



Los Angeles Community College District

RETIREMENT SERVICES UNIT

PUBLIC AGENCY RETIREMENT SERVICES (PARS)

INFORMATION

A federal law, the Omnibus Budget Reconciliation Act of 1990 (OBRA 90), requires that public sector employees who are not members of their employer's existing retirement system (PERS or STRS) must be covered by Social Security or an Alternate Retirement System through the Public Agency Retirement Services (PARS).

If you are terminating Part-time, Seasonal or Temporary employment with the District there are a number of options you should consider. **First, it is important for you to keep a current address on file with both the District and PARS so that we can continue to stay in contact with you and distribute your funds.**

QUALIFYING EVENTS FOR DISTRIBUTION:

- 1) If you have terminated Part-time, Seasonal or Temporary employment to become a regular, permanent employee of the District or moved to coverage under PERS or STRS, your account balance must by federal law, remain in PARS for twenty-four (24) months, after which you will be able to request a distribution of your funds.
- 2) If you have terminated employment with the District, your department must process your termination.

REQUESTING A DISTRIBUTION:

If you meet one of the qualifying events for distribution described above, you must:

- 1) Contact the LACCD District Office at (213) 891-2000 ext. 3511 to receive a Request for Distribution Form (this form is also enclosed in this package).
- 2) Complete the form and return it to the Retirement Services Unit.
- 3) The District will forward the completed form to PARS for processing.

DISTRIBUTION PROCEDURE:

- 1) Once PARS is notified that you are eligible for a distribution, appropriate distribution forms will be sent to you. You will receive your lump sum distribution within ninety (90) days after PARS receives your **correctly completed forms, NOT ninety days (90) days after your last day of employment.**
- 2) You do not pay income tax on your account as it accumulates. When you begin to receive benefits, the funds received become taxable. If you choose to receive benefits before age 59 ½, the funds may be subject to additional federal and state income taxes. If your account exceeds \$200.00, you may avoid excise taxes by directing PARS to rollover your account to an Individual Retirement Account (IRA) or another retirement plan (that accepts rollovers).

Further Information:

A "General Information Sheet for PARS Participants" that describes PARS in further detail is available upon request. Please call PARS at (800) 540-6369 if you have any questions or visit their website at www.parsinfo.org if you need any further information regarding the plan.