



December 2, 2015

TO: Superintendents and Key Contacts  
SISC Defined Benefit Plan Member Districts

FROM: Kim A Sloan, CPA, CFE, Chief Financial Officer  
Self-Insured Schools of California (SISC)

SUBJECT: **2016 Defined Benefit Contribution Rate**

The SISC Defined Benefit Plan (DBP) is an alternative to Social Security coverage for your eligible participating part-time, temporary and seasonal employees. As you know effective January 1, 2014, there were some changes to the SISC DBP, as required by PEPPRA (Public Employee’s Pension Reform Act) which required an employee contribution for all new entrants into the plan.

Based on the annual actuarial valuation performed by the firm of Demsey, Filliger & Associates, the SISC Defined Benefit Plan contribution rates for the calendar year 2016 are:

<b>Total Cost:</b>	4.4%	
<b>Employee Contribution Rate:</b>	1.6%	- Only applies to new entrants into the plan on or after <b>January 1, 2014</b> - Contributions must be on an <b>after-tax</b> basis

**The rates should be applied as follows:**

**Existing SISC DBP members prior to January 1, 2014** - The district will continue to pay the full cost, 4.4%, for all participants that are currently and have been an existing DBP member prior to January 1, 2014. SISC has made available a self-service web portal tool for participating districts to access to determine if an employee is a member of the SISC DBP. Please call the SISC office if you are unsure whether or not an employee is currently a member of the SISC DBP.

**New SISC DBP members on or after January 1, 2014** – For any employees hired on or after January 1, 2014, the employee will be required to make a contribution to the Plan. The rate for 2016 will be **1.6% for employees**, and **2.8% for the employer** (for a total of 4.4%). However, the district is still responsible for paying the full 4.4% cost to SISC, but will be reimbursed 1.6% from the employee.

**Employees moving from Social Security to SISC DBP** – Same as New members above.

Please apply the **4.4%** rate to all wages paid from January 1 – December 31, 2016.

Benefit information is currently being compiled for participants who submitted a SISC DBP *Request for Benefit Payment* form. Benefit payments are only issued once a year in March. The SISC office must receive *Request for Benefit Payment* forms by January 10, 2016 in order to be eligible for the next payment distribution. Benefit payments cannot be calculated until all payroll information is reported to SISC for the 2015 year. Please submit any outstanding payroll data or adjustments for 2015 as soon as possible.

If you have any questions regarding the SISC Defined Benefit Plan, please contact Lynn LaValley at the SISC office, 661-636-4602 or [lylavalley@kern.org](mailto:lylavalley@kern.org).

C: Business Managers  
Payroll Contacts  
Information Systems Contacts