



## AGENDA REPORT

**Meeting Date:** July 22, 2010  
**Item Number:** E-2  
**To:** Honorable Mayor & City Council

**From:** Scott G. Miller, Director of Administrative Services/CFO  
Neil A. Comelo, Personnel Manager  
Mark A. Brower, Senior Budget & Financial Analyst

**Subject:** RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS  
ADOPTING THE PARS TRUST, INCLUDING THE PARS  
SUPPLEMENTARY RETIREMENT PLAN AS PART OF THE CITY'S  
RETIREMENT PLAN, AND;

APPOINTING THE CHIEF FINANCIAL OFFICER AS THE PLAN  
ADMINISTRATOR, AND;

APPROVAL OF AN AGREEMENT BETWEEN THE CITY OF  
BEVERLY HILLS AND PHASE II SYSTEMS TO PROVIDE A  
SUPPLEMENTAL RETIREMENT PROGRAM

**Attachments:**

1. Resolution
2. Agreement
3. Plan Document

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### **RECOMMENDATION**

Staff recommends

- Approval of the attached Resolution to contract with PARS (Public Agency Retirement Services) to provide an early retirement incentive program for eligible employees.
- Appointing the Chief Financial Officer as the plan administrator and approving the plan administrator to execute the required documents to offer the two retirement incentive programs detailed below.
- Approval of the attached Agreement between the City of Beverly Hills and PARS (DBA Phase II Systems) to provide a supplemental retirement program.

## **INTRODUCTION**

The economic downturn has had a negative impact on the City's major revenue sources. In addition, the City's expenses continue to increase. The City's corrective actions, which included a City Council approved early retirement incentive program, avoided a projected budget deficit of approximately \$9 million for Fiscal Year 2010/11.

The early retirement program consists of two-phases, and provides a financial incentive for eligible employees to retire early. Phase I was implemented in FY 2009/10. In phase II, staff recommends the City Council offer eligible employees in certain job classifications the option of an early retirement incentive, provided it meets the City's financial and managerial objectives. Phase II provides eligible employees the choice of one of two retirement incentive options:

### **1. PARS (Public Agency Retirement Services) – 7% of Salary**

Since 1983, PARS, a private company that provides retirement programs tailored to public agencies has designed and implemented supplemental retirement programs to more than 228 agencies and has over 15,000 program participants in California.

The PARS program provides eligible employees with 7% of their final base pay. The employee may take the benefit over an actuarially determined lifetime, 5, 10, or 15 years.

### **2. Cash Out Option**

This option provides retirement eligible employees with a cash incentive to retire from City service. The incentive amount is calculated by multiplying the employee's number of completed full years of City of Beverly Hills service in a full time position as of the employee's retirement effective date, by one week's base pay, up to a maximum of \$60,000. The cash incentive will be deposited into a 401(k), 457 or 415(m) account.

## **DISCUSSION**

The City of Beverly Hills contracts PARS to provide retirement plans for employees. As a contracting agency, the City may provide early retirement incentives to eligible members who retire during a designated period.

To be eligible for the early retirement incentive, an employee must be a full-time Miscellaneous (non-sworn) employee (excluding the City Manager, Assistant City Manager, Deputy City Manager, Department Heads, Communication Dispatchers, Communication Supervisor, Civilian Rangemaster, and the City Clerk).

Additional eligibility criteria include:

- a) are employed by the City of Beverly Hills as of July 22, 2010;
- b) are fifty (50) years of age as of March 10, 2011;
- c) have at least one (1) year of City of Beverly Hills service as of March 10, 2011;

- d) resign from City of Beverly Hills employment effective no later than March 10, 2011; and
- e) retire under PERS and PARS SRP effective no later than March 11, 2011.

**BUDGET/FISCAL IMPACT**

The cost of the proposed retirement incentive is not to exceed \$2,500,000, and will be funded using general and enterprise fund reserves. The amount used to fund this program will be repaid to the fund reserves within two years through the salary savings the program will achieve. This is a voluntary program thus the specific cost of the benefit cannot be determined until after the end of the window period within which employees must retire.

The charts below show the maximum projected cost and savings for each option based upon varying participation levels.

