



Professional Staff Early Retirement Incentive Proposal

Presented by Dr. Ché Regina

February 2026

Understanding Early Retirement Incentives

What is an ERI?

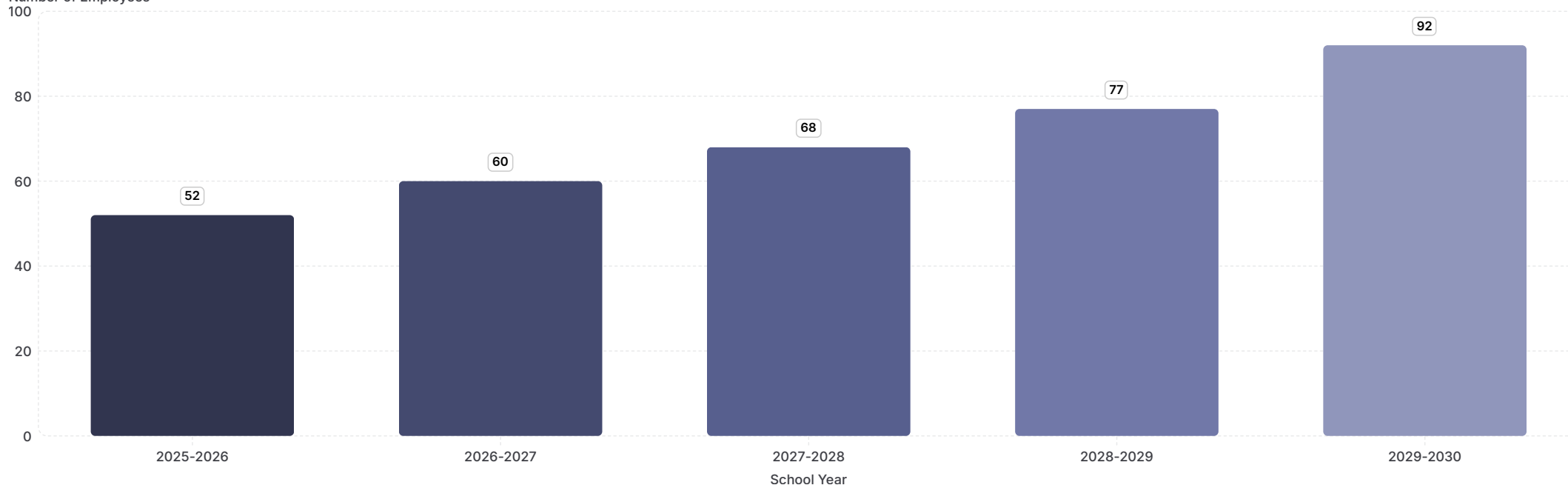
An early retirement incentive (ERI) is a voluntary program offering employees the opportunity to retire earlier than planned. This strategic tool helps districts manage workforce transitions and budget challenges.

Why Consider This Now?

- Address current budget shortfall
- Prevent potential future furloughs
- Manage anticipated large retirement wave proactively

Retirement Projections for Professional Staff: Five-Year Outlook

Number of Employees



92 employees in five (5) years

Special Early Retirement

Five-year projected total (includes Superannuated)

Employee Cost Comparison

2026-2027 School Year Baseline

Retiring Employee

Masters (+30), Step 16

Employee/Spouse Benefits

All-in cost: \$193,814.82

New Employee

Masters Degree, Step 5

Family Benefits

All-in cost: \$140,474.61

Projected Cost Reduction Per Employee

Understanding the financial impact of natural retirement transitions helps frame the value of strategic incentives.

Replacement Scenario

When a retired teacher is replaced by a new teacher at lower step placement

Expected 2026-2027 budget delta:

\$53,340.21

Attrition Scenario

When a retired teacher position is not filled (strategic attrition)

Expected 2026-2027 budget delta:

\$193,814.82

ERI Impact

Each delta above will be reduced by \$10,000 for the 2026-2027 budget after ERI is included.

The Early Retirement Incentive

Teachers Program

01

Retirement Requirement

Employee must officially retire from PSERS (Pennsylvania State Employees' Retirement System) and be eligible for Special Early Retirement or Superannuated Retirement

02

Financial Benefit

\$10,000 deposited annually into 403b retirement account for three (3) consecutive years

03

Participation Threshold

Minimum of 20 employees must commit to activate the incentive for the entire retirement cohort

04

Participation Cap

Maximum of 30 employees will be approved with a future cap expansion possible with board approval

- ❏ **Planning Note:** All calculations assume 15 participating employees. Five (5) employees have already submitted retirement notices and are incorporated into preliminary budget projections.

