

**CLASSIFIED EMPLOYEE EARLY RETIREMENT INCENTIVE PROGRAM**

The Coon Rapids-Bayard Community School may offer an early retirement plan for classified staff employees for the current school year. Classified employees are eligible if they work a minimum of four (4) hours per day, five (5) days a week, for at least nine (9) months of the year within the school district.

**I. ELIGIBILITY FOR EARLY RETIREMENT BENEFITS:**

- A. 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.
- B. Completed a total of ten (10) years of continuous service as an employee of the Coon Rapids-Bayard Community School District.
- C. Submits a written resignation.
- D. Submits an application to the Superintendent for participation in the early retirement plan on or before February 1.
- E. The action of the Board of Education shall be final, and any employees selecting to participate in the early retirement incentive program relinquishes all employment rights in the district.
- F. The Employee and the School District acknowledge that the Employee may cancel this request for Early Retirement at any time within seven (7) days after the execution of this agreement by the Employee. In order to cancel the agreement, the Employee must submit a written statement to the Superintendent of Schools indicating that he/she is exercising his/her right to cancel the agreement.

**II. RETIREMENT BENEFITS:**

- A. Retirement benefits will be based upon twenty-five (25) percent of the non-certified employee's basic salary in the last year of employment.
- B. Total benefits will not exceed \$4,000.00.

**III. PAYMENT OF BENEFITS:**

- A. The benefit shall be paid to the classified employee in one (1) payment on September 25 of the calendar year of the employee's resignation, 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.

**IV. LIMITATION OF PAYMENT:**

- A. 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.

**V. SOURCE OF FUNDS:**

- A. The school district shall pay the entire cost of the plan.

**VI. ADMINISTRATION:**

- A. This plan shall be administered by the Board of Education by and through the administration of the school district.

**VII. BENEFICIARY DESIGNATION:**

- A. In order for the application to be considered complete, a beneficiary must be designated. The designated beneficiary will be paid benefit amounts remaining unpaid at the time of an eligible recipient's death provided the Board has already approved the eligible recipient's application for benefits.

**VIII. INCOME TAX CONSEQUENCES:**

- A. Taxes are based on regulations for Health Reimbursement Arrangements and 403(b) Special Pay Plans.

**IX. CONTINUATION OF MEDICAL INSURANCE:**

- A. 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).

**X. BOARD SOLE INTERPRETER:**

- A. 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 calculations. Legal Reference: Iowa Code Section 279.46, ADEA 29 USC 621-634.

Legal Ref: 29 U.S.C. §§ 621 et seq. (1988).  
Senate File 2366, 77<sup>th</sup> General Assembly, 2<sup>nd</sup> Reg. Sess. (1998).  
Iowa Code §§ 97B; 216; 279.46; 509A.13 (2003).  
581 I.A.C. 21.  
1978 Op. Att'y Gen. 247.  
1974 Op. Att'y Gen. 11, 322.

Cross Ref: 402.12