

EARLY RETIREMENT INCENTIVE PROGRAM REGULATION -LICENSED EMPLOYEE

**A. PURPOSE**

The purpose of the Early Retirement Program is to encourage eligible licensed employees who are considering an early retirement to accelerate their plans. The program's objectives include, but are not limited to the following:

1. Offering financial incentives, which will assist long-term employees who are considering early retirement.
2. Reducing costs to the school district by replacing maximum salaried employees with lesser salaried employees.
3. Providing a balance of employee experience.

**B. QUALIFICATIONS**

1. **Licensed Employee.** To participate, a person must be an Iowa certificated teacher. Administrators, nurses and non-certified staff are not eligible to participate in the program.
2. **Full-Time Equivalency.** Licensed employees, whether full-time or part-time, may participate in the Early Retirement Program (Program). Provided, a part-time employee's benefits under the Program shall be based on the employee's teaching contract salary for the academic year preceding early retirement.
3. **Minimum and Maximum Years of Service.** To be eligible for this program, a licensed employee must have completed twenty (20) years of credited service, at least ten (10) years of which have been in the employment of Coon Rapids-Bayard Community School District. The maximum years of service allowed is twenty-five (25) years. Credited service shall be defined as employment with a school district as a certificated teacher. Board approved leave for military service, for a sabbatical or for a leave of absence, or any leave required to be granted according to law, shall not be included as credited years of service. In determining years of credited service with the district for the purpose of meeting the requirement of 10 total years of service, part-time employment is equal to full-time employment.
4. **Age Requirements.** The minimum age for participation in the program shall be 55. Ages shall be determined as of August 1 of the employee's last year of employment.

**C. ENROLLMENT REQUIREMENTS**

1. **Resignation.** Participants in the program may resign their teaching positions with the school district effective at the close of the school year in consideration of the benefits outlined in paragraph D below.
2. **Application.** An applicant must submit a signed application and agreement to the Board of Education on or after December 1 and on or before February 1 of the school year preceding the school year of retirement. The superintendent shall review the employee's record to determine whether the employee is eligible for the program.
3. **Employee's Ineligibility.** An employee who has received written notice of recommended contract termination or whose contract has been terminated shall not be eligible to participate in this program unless (1) the notice of recommendation of termination is withdrawn by the administration or (2), after a hearing before the Board of Education, the Board determines that said employee's employment shall not be terminated.

**D. BENEFITS**

1. **Calculation of Benefits:**
  - A. The benefit to be paid to an employee who has been approved for early retirement shall be based on the employee's salary schedule payment during the last contract year. The salary schedule payment excludes salary paid for an extended contract and also excludes TSS (Teacher Salary Supplement) monies incorporated into the salary schedule and monies for extra duties, and fringe benefits. Any employee applying for and being accepted for Early Retirement Incentive Program is allowed compensation for unused sick leave as per the negotiated agreement, payable in the first installment.
  - B. The benefit to be paid under this program shall be an amount based on the certificated employee's salary schedule payment for the last year of service, multiplied by the number of years of credited service, multiplied by 1.25%. For example, for an employee with a contract salary of \$32,000 and twenty-five (25) years of credited service, the benefit will be \$32,000, multiplied by 25 (years), multiplied by .0125, for a total benefit of \$10,000.00. No employee shall be paid more than an amount based on a calculation, which uses the maximum payment on the most advanced step of the salary schedule in employee's salary lane. (An eligible certified employee retiring at the end of the 2010-11 work year who is not yet 55 years old as of August 1 following the Employee's last year of employment, shall only receive 95% of the normal early retirement benefit as calculated above for those retiring at age 55 and older.)
2. **Payment of Benefit.** The benefit shall be paid in two (2) payments, on September 25 of the calendar year of the teacher's resignation, and on January 25 of the following calendar year, in the employee's name, to the Health Reimbursement Arrangement (HRA) if the retiree will remain on the school's

health insurance plan or 403(b) Special Pay Plan if the employee will not stay on the school health insurance plan.

