

CERTIFIED EMPLOYEE VOLUNTARY EARLY RETIREMENT ASSISTANCE PLAN

1. PURPOSE

It is the expressed intent of the Board, through this plan, to provide the District's certified employees with the option and opportunity for early retirement from their employment with the District. This plan is designed to show the District's appreciation for the services an employee has rendered to the District, and to maximize use of District funds through replacement savings.

2. STATEMENT OF NON-DISCRIMINATION

The District will not discriminate against any employee on the basis of race, color, creed, age, religion, national origin, sex, marital status, sexual orientation, gender identity or disability through the application or administration of this plan.

3. ELIGIBILITY

A **Certified Employee** is eligible for retirement assistance under this plan if the employee:

- a. has reached the age of 55 on or before the actual date of retirement,
- b. has worked at least ten years of service total for the District and has continuously worked a minimum of the most recent five years of service at the District and is actively employed on at least a half-time basis during the five years prior to retirement,
- c. notifies the Board as provided by this plan, and, in any event, **not later than December 7, 2016,**
- d. retires not later than June 30 of the year in which retirement is to take effect per the Resignation and Request for Early Retirement Assistance Form,
- e. is not eligible for, applying for, or receiving benefits under any other assistance plan offered through the District such as the group long-term disability insurance plan,
- f. has not received a notice concerning termination of the employee's employment, unless the notice is based upon reasons which are related to staff reduction, and

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- g. has not previously received retirement assistance benefits from the District.

4. DEFINITION OF TERMS

- a. Certified Employee – licensed teachers, counselors, librarians, nurses, and administrators who have been issued an employment contract by the Board under Iowa Code Chapter 279
- b. Years of service - years of employment including complete school years or complete fiscal years
- c. “Continuously worked” - Continuous employment must be without any voluntary interruptions of service. Interruptions due to reductions in force or due to approved leaves of absence will not constitute a voluntary interruption in service, unless the interruption or leave exceeds twelve (12) consecutive months in length. However, the period of time during which an employee is absent due to a reduction in force or due to an approved leave will not be counted for purposes of determining the minimum years of service required to establish eligibility.

5. APPLICATIONS

- a. Under ordinary circumstances, applications must be received by the Board Secretary **not later than December 7, 2016**. However, the advance notice requirement may be waived at the discretion of the Superintendent. Any decision by the Superintendent to waive the advance notice requirement shall not establish any precedent with regard to future applications which fail to meet the advance notice requirement.
- b. The date of retirement for eligible employees will ordinarily be the end of the individual’s contract year or the end of a school term. However, another date may be requested and approved by the Board.
- c. Application materials must include the following forms:
 - i. Resignation and Request for Early Retirement Assistance
 - ii. Designation of Beneficiary Form
 - iii. Release of Claims Form

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- iv. Agreement Not to Reapply for Employment. (However, this agreement does not prohibit the School District from offering employment to the employee in the future.)
- d. An employee's application for retirement assistance benefits is not, in itself, a resignation nor does it require the Board to accept the application. However, acceptance by the Board of an employee's application for retirement assistance will be considered a voluntary resignation and termination of the employee's contract of employment. If the Board does not accept the employee's application, the employee's contract will continue in effect.