Minimum Three-Year Financial Impact

2026-2027

(15 employees) × \$43,340.21 = **\$650,103**

2027-2028

(15 employees) × \$10,000 = **(\$150,000)**

2028-2029

(15 employees) × \$10,000 = **(\$150,000)**

Net Savings: \$350,103

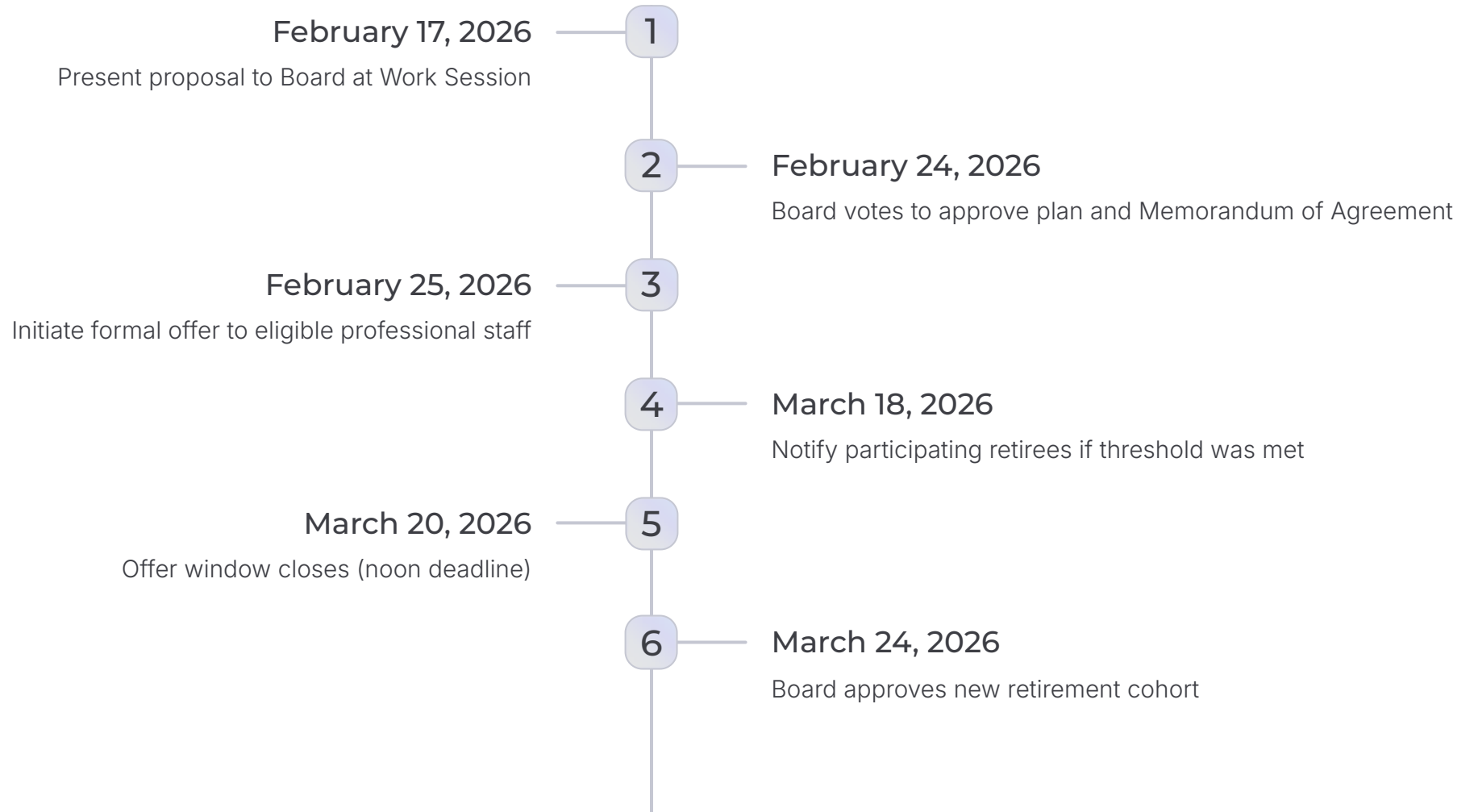
2026-2027 Budget Impact Analysis

Including Five Existing Retirement Notices and Replacing All Positions

Year 1 Individual Payout	Year 1 Gross Reductions	Year 1 Adjusted Net Reductions
\$10,000	\$650,103	\$600,103

📄 **Attrition Potential:** Each attrition would increase the reduction by **\$140,474.21** because you would not be hiring a new teacher.

Implementation Timeline





Recommendation and Next Steps

Approve the Memorandum of Agreement (MOA) with Methacton Education Association (MEA) for an Early Retirement Incentive for retirements occurring on June 30, 2026.