3. **Limitation of Payment.** The Board of Education shall, in its sole and unfettered discretion, determine whether any early retirement program payments will be made in a particular year, and shall determine the total amount of such payments.
4. **Source of Funds.** The school district shall pay the entire cost of the plan.
5. **Administration.** This plan shall be administered by the Board of Education by and through the administration of the school district.
6. **Beneficiary Designation.** In order for the application to be considered complete, a beneficiary must be designated. The designated beneficiary will be paid as benefit amounts remaining unpaid at the time of an eligible recipient's death provided the eligible recipient's application for benefits has already been approved.
7. **Income Tax Consequences.** Taxes are based on regulations for Health Reimbursement Arrangements and 403(b) Special Pay Plans.
8. **Continuation of Medical Insurance.** A retiring employee will have the opportunity to continue health insurance benefits if and as provided by the Coon Rapids-Bayard Community School District in accordance with State and/or Federal Law and if allowed by the District's health insurance carrier. The election to continue participation in the health insurance program shall be made in writing to the superintendent's office within thirty (30) days of the acceptance of the request for early retirement by the Board. Such continuation of medical insurance, will be at the retiree's expense. This insurance coverage will cease when the employee/retiree reaches age sixty-five (65).

#### **E. ADMINISTRATION**

1. **Basis for Benefits.** The benefits to be paid to an applicant for early retirement shall be based on the salary schedule in effect during the employee's last year of service, as set forth in the negotiated agreement between the Coon Rapids-Bayard Education Association and the Coon Rapids-Bayard Community School District.
2. **Application and Waiver.** An employee who elects to participate in the Early Retirement Program, and the school district (through its Board of Education), shall execute the Application and Agreement, Exhibit "A" attached hereto. That Application and Agreement shall inform the employee that Coon Rapids-Bayard Community School Early Retirement Program is totally voluntary in nature and provides each employee at least 21 days to consider the ramifications of participation in the Program before making a decision. The Application and Agreement shall also include a specific Waiver and Release of Claims of the participants' rights under the Age Discrimination in Employment Act, 29 USC, 621 et seq. and of all other constitutional, state and federal statute claim, regulations that relate to the validity of the Program or any rights or claims arising there under, and allows the employee to revoke the Release or Waiver at any time

within one (1) week after signing the contract, and advises the employee to consult with an attorney before signing the Application and Agreement.

An employee who submits an application for early retirement may withdraw the application within seven (7) days after submitting it, but not afterward without the written consent of the Board of Education. Each application will be reviewed on an individual basis. The Board shall, in its sole discretion, determine the number of applicants to be approved in any given year. If the Board receives more applications for voluntary retirement than it approves, the Board shall approve the applications on the basis of the seniority of the applicants with the most senior applicant(s) receiving approval in preference to less senior applicants. Seniority shall be defined as the number of full-time equivalent years of employment in the district as an employee. A full-time equivalent year is defined as employment on a full-time basis for an entire school year. Less than full-time employment would reduce the employee's full-time equivalent employment for a school year. For example, an employee employed on a half-time basis would be credited with half a year of full-time equivalent employment. A break in service will not terminate an employee's seniority and length of service under this provision; however, in determining an employee's full-time equivalent employment, the employee shall not be credited with the period of time of any leave approved by the Board of Education except sick leave and paid leave. If a tie results because two or more employees of equal seniority, the tie shall be broken in the following manner.

- (a) The Board will approve the application of the employee whose salary is higher, as determined by the employee's placement on the salary schedule.
- (b) If the salaries of those involved are exactly the same, the Board will approve the application of the employee who signed his or her contract earlier.
- (c) If the salaries and signing dates of those involved are exactly the same, the Board will approve the application of the employee that was submitted earlier.

An employee's application for early retirement is in itself not a resignation of a contract with the School District. However, the Board's approval of an employee's application for early retirement will be considered a voluntary resignation and termination of the employee's continuing contract. Should the Board not approve an employee's application, the employee's contract will continue in effect, and the employee will remain an employee of the School District unless he or she otherwise resigns or the employee's contract is terminated.

3. **Board Sole Interpreter.** The Board of Directors of the Coon Rapids-Bayard Community School District is the sole interpreter of the provisions of this policy, including but not limited to all questions of eligibility or benefit calculation.