

**VICTOR VALLEY UNION HIGH SCHOOL DISTRICT  
MEMORANDUM OF UNDERSTANDING  
VVTA/ DISTRICT – VOLUNTARY RETIREMENT PROGRAM (VRP)**

This Memorandum of Understanding (MOU) is entered into by and between Victor Valley Union High School District (hereinafter "District") and the Victor Valley Teachers Association (hereinafter "VVTA") for the 2014-15 fiscal year. The District and VVTA are referred to jointly in the MOU as the "parties".

**RECITALS**

1. The District and VVTA negotiate proposals that impact wage, hours and working conditions.
2. The District brought the need to offer a Voluntary Retirement Program (VRP) incentive program to VVTA.
3. The District is offering the VRP program to achieve certain projected fiscal savings in order to meet future fiscal obligations.
4. The District held a program overview with the VVTA president on Friday, January 30, 2015.
5. The District and VVTA have negotiated in good faith the impact of offering a retirement incentive.

**AGREEMENT**

The Parties agree as follows:

1. VVTA Retirees will receive a retirement incentive equal to 90% of the employee's Final Compensation with the following conditions:
  - a. For purposes of the VRP incentive program, Final Compensation shall be based on all credible STRS/PERS compensation in the 2014-15 fiscal year, which shall be verified by the Payroll Department.
  - b. Employees planning to retire must submit their letter of intent to retire and complete VRP enrollment documents no later than April 27, 2015 to retire by July 1, 2015 (last day of work by June 30, 2015).
  - c. Employees must be 55 years of age with 10 years or more of continuous service in the District as of June 30, 2015.
  - d. Employees must be actively employed with the District as of February 1, 2015.
2. Each participant shall be vested, on an annual basis, in the amount equal to the lesser of i) 100% of the VRP benefit less any amount previously contributed or ii) IRS annual contribution limit. The District shall fund the VRP benefit on an annual basis (in July) over 5 fiscal years in the following manner:  
Year 1 – 15%, Year 2 – 15%, Year 3 – 20%, Year 4 – 25%, Year 5 – 25%.
3. Each Participant shall have the option to select the distribution of his/her account balance in the manner which he/she deems appropriate. The District does not endorse or recommend any distribution method.
4. Each Participant shall also have the option to tax-defer his/her VRP contribution. Income taxes are due on the amount that the Participant receives as a cash distribution from the Plan. Income taxes are based on each individual tax situation. Each participant is encouraged to consult their own tax advisor.
5. The Participant is the owner of their VRP account and the District's only involvement with the Participant account is to fund the account based on the schedule described in Item B above.

6. The VRP plan is subject to IRS rules and regulations governing retirement plans of this nature. The VRP shall be administered to comply with all IRS regulations regarding contribution, distributions provisions and other regulations that apply.
7. If the District does not generate the fiscal savings projected by the Plan, the District reserves the right to withdraw the offer for the VRP Plan. The District shall make this determination and notify VVTA and the employees who have enrolled for the retirement incentive by May 11, 2015.
8. If the District withdraws the offer, all retirements are automatically rescinded. Individuals may choosing to retire without the incentive, will need to submit a separate letter of retirement to the District.
9. The enrollment window shall open March 9, 2015 and shall close April 27, 2015.
10. To protect the enrolled class of employees, all retirements are irrevocable as of the close of the Enrollment Window, unless the District withdraws the incentive offer outlined in #3.
  - a. Participation in the VRP incentive does not alter in any way eligibility requirements and/or participation in all other District post-retirement benefits that may be available to employees who retire from the District.

This MOU becomes effective February 9, 2015 and in no way shall be defined as establishing a past practice.

Jose M. Berrios 2/11/15  
Jose Berrios, Date  
VVTA President

Raymond R. Johnson 2-11-15  
Raymond R. Johnson, Date  
Assistant Superintendent-Human Resources

**VOLUNTARY RETIREMENT PROGRAM**  
Victor Valley Union High School District  
Certificated Employees

## **Plan Announcement**

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Victor Valley Union High School District and VVTA are pleased to announce the offering of the Voluntary Retirement Program (VRP) to eligible employees during the 2014-15 fiscal year. In order to participate, you will need to meet the eligibility requirements outlined below as well as enroll in the VRP Plan.

VRP Plan Benefits are based on 90% of your STRS/PERS credible compensation for the 2014-15 fiscal year (which will be verified by the payroll department). All contributions to the VRP plan will be made by the District, no employee contributions are required to participate. The District will fund the benefits over a five (5) year period. A customized Benefit Illustration Sheet will be provided to you based on your 2014-15 compensation and the VRP Benefit Formula.

**Participation and Eligibility Requirements:**

- Be at least age 55 with 10 or more years of continuous service in the District as of June 30, 2015
- Employees must be actively employed with the District as of February 1, 2015
- Turn in a Letter of Retirement from the District no later than April 27, 2015 with a last working date with the District, no later than June 30, 2015

**Group Orientation Meeting**

The District and HighMark Administration (the company implementing the VRP incentive plan) are scheduling a group informational meeting to review the benefits and features of the VRP incentive offer. All interested individual should plan to attend. After the group orientation, individual meetings that are designed to answer more of your specialized questions will be available.

Date & Time: **Wednesday, March 4<sup>th</sup> from 4:15pm – 5:30pm**  
Location: **District Board Room**

Should you have any questions before or after the orientation meeting, please contact the District's VRP Plan representative Michael Drabkin at:

Toll Free: **(800) 569-0838**  
Direct: **(949) 212-8368**  
Email: **mike@hmadmin.com**

**Important Note:** The VRP incentive is offered in addition to your regular pension benefits from PERS, STRS and/or Social Security. A separate application is required for each program, if you choose to activate each retirement benefit program.