

## **RETIREMENT INCENTIVE PLAN Garfield School District No Re-2**

Any current full-time staff member may elect the Retirement Incentive Plan by meeting the following conditions:

- A. Be on step twenty (20) or greater of the applicable salary schedule or have twenty (20) or more years of service at Garfield School District No. Re-2.
- B. Inform the Board of Education of the retirement no later than March 14<sup>th</sup> of the year of retirement.
- C. After March 14<sup>th</sup>, the Board, at its discretion and upon the availability of a replacement, may grant a retirement incentive to an eligible employee.
- D. The employee may not come back to work for Garfield School District No. Re-2 on a full-time basis, and may come back on a part-time basis only with prior approval of the Board. Any employee receiving a Retirement Incentive Benefit would not be eligible for a transitional retirement year.
- E. Employees who are currently in a transitional retirement year are not eligible under this policy.
- F. Employees who opt to take advantage of this retirement program are not eligible for the loyalty and service award.
- G. This Policy shall not be applicable to any employee terminated for cause. The filing for participation in this program in no way limits, retracts, or alters the rights of the Board to discharge an employee for cause.
- H. Any benefits provided by this plan shall not apply retroactively to individuals who have already retired, or do not currently work for Garfield School District No. Re-2.
- I. This policy has been implemented as a way to reduce staff in a manner that can be mutually beneficial to employees and the District's budget. The Board of Education, at its discretion, has a right to terminate this policy without notice should an adequate number of employees accept the offer of this retirement incentive program. Regardless, this policy will sunset as of June 30, 2012.
- J. Any payment made to a program participant will be net of required withholding by reason of law or regulation of any federal, state, or municipal government.

The calculated amount paid to the employee and timing of payment of this Retirement Incentive Policy shall be as follows:

- K. The retirement incentive payment shall be paid during the school year after the employee last worked. Retirement incentive payments shall be paid monthly on a twelve-month cycle, or in one lump sum in the January following the retirement, at the discretion of the employee.

- L. The retirement payment shall be calculated as follows:
  - 1. Employees who have worked for twenty (20) years or more at Garfield School District Re-2, and who retire prior to June 30, 2012, shall receive 40% of their 2011-12 primary salary amount as a retirement incentive payment, which is the approximate amount needed to purchase one year of PERA service credit.
  - 2. Employees who are on step twenty (20) or higher of the salary schedule but have not worked twenty or more years at Garfield School District Re-2, and who retire prior to June 30, 2012, shall receive 20% of their 2011-12 primary salary amount as a retirement incentive payment, which is approximately  $\frac{1}{2}$  of the amount needed to purchase one year of PERA service credit.
- M. Retirement payments shall be based upon the salary of the employee's primary position and shall not include pay for extra-curricular activities or any other employee benefits.
- N. Years of service shall be calculated as school years during which the employee was employed at least full-time.
- O. Unused accrued sick leave and vacation will be paid separately from this policy, and does not impact the calculation of the Retirement Incentive.
- P. If an employee dies before the retirement payment is paid in full, the unpaid balance will be paid to the teacher's designated beneficiary. If the employee fails to designate a beneficiary, the unpaid balance will be paid to the employee's estate.

Adopted: February 28, 2012