

LOCAL LEAVE REIMBURSEMENT AT RETIREMENT – BOARD POLICY (DEC LOCAL)

An employee who is eligible to retire under the state retirement system, who selects the retirement system annuity options available, and who has been employed by the District for a continuous period of five years at the time of retirement shall be reimbursed for each day of unused local sick leave at a rate based on a percentage of the employee's average salary over the ten continuous years preceding retirement. For eligible employees retiring with fewer than ten years of continuous service, the rate shall be calculated on a ten-year average, with a salary of zero used for each year of service short of ten years. Salary for this calculation shall include base salary plus position pay and career ladder as approved in the District's salary schedule. The percentage of salary reimbursed may vary with the employee's age and years of service. The maximum number of days eligible for reimbursement shall be 120 days for employees in positions normally requiring 12 months of service, 110 days for employees in positions normally requiring 11 months of service, and 100 days for employees in positions normally requiring ten months of service. The following chart shall determine rates of reimbursement:

| Years of Service at SBISD | Age | Percent of Salary Service Reimbursed |
|------------------------------|-----|---|
| 30 | 50+ | 100 |
| 20–29 | 50+ | 90 |
| 10–19 | 50+ | 80 |
| 5-9 | 50+ | 70 |

Reimbursement for unused local sick leave shall be made no later than eight months after the date of retirement. An employee may request earlier payment by written request submitted to the Superintendent.

Beginning May 1, 2002, the District shall make such reimbursements in the form of contributions to retirement plans established under Internal Revenue Code Sections 457(b) and/or 403(b). Such contributions shall be nonelective. Employees who qualify to receive reimbursement through retirement plans shall have no discretion to receive such contributions in cash.

Reimbursements shall be made in accordance with the rules listed below.

1. Amounts of less than \$5,000 shall be paid in cash. Amounts of \$5,000 or more shall be paid as contributions to the retirement plans.
2. Employees under age 55 shall receive reimbursement in cash. Employees age 55 or older who are entitled to reimbursements of \$5,000 or more shall receive reimbursements in the form of contributions to the retirement plans.
3. If reimbursement is in the form of a contribution to the retirement plans under this policy, then such contribution shall be contributed first to the 457(b) plan. If the amount of the reimbursement exceeds the federal contribution limit applicable to the 457(b) plan, then the amount in excess of the limit shall be contributed to the 403(b) plan. If the amount of the reimbursement exceeds the federal contribution limit applicable to the 403(b) plan for the plan year in which the contribution is made, then the amount in excess of the limit shall be contributed to the 403(b) plan under a postretirement arrangement for up to five years following the date of the employee's retirement, as provided by federal tax law. In the event that the reimbursement amount exceeds all limits applicable to the 457(b) and 403(b) plans, then any amount in excess of these limits shall be paid out to the employee.