**PARS (7%)**

Participation	Cost	1st Year Savings	2nd Year Savings	Total
25%	\$2,712,000	\$1,724,000	\$4,437,000	\$6,161,000
50%	\$5,425,000	\$3,449,000	\$8,873,000	\$12,322,000
75%	\$8,137,000	\$5,173,000	\$13,310,000	\$18,483,000
100%	\$10,850,000	\$6,897,000	\$17,747,000	\$24,644,000

**Cash Out**

Participation	Cost	1st Year Savings	2nd Year Savings	Total
25%	\$959,000	\$3,478,000	\$4,437,000	\$7,914,000
50%	\$1,918,000	\$6,955,000	\$8,873,000	\$15,829,000
75%	\$2,877,000	\$10,433,000	\$13,310,000	\$23,743,000
100%	\$3,837,000	\$13,910,000	\$17,747,000	\$31,657,000

Sandra Olivencia-Curtis



Assistant Director of Administrative Services  
- Human Resources

Scott G. Miller



Director of Administrative Services / CFO

# **Attachment 1**

Resolution

RESOLUTION NO. 10-R- \_\_\_\_\_

RESOLUTION OF THE COUNCIL OF THE CITY OF  
BEVERLY HILLS ADOPTING THE PARS TRUST,  
INCLUDING THE PARS SUPPLEMENTARY RETIREMENT  
PLAN AS PART OF THE CITY'S RETIREMENT PLAN

WHEREAS, it is determined to be in the best interest of the City of Beverly Hills ("City") and its employees to provide a retirement incentive offer to eligible employees who wish to voluntarily exercise their option to separate from City service; and

WHEREAS, City is eligible to be a member of the Public Agency Retirement System (PARS) Trust, which has made available a Supplementary Retirement Plan (SRP), supplementing CalPERS and qualifying under the relevant sections of the Internal Revenue Code and the California Government Code.

NOW THEREFORE, BE IT RESOLVED THAT:

Section 1. The City Council hereby adopts the PARS Trust, including the PARS Supplementary Retirement Plan, as part of the City's Retirement Program, effective \_\_\_\_\_, 2010.

Section 2. In order for the City to reach stated fiscal and operational objectives, a minimum savings must be achieved. If this minimum is not reached, the City may withdraw the retirement incentive. If the City withdraws the retirement incentive, resignations may be rescinded.

Section 3. The City Council hereby appoints the CHIEF FINANCIAL OFFICER, or his/her successor or his/her designee as City's Plan Administrator for the PARS Supplementary Retirement Plan; and

Section 4. The City's Plan Administrator is hereby authorized to execute the PARS legal and administrative service documents on behalf of the City to implement a PARS supplemental benefit program, and to take whatever additional actions are necessary to maintain the City's participation in PARS, to administer the City's PARS plan, and to maintain PARS plan compliance of any relevant regulation issued or as may be issued. In addition, if the City's Plan Administrator finds that the PARS supplemental plan benefit must be limited under Section 415 of Internal Revenue Code, then the Plan Administrator will implement replacement benefit programs at no additional cost to the City.

Section 5. The City Clerk shall furnish a copy of said Agreement for Administrative Services after it has been approved and fully executed, along with a copy of this Resolution to PARS Public Agency Retirement Services, Attention: Kevin Murphy, 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660.

Section 6. The City Clerk shall certify to the adoption of this Resolution and shall cause this Resolution and his certification to be entered in the Book of Resolutions of the Council of this City.

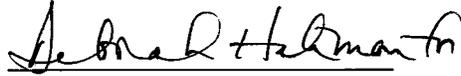
Adopted:

\_\_\_\_\_  
JIMMY DELSHAD  
Mayor of the City of  
Beverly Hills, California

ATTEST:

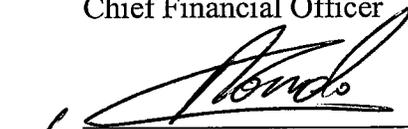
\_\_\_\_\_  
(SEAL)  
BYRON POPE  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
SCOTT G. MILLER  
Director of Administrative Services/  
Chief Financial Officer

  
\_\_\_\_\_  
for SANDRA OLIVENCIA  
Assistant Director of Administrative Services/  
Human Resources

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

# **Attachment 2**

## Agreement

## AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services (hereinafter "PARS") and the City of Beverly Hills ("Agency").

