

**GCQEA
RETIREMENT OF PROFESSIONAL /
SUPPORT STAFF MEMBERS**

(District Supplemental Retirement Program)

The District offers a supplemental retirement program consisting of partial reimbursement for health insurance premiums to eligible employees who retire from the District.

Eligibility

To be eligible to participate in this program an employee must meet all of the following criteria:

- A. The employee must have been hired by the District on or before July 1, 2014.
- B. The employee must have reached any combination of age and years of service that would qualify the employee to be eligible for either "normal" or "early" retirement benefits with the Arizona State Retirement System (ASRS), as those terms are defined in relevant statute, and the employee must retire and accept benefits from ASRS. The employee must have completed at least fifteen (15) consecutive years of full-time employment with the District immediately prior to retirement.
- C. The fifteen (15) consecutive years of full-time employment must be immediately prior to the effective date of the retirement. A Board-approved leave of absence of nine (9) consecutive months or more will not be considered an interruption of consecutive service, but neither shall it be counted as part of the fifteen (15) consecutive years of service. Similarly, if an employee participates in "phased retirement," as that term is commonly understood and as described in the "Termination of Benefits" section below, the one (1) year during which the former employee provides contracted services to the District before being reemployed directly by the District will not be considered to be an interruption of consecutive service, but neither shall it be counted as part of the fifteen (15) consecutive years of service required for eligibility. For the purposes of eligibility for this program, an employee will be deemed to have completed a "year" of employment with the District if they were employed full-time by the District for at least nine (9) months during a fiscal year, which is from July 1 to June 30.
- D. The employee must be at least fifty-five (55) years old, unless the employee has completed thirteen (13) or more years of service with the District prior to July 1, 2013, in which case the age requirement is waived. If the employee has worked for the District for thirty (30) or more years, the fifty-five year old age requirement is also waived.
- E. If previously eligible for this program, the employee must not have previously ended their participation in the program for any length of time or declined to participate in the program for any reason. There are no continuing rights to participate in this program (opt back into the program) after an employee has opted out of it for any reason or for any length of time.
- F. The employee must be younger than age sixty-five (65) at retirement.

Benefits

In consideration of retirement from full-time employment and relinquishment of any right to continued full-time employment, the District will **reimburse** the retired employee (as set forth in

more detail below) for a portion of the retired employee's ASRS health insurance premium or a portion of the retired employee's health insurance premium through the District's COBRA coverage, as applicable, according to the following schedule and based upon the employee's years of consecutive service with the District as of July 1, 2016:

13-15 years of consecutive service as of July 1, 2016 -	\$400 per month
11-12 years of consecutive service as of July 1, 2016 -	\$360 per month
9-10 years of consecutive service as of July 1, 2016 -	\$320 per month
7-8 years of consecutive service as of July 1, 2016 -	\$280 per month
5-6 years of consecutive service as of July 1, 2016 -	\$240 per month
2-4 years of consecutive service as of July 1, 2016 -	\$200 per month

In no event will the District pay to the employee more than the actual cost of the employee's health insurance premium after accounting for any subsidy received from ASRS.

The retired employee must be enrolled in health insurance from ASRS or through the District's COBRA coverage to be eligible to participate in the program. Selecting only dental or vision coverage without health coverage will **not** entitle the retired employee to a reimbursement of any portion of their insurance premium under this program.

Although dependent coverage may be available through ASRS or COBRA coverage, the District's supplemental retirement program does not provide any reimbursement for the premium cost of health insurance coverage for anyone but the retired employee.

Termination of Benefits

Benefits payable under this program shall cease when the retired employee reaches age sixty-five (65).

Benefits payable under this program and the right to continue to participate in the program shall also cease when the individual is no longer enrolled in a group health plan insurance option offered by ASRS or through the District's COBRA coverage. In other words, if the retired employee does not have health insurance through ASRS or the District's COBRA coverage, regardless of the reason for the termination of coverage or the length of time for which the retired employee is not covered, the retired employee forever forfeits the right 1) to continue to participate in the program, 2) to later participate in the program if the retired employee reinstates or restores their ASRS or COBRA health insurance coverage, and 3) to continue to receive any benefits that were previously paid by the District under the program.

"Phased retirement" employees who retire from the District, are contracted to provide service to the District through Educational Services, Inc., or another third-party provider for the year following their retirement, and receive health insurance through ASRS or the District's COBRA coverage during the entire time they are providing contracted services are not deemed to have terminated or declined their right to participate in this program following their final retirement from the District. All other eligibility requirements apply to these phased retirement employees.

Reimbursement

The District will pay the partial reimbursements to the retired employee in arrears. The partial reimbursement payments will be made by the District in lump sums payable on or before June 30 and on or before December 31 for premiums paid by the retired employee from January through December of each year for which the benefits are payable under this program. The retiree must pay the premium initially and provide proof of payment to the District in order to receive the partial reimbursement benefit.

Request to Participate in Program

To facilitate proper budgeting, notice of an employee's intent to enroll in this program must be given in writing (on a form prepared by the District) to the District's personnel department on or before March 20 of the fiscal year in which the employee is retiring.

In the sole discretion of the Superintendent, this advance notice requirement may be modified for extenuating and unforeseen circumstances.

Conditions and Restrictions

The Superintendent or Superintendent's designee shall have the sole authority to determine whether a retired employee is eligible to participate in this program.

Retirement under this program constitutes an agreement by the employee to retire from employment, and the employee waives any right to continued employment with the District.

This program is subject to the applicable laws and regulations of the State of Arizona, the rules and regulations of the State of Arizona Board of Education, and the policies of the District, as those laws, regulations, and policies may be modified during a retired employee's participation in the program.

Program Discontinuation or Modifications

At the sole discretion of the Governing Board, this program may be prospectively modified or discontinued, in whole or in part, including that a limitation may be established on the number of eligible retirees who may participate in the program each year. This program may also be discontinued if, in the Governing Board's sole discretion, monies necessary to fund the program without impacting other District programs and priorities are not available.

If it is necessary to impose a limitation on the number of eligible retirees in any year, District seniority (the number of years of consecutive service with the District) will be used to determine priority order for acceptance of eligible employees into the program. In the case of identical District seniority between one or more eligible employees, the oldest individual will be given priority.

The District's insurance programs, including the benefits provided by this program, are the subject of a Trust Agreement and are overseen by Trustees. In addition to other program modifications that may be approved by the Governing Board and in accordance with the authority granted to the Trustees, the Trustees may recommend that this program or its benefits be prospectively modified, subject to approval by the Governing Board.

If any modification is made to the program or its benefits, such modifications shall not affect the rights of employees under the existing program who have (1) already retired under the program; or (2) satisfied the existing program's eligibility criteria for years of service prior to the Governing Board's approval of any changes. Employees who fall under category (2), above, may, at their sole option, either i) retire and receive the benefits under the program in effect at the time that they satisfied the eligibility criteria, or ii) elect to retire and receive the benefits under the program in effect at the time they retire, assuming that they meet the eligibility criteria for the program then in effect.

Phased retirement employees who elect to participate in the program following their final retirement from the District are entitled to receive the program benefits that are in effect at the time of their final retirement, not those in effect at the time of their initial retirement, to the extent those benefits are different at those times.

Adopted: December 8, 2022

LEGAL REF.:

A.R.S.

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