

Certified Personnel

Voluntary Early Retirement Incentive Plan

Article I – Eligibility

To be eligible to participate in the supplemental payments and other benefits described below (the “*Early Retirement Plan*”), an employee of the Board of Education of School District No. 28 (the “*Board*”) must:

- A. Be a teacher (as defined in Section 16-1-6 of the Illinois Pension Code) and not employed in an administrative capacity (a “*Teacher*”);
- B. Be at least fifty-four (54) years and six (6) months of age;
- C. Have completed at least ten (10) years of creditable service (as that term is used in the Illinois Pension Code) as a Teacher in School District No. 28 (the “*District*”), by the end of the Year (as defined in Section 2.1 hereof) in which the election is made; and
- D. Notify the District’s Superintendent of Schools of his or her election to retire in the manner and within the times specified in Article III below which notice shall constitute the Teacher’s agreement with the Board to retire at the end of whichever of the following school years such Teacher elects (i) the year in which the election to participate in this Early Retirement Plan is made (the “*Election Year*”), or (ii) the year after the Election Year, and to such other matters as are specified in the form of notice attached hereto as Exhibit A.

In addition, eligibility is subject to the limitations specified in Article V below as to the maximum number of Teachers who can elect early retirement in any one-year, and the reservation specified in Article VI below as to changes in laws.

Article II, Supplemental Payments

- 2.1 **Additions to Elector’s Salary.** For purposes hereof, “*Elector’s Salary*” for any year means the Elector’s salary, as determined by the salary schedule adopted by the Board for such Year, and “*Year*” means school year. For each Teacher who elects and is eligible to participate in the Early Retirement Plan (an “*Elector*”), the Board shall add to the Elector’s Salary for the Election Year an amount equal to the difference between the percentage applicable to such Elector specified in the attached Exhibit B hereto (the “*Applicable Percentage*”) of the Elector’s Salary for the Year preceding the Election Year and the Elector’s Salary for the Election Year, and if the Elector continues in service to the District for an additional Year, the Board shall add to the Elector’s Salary for that Year an amount equal to the difference between (i) the Applicable Percentage of the sum of the Elector’s Salary for the Election Year plus the addition thereto referred to above, and (ii) the Elector’s Salary for such final Year. The amount added to the Elector’s Salary for the Election Year, and, if the Elector so elects, the following Year, shall be paid to the Elector on or before June 30 of the Year to which it pertains, as determined by the Business Manager of the District.
- 2.2 **Unused Sick Days.** For each Elector, on or before June 30 of the last school year in which the Elector performs services for the District (the date to be determined by the Business Manager of the District) there shall be added to the Elector’s Salary an amount equal to Fifty Dollars (\$50.00) times the number, if any, by which the total number of unused and uncompensated accumulated sick days earned by the Elector exceeds the number of such unused and uncompensated accumulated sick days included in the computation of creditable

service in accordance with Section 16-127(b)(6) of the Illinois Pension Code, provided, however, such number shall not exceed fifty (50).

Article III – Notification of Election to Retire

To elect participation in the Early Retirement Plan described herein, a Teacher must deliver to the Superintendent of Schools for the District a notice of such election, in the form attached hereto as Exhibit A, no later than March 15, 2004 with respect to elections to retire at the end of the year ending on June 30, 2004, and in all other cases no later than December 31 of the applicable Election Year (the latest possible date being December 31, 2007). Unless otherwise agreed to by the Board for extenuating circumstances (i) retirements shall become effective June 30 of the last Year in which the Elector performs service for the District, and (ii) once such an election to participate in the Early Retirement Plan has been made it may not be rescinded by the Elector, except that if the provisions of the Illinois Pension Code pertaining to the TRS are amended after an election to participate in the Early Retirement Plan has been made by an Elector (an “Election”) and the effect thereof will be that the amount payable to Elector in the first twelve months after such retirement becomes effective will be less than [90]% of what such amount would have otherwise been had said amendment not been made, the Elector shall have the right to rescind such Election provided that (i) such right is exercised within thirty (30) days after Elector is notified of such amendment and the effect thereof, and (ii) appropriate adjustments are made to Elector’s Salary to offset any amounts previously paid Elector in excess of the regular Elector’s Salary by reason of Elector’s prior Election.

