of the mandatory deductions that come out of your paycheck every month such as the individual deduction for STRS retirement. **But, are you aware of the additional options to fund retirement offered by our District?** Those options are the 403(b) and the Cal PERS 457(b) plans. These plans are wonderful savings vehicles because, like your STRS deductions, they are funded with PRETAX dollars and **lower your taxable income**. They also grow in a tax-deferred manner, which means **you pay no tax on them until you start to withdraw money**. Most people access the funds when they retire and are in a lower tax bracket. It is my understanding that teachers who are eligible for both plans (that's us) can contribute the maximum of **\$24,000 per plan year 2015 to each plan for a total contribution of \$48,000 in 2015**. Participants eligible for “catch-up” provisions can contribute even more if age 50 or over. Teachers that are under age 50 can contribute the maximum of \$18,000 per plan year 2015 for each plan for a total contribution of \$36,000 in 2015.

Catch up provisions are somewhat complicated and should be reviewed on the Web Site above. For example, there is a Cal PERS 457(b) catch up provision for the last three years before retirement. There is also an “Age 50 catch up” provision that allows anyone 50 or older to contribute an additional \$5000 per year to the 403(b) and the Cal PERS 457.

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and Victoria Austin (Part-Time  
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## Attention: Part-time Faculty: Placement In Retirement System

By: Charlotte Lofft, FA President

It has come to the attention of the FA that there may be problems with the placement of some of our Part-time faculty in a proper retirement system. The FA-District Contract states:

“Article 18K STRS (State Teacher’s Retirement System) Cash Balance Plan (Defined Contribution Plan), STRS Defined Benefit Plan, or Social Security

All eligible Part-time unit members shall have the option to choose between the following two different STRS (State Teacher’s Retirement System) Plans or Social Security:

1. The STRS Cash Balance Plan, which is a Defined Contribution Plan, which is four percent (4%) of salary paid by the District and four percent (4%) of salary paid by the unit member, subject to IRS/ STRS approval;  
OR
2. The STRS Defined Benefit Plan. Contribution rates for the District and the unit member are established by the Education Code and through the CalSTRS Employer Directives.  
OR
3. Social Security. Contribution rates for the District and the unit member are established by the IRS.”

All Part-time unit members are eligible to elect the STRS Defined Benefit Plan at any time. The Social Security Election is a one-time election at date of hire. A unit member who elects the STRS Defined Benefit Plan at a later date may elect to buy prior service covered by the Cash Balance Plan through paperwork completed with STRS.”

**NOTE: STRS Defined Benefit Plan contributions for faculty were about 8% and are raising. Social Security contributions for faculty were about 6.2% and may be going up.**

As stated above, you are entitled to have the right to elect between three different retirement options. Human Resources should give you the proper forms to make this election in the Hiring Packet when you are hired in the District.

It appears as if several Part-time faculty either have no form in their file or a form that is difficult to interpret. The FA, therefore, will be contacting the affected Part-time faculty to determine their preference for either the STRS Cash Balance Plan, the STRS Defined Benefit Plan, or Social Security.

If you receive a letter from me in the near future, please respond to me only if you need to. Don’t respond if you are satisfied with your placement in the retirement account you are enrolled in. Thank you, Charlotte Lofft, FA President

### SDI Option for Part Time Faculty

Introducing the SDI option for part time faculty

With our new contract, part time faculty will have the option of selecting as a group to participate in SDI. An election to determine whether we will join will take place by the end of the fall semester. To find this provision in our contract, look at Article 18X.

Public agencies including school districts are not required to provide SDI coverage, but a law passed in 2009 allows part time faculty to vote to participate as a group in the SDI program. Our new contract will allow us to decide whether to take advantage of the availability of SDI coverage.

California State Disability Insurance (SDI) provides partial wage replacement. SDI has two programs: **disability insurance** and **paid family leave** insurance.

For **disability coverage**, SDI provides up to 52 weeks of partial wage replacement at 55% of wages. There are conditions that need to be met for this eligibility. More details on eligibility and benefits can be found here: [http://www.faccc.org/wp-content/uploads/2014/08/state\\_disability\\_insurance.pdf](http://www.faccc.org/wp-content/uploads/2014/08/state_disability_insurance.pdf) and here:

[http://www.edd.ca.gov/Disability/About\\_the\\_State\\_Disability\\_Insurance\\_\(SDI\)\\_Program.htm](http://www.edd.ca.gov/Disability/About_the_State_Disability_Insurance_(SDI)_Program.htm)

For **paid family leave**, SDI provides a total of six work weeks per year at 55% of wages. Members are eligible for coverage based on a variety of family situations, including birth and care of a newborn, adoption, and care for a member of one’s immediate family with a serious medical condition.

SDI is funded by member contributions. The contribution rate is determined by the state. For 2015, that rate is .9% of wages up to a limit of \$104,378. The maximum weekly benefit is \$1104.