WHEREAS, Agency is desirous of retaining PARS, as Trust Administrator to the PARS Trust, to provide administrative and consulting services with respect to the City of Beverly Hills PARS Supplementary Retirement Plan (the "Plan");

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1A" ("Services") in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 1B".
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless otherwise stated in Exhibit 1B. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with written notice of the subject services, terms, and an estimate of the fees therefore.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency's providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance

with the Plan or applicable law. In addition, PARS shall not be liable for non-performance of Services if such non-performance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Suspension of Contributions.** In the event contributions are suspended, either temporarily or permanently, prior to the complete discharge of PARS' obligations under this Agreement, PARS reserves the right to bill the Agency for Services under this Agreement at the rates indicated in PARS' standard fee schedule in effect at the time the services are provided, subject to the terms established in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with written notice of the subject services, terms, and an estimate of the fees therefore.
7. **Records.** During the term of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of the Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
8. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.
9. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.
10. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, employees, agents and attorneys, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of PARS' or Agency's, as the case may be, acts, errors, or omissions with respect to the performance of their respective duties hereunder.

11. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.
12. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
13. **Force Majeure.** When satisfactory evidence of a cause beyond a party's control is presented to the other party, and nonperformance was unforeseeable, beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by such cause, including but not limited to: any incidence of fire, flood, acts of God, acts of terrorism or war, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.
14. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to, and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
15. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Board of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
16. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
  - (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President
  - (B) To Agency: City of Beverly Hills, 455 North Rexford Drive, Beverly Hills, CA 90210; Attention: Director of Administrative ServicesNotices shall be deemed given on the date received by the addressee.
17. **Term of Agreement.** This Agreement shall remain in effect for the period beginning July 22, 2010 and ending October 20, 2015 ("Term"). This Agreement will continue unchanged for successive twelve-month periods following the Term unless either party

gives written notice to the other party of the intent to terminate prior to ninety (90) days before the end of the Term.

18. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.
19. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or provision of this Agreement, the remaining terms, conditions and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.
20. **Attorney's Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement, the prevailing party therein shall be entitled to receive its reasonable attorney's fees.
21. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.
22. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
23. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

**AGENCY:**

BY:

TITLE:

DATE:

*V. J. Maris*  
Assistant Director Admin Svcs  
7/9/2010

APPROVED AS TO FORM:

*Debra H. ...*  
City Attorney

**PARS:**

BY:

TITLE:

DATE:

*Kevin Murphy*  
Chief Operating Officer  
7/6/10

CITY OF BEVERLY HILLS  
A Municipal Corporation

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JIMMY DELSHAD  
Mayor of the City of  
Beverly Hills

ATTEST:

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(SEAL)  
BYRON POPE  
City Clerk

## EXHIBIT 1A

### SERVICES

PARS will provide the following services for the City of Beverly Hills:

1. Plan Installation Services:

- (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, benefit communication strategies, data reporting and contribution submission requirements;
- (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
- (C) Providing the documentation needed to establish the Plan for review by Agency legal counsel;
- (D) Upon Agency authorization, preparing and submitting application to the Internal Revenue Service for a determination that the Plan is qualified (the application fee for which shall be paid by the Agency).

2. Plan Administration Services:

- (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Trust Program ("Trustee"), based upon information received from the Agency and the Trustee;
- (B) Performing periodic accounting of Plan assets, including the allocation of employer contributions, distributions, investment activity and expenses (if applicable), based upon information received from the Agency and/or Trustee;
- (C) Acting as ongoing liaison between the Participant and the Agency in regard to distribution payments, which shall include use by the Participants of toll-free telephone communication to PARS;
- (D) Producing benefit illustrations and processing enrollments;
- (E) Coordinating the processing of Participant distribution payments pursuant to authorized written Agency certification of distribution eligibility, authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
- (F) Directing Trustee to liquidate Plan assets (if necessary) and make Participant distribution payments, and producing required tax filings regarding said distribution payments;
- (G) Notifying the Trustee of the amount of Plan assets available for further investment and management, or, the amount of Plan assets necessary to be liquidated in order to fund Participant distribution payments;
- (H) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope this Agreement;

