



PARS (Public Agency Retirement Services) is pleased to offer the Pension Rate Stabilization Program (PRSP), an innovative IRC Section 115 irrevocable trust designed exclusively for CA public agencies to prefund pension costs and address pension liabilities. The PARS PRSP allows your public agency to securely set aside funds, separately and apart from state or county retirement systems, in a tax-exempt prefunding vehicle to mitigate long-term contribution rate volatility. Participating public agencies maintain local control over assets held in the trust and can determine the appropriate goals and risk tolerance level for the investments. The PARS PRSP is a creative solution for setting aside and safeguarding reserve monies to help deal with rising pension costs.

WHY PREFUND YOUR PENSION OBLIGATIONS WITH THE PARS PRSP?

- Contributions into the trust can be used to help address future pension liabilities, which per GASB 68 is required to be shown on your agency's financial statements;
- Assets can be accessed to offset contribution rate increases (rate stabilization) or as a rainy day fund during adverse budgetary or economic conditions;
- May favorably impact a public agency's credit rating;
- Prudent use of reserve funds by applying them directly toward your public agency's increasing retirement costs; and
- As an irrevocable, exclusive benefit trust, the investment of assets can be diversified in order to potentially achieve a greater rate of return than your general fund (CA Government code section 53216.1).

ADDITIONAL FEATURES OF THIS CUTTING-EDGE PROGRAM INCLUDE:

- Comprehensive, turn-key services that include consulting, record-keeping, reporting, compliance, trustee/custodian services and coordination of investment management;
- Multiple-employer trust structure that brings investment and administrative economies of scale with no risk sharing or set-up costs;
- Legally vetted program with exclusive IRS Private Letter Ruling (PLR);
- Full flexibility and local control over investment options, including both discretionary and directed trustee approaches;
- Can prefund OPEB benefits in the same trust; each is accounted for separately; assets aggregate for lower fees;
- Signature-ready documents that enable fast, streamlined implementation process; and
- Hands-on support from PARS and investment management partner service teams including a dedicated portfolio manager who takes on fiduciary responsibility, provides onsite reviews, and is available to you at anytime via cell phone access.

FOR MORE INFORMATION, PLEASE CONTACT:

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