Article IV – Retirement Terminates Tenure

Any Elector electing to retire shall, upon completion of his or her teaching responsibilities, no longer be a Teacher employed by the Board and thereupon shall relinquish any and all rights under The School Code accorded to Teachers having entered Contractual Continued Service and all other preferential rights, if any, to be hired or rehired by the Board.

Article V – Maximum Number Who Can Participate Yearly

- 5.1 **Maximum Number.** Subject to Section 5.2 hereof, the number of Teachers who may retire and participate in the Early Retirement Plan shall not exceed, in any Year, twenty (20).
- 5.2 **Excess Subscriptions.** In the event more Teachers have subscribed for the Early Retirement Plan than are permitted under Section 5.1, the rights to elect to participate in the foregoing Early Retirement Plan shall be allocated among those subscribing on the basis of seniority in the number of years and fractions thereof of service to the Board, provided, however, if a group of Teachers, each having so elected to subscribe and having the same level of seniority causes the aforesaid limit to be exceeded, the Teachers within such group (the “*Oversubscribed Group*”) who shall be entitled to participate, shall be determined on the basis of seniority in the number of years and fractions thereof of service within the Illinois Teacher Retirement System (“*TRS*”) until the aforesaid limit is reached, provided further, however, if such limit is not reached because there are two or more Teachers in the Oversubscribed Group (collectively, the “*Equally Eligible Teachers*”) whose terms of service are the same, but otherwise higher than any others in the Oversubscribed Group, all such Equally Eligible Teachers shall be entitled to participate in the Early Retirement Plan, notwithstanding the aforesaid limit. If a Teacher who has given notice of his or her Election is informed that he or she is ineligible by reason of excess subscriptions, he or she may rescind such Election (which shall be deemed to be his or her election unless the following right is exercised), or within twenty (20) days after being so informed of such ineligibility for the retirement Year originally selected, gives notice in the manner specified in Article III hereof of his or her election to retire in another retirement Year, which election for such alternative retirement Year shall be subject to the same eligibility conditions as specified above.

Article VI – Duration of Plan and Modifications

This Early Retirement Plan shall commence on December 14, 2003 and shall terminate June 30, 2008, provided, however, that retirees already eligible for supplemental payments as specified in Sections 2.1 and 2.2 and Teachers having given notice of their election prior to such termination and who otherwise qualify in accordance with Article V hereof shall continue to be eligible despite the termination of the plan with respect to all other Teachers. The Board reserves the right to amend, suspend, or terminate the Early Retirement Plan from time to time to ensure compliance with all laws, rules and regulations pertaining thereto; or if the provisions of the Illinois Pension Code pertaining to the TRS and the financial obligations imposed upon school boards of education with respect to retiring employees eligible for retirement benefits under TRS are amended after the date hereof in a manner which the Board, in its sole discretion, deems would impose on the Board an unacceptable financial burden were the provisions of this Early Retirement Plan to be implemented as specified herein.

Article VII – Miscellaneous Provisions

- 7.1 **Withholding For Taxes.** Notwithstanding any other provision of the Early Retirement Plan, the District may withhold from any payment to be made under the Early Retirement Plan such amount or amounts as may be required for purposes of complying with the tax withholding provisions of the Internal Revenue Code, the State of Illinois's income tax act or any applicable similar laws.
- 7.2 **Applicable Law.** The Early Retirement Plan shall be construed in accordance with the federal law of the United States and, to the extent not inconsistent therewith, the laws of the State of Illinois.

ADOPTED: December 14, 2004