- (I) Preparing and submitting a report of Plan activity to the Agency, unless directed by the Agency otherwise;
  - (J) Coordinating and selecting of a licensed actuary to perform actuarial valuation on a periodic basis to comply with state and federal laws (the actuarial certification fee for which shall be paid by the Agency);
  - (K) Preparing and submitting the Annual Report of Financial Transactions to the California State Controller, as required by law, for the PARS Trust Program, including the required certified audit of the PARS Trust.
3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice. In providing the services specified above, PARS will retain qualified professional service providers at its cost as it deems necessary if the service lies outside its area of expertise.

EXHIBIT 1B

FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit IA based upon the following schedule:

1. Upon implementation of the Plan associated with this Agreement, the Agency agrees to pay:
  - (A) An ongoing administration fee equal to five and one-half percent (5.50%) of all contributions made by the Agency on behalf of participants in the subject Plan, subject to a \$5,000.00 minimum per year for five years. Fees will be billed to the Trustee as contributions are made by the Agency, and it will be the responsibility of the Trustee to pay those fees from the assets of the Plan. These fees are exclusive of Trustee and investment management fees, which are based on the standard fees charged by the Trustee; and
  - (B) A fee equal to actuarial expenses charged to PARS by an outside contractor for an actuarial valuation of the Agency's Plan ("Actuarial Valuation Fee").
  - (C) A fee equal to the stated IRS application fees and legal fees related to any ongoing federal and/or state required Plan compliance changes. Such fees will not be charged to the Agency without prior authorization by the Plan Administrator.
  
2. In the event that the Plan associated with this Agreement is not implemented, the Agency agrees to pay a one-time fee equal to \$10,000.00. The fee will be billed to the Agency upon notice of cancellation of the Plan and it will be the responsibility of the Agency to pay this fee.

EXHIBIT 1C

DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information:

1. Participant Data (provided by Agency):
  - (A) Participant's Legal Name
  - (B) Participant's Position
  - (C) Participant's Address
  - (D) Participant's Birth date
  - (E) Participant's Hire Date
  - (F) Participant's Contract Salary
  - (G) Years of Agency Service
  - (H) Retirement Date
2. Executed Legal Documents (provided by Agency):
  - (A) Certified Board Resolution
  - (B) Adoption Agreement
  - (C) Plan Document
  - (D) Trustee Investment Forms
3. Completed Funding Documents (provided by Agency):
  - (A) Authorization to Pay Benefits Form
  - (B) Funding of PARS Supplementary Retirement Plan Form
4. Completed Enrollment Forms (timely submitted by Participant):
  - (A) Correction Form
  - (B) Enrollment Form
  - (C) Beneficiary Designation Form
  - (D) Tax Withholding Request Form
  - (E) Letter of Resignation
5. Other information pertinent to the Services as reasonably requested by PARS

# **Attachment 3**

## Plan Document

# **2010-11 PARS Supplementary Retirement Plan (SRP)**

**City of Beverly Hills**

**Miscellaneous Employees**

**July 8, 2010**

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With regard to the PARS Supplementary Retirement Plan (SRP) for 2010-11, the City proposes the following:

## **1.0 Eligibility**

- 1.1 Those full-time Miscellaneous employees (excluding the City Manager, Assistant City Manager, Deputy City Manager, Department Heads, Communication Dispatchers, Communication Supervisor, Civilian Rangemaster and City Clerk) who:
- a) are employed by the City as of July 22, 2010;
  - b) are fifty (50) years of age as of March 10, 2011;
  - c) have at least one (1) year of City service as of March 10, 2011;
  - d) resign from City employment effective no later than March 10, 2011; and
  - e) retire under PERS and PARS SRP effective no later than March 11, 2011.