Please think about whether you are in favor of joining this program. A vote will take place later this semester. If you have questions, please contact your part time representative. At Chabot, that’s Zac Walsh at [zw Walsh@chabotcollege.edu](mailto:zw Walsh@chabotcollege.edu). At Las Positas, that’s Vicky Austin at [vaustin@laspositascollege.edu](mailto:vaustin@laspositascollege.edu)

# Is Your Part Time Faculty Paycheck Correct?

By Victoria Austin

How can I tell if my paycheck for part time work and overload is for the right amount?



To answer that question, start with this information:

1) What is the CAH value of the classes you are teaching?

The CAH value of a class is noted on the Part Time Assignment Sheet you are given at the beginning of the term, as shown below

COURSE	CRN	DAY	TIME	ROOM	BEGIN	END	FTE	CAH	TYPE*
HUMN 1 X000	HD1 20001L LPC - TBA		4.0 HOURS	T 2460	08/17	12/18	.26	4.000	
HUMN 7A	DE1 20111L LPC - TBA		3.6 HOURS	T ONLIN	08/31	12/18	.15	2.250	

2) Over how many months is this course offered? For most courses, the answer to that question is five. Fall classes take place in all the months from August to December. A full term class is offered during all five of those months.

The paycheck stub for any month shows the CAH value divided by the number of months the class is taught. A full term, four unit class is paid over five months, so its value on a single check would show as .8 (4 divided by 5, since the 4 CAHs are paid over 5 paychecks).

3) Where are you on your step placement?

If you are a new teacher with no previous teaching experience, you are probably on step 1. If you have teaching experience in our district or elsewhere, you may be above step 1. Up until now, you will have advanced at the rate of one step for every nine CAHs you teach, once per year. Beginning with the new contract, step advancement is at the rate of one step for every 18 CAHs you teach, at the maximum rate of one step per year. See section 21i.1 for additional information on step advancement.

A copy of the contract is on the clpfa.com web site. <http://clpfa.com/important-documents/> Step placement is in Article 21. If you have questions about your step placement, you can contact the district HR department. <http://www.clpccd.org/hr/>

4) Once you know your step placement and the value in CAH of your schedule for a given month, you should be able to use the current salary schedule to calculate your pay. Use page 4 of the salary schedule located here. <https://clpfa.files.wordpress.com/2015/09/2015-16-salaryb-draft.pdf>

SPRING 2016		
MONDAY	JANUARY 18	MARTIN LUTHER KING HOLIDAY
TUESDAY	JANUARY 19 (CC ONLY)	FLEX DAY (CHABOT ONLY)
FRIDAY - MONDAY	FEBRARY 12- 15	PRESIDENT'S DAY WEEKEND HOLIDAY
TUESDAY	FEBURARY 16 (LPC ONLY)	FLEX DAY (LOS POSITAS ONLY)
MONDAY – SATURDAY	MARCH 28 – APRIL 1	SPRING BREAK
FRIDAY	MAY 20	LAST DAY OF INSTRUCTION
SATURDAY	MAY 21	SATURDAY FINALS
MONDAY – FRIDAY	MAY 23 – 27	FINALS
FRIDAY	MAY 27 CC & MAY 28 LPC	GRADUATION
MONDAY	MAY 30	MEMORIAL DAY HOLIDAY
WEDNESDAY	JUNE 1 11 PM	GRADES DUE

**BIG RAISE CONTINUED PAGE 1**

There is also an additional 403 (B) catch-up provision for people who have worked 15 years for the same employer and have not contributed more than a threshold amount in the previous years. Contributions under this “15 year rule” cannot exceed \$3,000 per year, up to a \$15,000 lifetime maximum.

**Consult a tax or investment professional before taking advantage of these programs.**

Once you decide to “go for it”, contact the Benefits Office at the District Office for the appropriate forms. Or, they may be available at your college Business Office. You can contact Cal PERS for forms and information directly at 1-800-260-0659.



In addition to the 403b or Cal PERS 457 plans offered through the District or Cal PERS, anyone can have an Individual Retirement Account. (IRA). If you are under 50, your maximum 2015 contribution to an IRA is \$5,500. If you are over 50, your maximum contribution is \$6,500 for 2015. IRAs can be either based on pre-tax or post-tax dollars. Again, consult a financial professional before you decide which type is best for you.

Like all investing, the most powerful factor influencing the growth of retirement funds is **time**. The earlier in life one begins, and the longer the money grows tax-deferred, the larger the amount at the end. Graphic illustrations of this principle are staggering and should send you running to immediately open your 403(b) and 457(b) accounts.

**YOU SHOULD ALSO KEEP IN MIND THAT PART OF WHAT YOU PUT INTO THESE 403(B) AND 457(B) ACCOUNTS WOULD GO TO THE IRS ANYWAY.**

**WOULDN'T YOU RATHER BE WATCHING THE BALANCE SHEET GROW IN YOUR OWN ACCOUNT?**

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