

Voluntary Termination Benefits for Administrators

Section A - Introduction

It shall be the policy of the Board of Education to recognize the services of its regularly employed administrators who have provided long and effective service to the youth of our community through a program of voluntary termination benefits.

Section B - Eligibility

Administrators who satisfy the following requirements may apply for termination benefits under this policy as “Eligible Former Employees”:

1. Have been full time, employees of the district for a minimum of ten years immediately preceding their voluntary termination, or for an aggregate minimum of fifteen years of which a minimum of five consecutive years are immediately preceding their voluntary termination; and
2. Will be at least 55 years of age by June 30 of the last year of employment; and
3. Is eligible to retire under IMRF or TRS (note: an administrator who is eligible to receive a retirement pension, and will attain age 55 on or before December 31 during the calendar year of retirement, shall be deemed to attain age 55 on the preceding June 30th).

Section C - Health Benefits Available to Eligible Former Employees

The Eligible Former Employee may select one of the following benefit options:

1. Option 1 - Health Benefits
 - a. The Board of Education shall provide Eligible Former Employees retiring under TRS a Board insurance grant equal to 95% of the District Single PPO/HMO premium rate for the Insurance Plan in effect and chosen by the administrator at the time of retirement. This insurance grant will be paid each year after retirement until the administrator reaches age 65 or Medicare eligibility, whichever occurs first. Administrators receiving this grant will be subject to premium cost increases or decreases which may occur as a result of future changes in the cost of the noted premiums in the district plan used as the basis for calculating this benefit. This grant will be paid annually through a contribution to an employer-funded health reimbursement arrangement account. Such payment shall be made on or before September 30 of each school year following the school year of retirement under TRS.
 - b. The Board of Education shall provide Eligible Former Employees retiring under IMRF access to individual medical insurance coverage under one of the district’s health care plans accessible to retirees, as selected by the Eligible Former Employee until the administrator reaches age 65 or Medicare eligibility, whichever occurs first. The Board shall pay an amount equal to 95% of the premium; the administrator shall be responsible for the remaining premium . In the event that the plan selected by the Eligible Former Employee is no longer an option, the Eligible Former Employee may select coverage under one of the remaining plans, if any, or under a plan that may be designated by the district, in its discretion.

2. Option 2 - Cash Severance

In lieu of insurance access or coverage provided in Option 1, the Board of Education shall provide the Eligible Former Employees with a taxable, annual cash severance payment of \$2,500 for each of five years following retirement. Such payments shall be made on or before September 30 of each school year following the school year of retirement under IMRF or TRS. It is the intent of the Board that such payments shall not be considered creditable earnings for retirement purposes of the IMRF or TRS, and no such payment shall be made to the extent it subjects the Board to any additional payment or penalty to a retirement system. Eligible Former Employees may, at their sole discretion, waive entitlement to this benefit and elect those insurance allowance benefits contained in Option 1.

Section D - Additional Health and Insurance Benefits for Eligible Former Employees

1. In addition to the benefits provided in Section C, the Board of Education shall contribute \$2,500, annually, to an employer-funded health reimbursement arrangement account, on behalf of the Eligible Former Employee, for a period of five years after the effective date of retirement.
2. The Board of Education shall provide Eligible Former Employees with \$50,000 of term life insurance until the Eligible Former Employee reaches age 65 or the age of Medicare or Medicaid eligibility whichever shall occur first. The term life insurance shall be provided by the Board at no cost to the Eligible Former Employee.
3. The Eligible Former Employees shall be allowed to convert any term life insurance, bought or provided for by the district, and carried on their last date of employment, to any alternative policy approved by the insurance carrier. After such conversion, Eligible Former Employees shall be responsible for full payment of any premium.
4. Eligible Former Employees shall be allowed to continue to participate, at no cost, in the Employee Assistance Program provided by the Board for regularly employed administrators.

Section E - Salary Benefits Available to Eligible Former Employees

1. Eligible Former Employees submitting their notice of intent to retire will be entitled up to a maximum of four (4) salary increases of six percent (6%) each for each year prior to the effective date of retirement.
2. All requests for participation must be submitted in writing to the Assistant Superintendent for Human Resources as early as April 1 in advance of the first year for which the Eligible Former Employee is seeking the salary enhancement described in paragraph 1 of this section, or as late as prior to April 1 within the first year for which the Eligible Former Employee is seeking the salary enhancement as described in paragraph 1 of this section. The request shall include a copy of the Eligible Former Employee's latest Personal Statement of Benefits from their respective retirement system.
3. Participation in the benefits under this policy is dependent on the unconditional and irrevocable resignation of the Eligible Former Employee who enters into a one, two, three, or four-year salary agreement with the Board of Education. Any Eligible Former Employee who does not fulfill their agreement's timeline, under Section E for whatever reason, shall be ineligible for any of the

benefits contained in this Policy.

4. The 6% increase described in Paragraph 1 of this section shall be in lieu of any salary increases which the administrator or supervisor would otherwise receive.
5. Salary payments described in Paragraph 1 of this section shall be defined as contractual salaries paid for performance of duties as an administrator. The salaries shall not include any stipends or any other payment of any type whatsoever.
6. During the Eligible Former Employee's last four years of employment, they shall not receive any stipends or other payments, of any type, that would result in exceeding the State maximum Salary increase of 6%. Any employee who incurs a State maximum salary penalty shall be ineligible for any benefits contained in this policy.

Section F – Unused Vacation Benefits

In addition to those benefits contained in Section D, Eligible Former Employees who were employed by the district on a full-time, twelve-month basis, may choose to have the Board of Education directly contribute to an employer-funded health reimbursement arrangement account, the value of up to ten (10) days of unused vacation days in lieu of payment for work days, at their then current annual base salary per diem rate for the first year of retirement. Any other vacation days accrued and earned must be used or they will be forfeited.

Section G – Miscellaneous Provisions

1. For purposes of this Policy, the school year shall begin on July 1 and end on June 30.
2. The terms "administrator" when used in this Policy, shall mean all full-time regularly-employed personnel who have been issued an administrative employment contract by the district.
3. If an employee who has been approved for participation in one of the plans in this Policy, dies prior to their declared retirement date, the employee's prorated salary shall be calculated utilizing the 106% salary rates, in lieu of any benefits otherwise provided under this policy.
4. If changes occur in the operation of a retirement system or for any other reason the Board determines appropriate the Board may revise this Policy.
5. This Policy shall be effective from and after February 10, 2020.

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