## **2.0 Participation Requirements**

- 2.1 Participating employees shall submit all required PARS enrollment materials and City Letter of Resignation to PARS on or before the deadline date of September 17, 2010. Resignations of participants are irrevocable as of the enrollment deadline and may not be rescinded unless the City withdraws the incentive pursuant to Paragraph 2.2 below.
- 2.2 An employee's participation in the plan must meet the City's financial and managerial objectives in order for the employee's participation to be approved by the City. If after the close of the enrollment window the City determines that the employee's participation in the plan does not meet the City's financial and managerial objectives, the City may withdraw the incentive for that employee, provided it notifies that employee of the withdrawal of the employee's participation on or before November 5, 2010. If the City withdraws the incentive for an employee, that employee's resignation will be automatically rescinded. After the September 17, 2010 deadline, if the incentive is approved for an employee, that employee's participation in the incentive and resignation from City employment is locked in and may not be rescinded.
- 2.3 Participation in the retirement incentive requires:
- a. Submission of required PARS enrollment materials and City Letter of Resignation to PARS by September 17, 2010;
  - b. Resignation from City employment effective no later than March 10, 2011; and
  - c. Retirement from PERS and the PARS Supplementary Retirement Plan no later than March 11, 2011.

# **2010-11 PARS Supplementary Retirement Plan (SRP)**

**City of Beverly Hills**

**Miscellaneous Employees**

**July 8, 2010**

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## **3.0 Incentive Payments**

3.1 Regarding the basic incentive under this plan:

- a) The basic, unmodified benefit shall be a monthly cash payment for the lifetime of the participant.
- b) The monthly cash payment amount shall equal one-twelfth of seven percent (7.00%) of Final Pay.
- c) For purposes of this plan, Final Pay shall be defined as the employee's current base annual salary as of July 22, 2010, exclusive of any additional pays (i.e. differential pay, special duty pay, special assignment pay, educational incentive pay and CalPERS Employer Paid Member Contributions (EPMC)).

3.2 Alternative monthly forms of payment of equivalent present value to the basic benefit shall be offered. They shall include:

- a) Joint-and-survivor payments;
- b) Payments made for the life of the participant, subject to a ten year minimum; and
- c) Fixed term payments of from five (5) to fifteen (15) years. These payments are guaranteed to the participant for the full term selected.

3.3 The amount of monthly payment shall be fixed as of September 17, 2010 and shall not be subject to increase thereafter.

3.4 The choice of form of payment (and the choice of payment beneficiary if choosing a joint and survivor form of payment) shall become final as of September 17, 2010 and shall not be subject to change thereafter.

3.5 PARS benefits are to commence the first of the month following retirement under PERS and PARS SRP, but the first check will be made no earlier than April 1, 2011.

## **4.0 Contract Administrator**

The Contract Administrator for the Retirement Incentive shall be PARS.

4.1 In the event the plan is cancelled due to insufficient participation, the Employer shall pay Phase II Systems/PARS a one-time fee of \$10,000.00.

4.2 The fee for Phase II Systems/PARS shall be 5.5% of plan contributions to the PARS Trust for services related to the Supplementary Retirement Plan.

# 2010-11 PARS Supplementary Retirement Plan (SRP)

City of Beverly Hills

Miscellaneous Employees

July 8, 2010

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## Projected Timeline:

1. City Council approval of PARS Incentive July 22, 2010
2. City Provides PARS Eligible Employee Addresses July 22, 2010
3. Enrollment Packets Mailed to Employees' Home by July 30, 2010
4. Employee Orientation Meetings August 4<sup>th</sup> and 19<sup>th</sup>  
10 a.m. and 2 p.m.  
Location TBD
5. Employee Enrollment Workshop September 9, 2010  
Time and Location TBD
6. Enrollment Window Closes September 17, 2010
7. City Notifies PARS of Non-Replacement Plan no later than October 14, 2010
8. City receives Post-Analysis no later than October 21, 2010
9. City Council Approval/Rescission of Plan November 4, 2010
10. City announces whether Plan goes forward no later than November 5, 2010
11. Employees Resign from City employment no later than March 10, 2011
12. Employees Retire under PERS, PARS SRP no later than March 11, 2011
13. City Funds Trust for Benefits no later than March 10, 2011
14. Benefits Commence April 1, 2011