6. RETIREMENT ASSISTANCE BENEFITS

- a. The retirement assistance benefits shall consist of the following:
 - i. The District shall pay to the retiring employee an amount equal to three-fourths (3/4) of the retiring employee's current placement on the salary schedule, up to a maximum amount of \$40,000 for retirements taken in the first year of eligibility, or up to a maximum amount of \$30,000 for retirements taken in the second year of eligibility. This calculation does not include extra duty increments, phase monies, or extended contracts. An employee meeting the eligibility criteria in the 2016-2017 school year may elect to participate in this plan for a period of two years, i.e., an employee may choose to retire in the first year of eligibility at the end of the 2016-2017 school year or in the second year of eligibility at the end of the 2017-2018 school year. An employee who will meet the eligibility criteria in the 2017-2018 school year may elect to participate in this plan and retire at the end of the 2017-2018 school year. If an otherwise eligible employee fails to elect by December 7, 2016 to participate in the plan as provided herein, the employee will no longer be eligible to participate in the plan.
 - ii. Each retiring employee shall also receive, as a benefit under this plan, entitlement to participate, up to the employee turning age sixty-five (65) or to the date at which Medicare provides coverage, whichever occurs first, in the District's group health insurance plan at the employee's own cost, so long as the employee is permitted to continue coverage by the insurer, under the following additional terms:
 - Said employee was enrolled in the health insurance plan prior to retirement and is eligible for the same coverage he/she had prior to retirement;

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- Said employee must pay to the District, in advance, a sum equal to one (1) months' premium, prior to the month seeking coverage, with the first payment due on the date of retirement;
 - Once said employee discontinues his/her coverage under the District's health insurance plan and/or fails to comply with
 - subsection (b) above, he/she is ineligible to rejoin and/or receive coverage unless otherwise provided by law; and
 - The coverage provided to said employee will be equivalent to that which is provided to certified employees through whatever group health insurance plan is sponsored by the District during the time that said employee is participating in the plan. Nothing herein shall limit the District's ability to change the terms of its existing health insurance plan, nor shall there be any guarantee that said employee will be provided any certain level of benefits.
- b. Payment of benefits described in subsection (a)(i) above shall be made in two (2) installments. The first payment shall be made on or before July 31 of the year in which retirement takes effect, and the second payment shall be made on or before January 31 of the year subsequent to the year in which retirement takes effect, with each such payment made to a tax sheltered annuity that is in compliance with the requirements for such plan under the Internal Revenue Code as designated by and in the name of the employee.
- c. Employees are advised to seek independent advice with regard to tax or financial consequences associated with any action taken by them under this plan.
- d. The Board has set the maximum number of early retirement assistance packages offered to certified employees at ten (10). Application date will be the basis by which the Board accepts early retirement assistance applications, i.e., the employee with the earliest application date will be given highest priority for acceptance. If there is a tie between certified employees using this basis because more than the maximum number of applications is received on the same date, then the tie will be broken by seniority based on years of service to the District.

7. RIGHT TO AMEND OR REVOKE

This plan is intended to be applicable to the 2016-2017 school year and the 2017-2018 school year. However, the Board reserves the right to amend or revoke this plan or any provision of this plan at any time, with or without notice.

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The Board also reserves the right to waive any requirement or condition of this plan at its discretion and at any time. Any decision by the Board to waive a requirement or condition which is a part of this plan shall not establish any precedent with regard to future requests for a waiver.

8. EMPLOYEE RIGHTS

In the event this plan is altered or discontinued, persons who have retired from employment with the District under its provisions will continue to receive the benefits in effect and authorized by the Board at the time the employee's letter of resignation was accepted.

The adoption of this plan shall not vest any rights in any employee whether or not the employee is currently eligible for early retirement. Furthermore, the District shall not be obligated to provide any plan benefits to any employee after the expiration date of the plan, except to those plan participants whose early retirement pursuant to this plan has commenced prior to the expiration date.

9. STATUS OF PARTICIPANTS

An employee who elects and is approved to participate in this plan will become a retired employee and will be entitled to all rights and privileges of retired employees under applicable law and the policies of the District.

Plan participants shall not be eligible to be rehired in any capacity with the District, nor shall the District be required to consider an application for employment from a plan participant; provided however, that, at the sole discretion of the Board, the District may employ plan participants as temporary substitute employees.

Each employee who elects to participate in the District's plan must specifically agree to hold the District harmless and indemnify the District if the participant attempts to submit an application for employment or otherwise attempts to be reemployed with the District.

Approved: 11/9/16

Grinnell-Newburg Community School District, Grinnell, Iowa