

Cache County School District

Policy Series 5000: Personnel

Policy No. 5430

Retirement

I. Utah Retirement System:

- A. All employees who meet eligibility requirements as defined by Utah State Code are required to join the Utah Retirement System.

II. District Termination Benefit Program:

- A. The Cache County School District Termination Benefit Program consists of three parts:
 - 1. Termination Retirement benefits after 20 years of service in the District
 - 2. Early Termination Retirement Incentive after 28-29 years of service
 - 3. Career Employee Benefits

III. Requirements:

- A. For an employee to receive termination benefits from the District, the following requirements must be met:
 - 1. The employee must have 20 years of service in the Cache County School District (with at least 10 years of continuous employment just prior to retirement);
 - 2. The employee must be eligible to receive a monthly retirement benefit under provisions of the Utah Retirement System; and
 - 3. The employee must not be receiving benefits from the URS because of an earlier retirement.
 - 4. The benefits described in this policy are not vested until the employee is eligible for and has applied for retirement from the Utah Retirement System and has signed an application for Cache County School District Retirement. Once the application has been signed by the employee, the decision of the employee to retire may not be rescinded without the written agreement of both the employee and the district.

IV. Termination Benefits

- A. A retiring employee who meets the above eligibility and vesting requirements will receive a lump sum benefit payment according to the Termination Benefit Table below.
 - 1. The payment identified in the Termination Benefit Table will be adjusted by the employee's average Full-Time Equivalent (FTE) over the last 10 years of service.
 - a. For example, an eligible employee who worked half-time during the last 10 years will have an average FTE of .5, the employee will therefore receive half of the amount in the applicable row of the Termination Benefit Table as the final benefit payment. An employee cannot have an FTE over 1.0 for the purpose of calculating the termination benefit.

Termination Benefit Table

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Years of Qualifying Employment Service Credit at time of Retirement	Maximum Lump Sum Payment to a Tax Sheltered Plan
20	\$20,000
21	\$21,000
22	\$22,000
23	\$23,000
24	\$24,000
25 – 29.9	\$28,000
30 or more years	\$30,000

V. Unused Sick Leave Days:

- A. Upon retirement, employees will be compensated for their unused sick leave days at 50% of the current base rate paid to certificated substitutes (except for Career Educators. See h. below).
 - 1. The payment for unused sick leave days will be deposited into a qualified tax sheltered account (Primetrust).
 - 2. Exit interview will determine whether sick leave payout will be directed towards the health reimbursement account or the special pay option.
- B. An employee's sick leave will accumulate, for the above retirement computation only, without limit during the tenure of service of employee in the District.

VI. Termination Benefits after 20 Years Service in the District:

- A. After a minimum of 20 years service in the District and meeting qualification outlined in section III and above, the employee will receive a lump sum payout as explained in section IV. above and will receive compensation for unused sick leave days (see V. above).

VII. Early Retirement Incentive after 28 or 29 years:

- A. After a minimum of 20 years service in the District and completing 28 or 29 actual years in the Utah Retirement System (no purchased years) and qualifying for Utah State Retirement, the District will assist the employee in purchasing future service credit benchmarked according to the URS sheet entitled "Approximate Cost for Future Service Purchase," specifically the costs in connection with the Noncontributory Retirement System.
 - 1. The District agrees to pay 100% of the stated costs of this sheet unless the 100% exceeds limits imposed by URS for employer contributions for future service

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purchase which states that an employer cannot pay more than 95% of the total cost to purchase future service credits.

- B. The employee will then receive insurance benefits as explained in "d." above and will receive compensation for unused sick leave days (see "e." above). (Effective for the 2015/2016 school year, employees who qualify for the termination benefit associated with this section will be paid 3/4 of the termination benefit for which they qualify. Effective for the 2016/2017 school year and thereafter, employees who qualify for the termination benefit associated with this section will be paid 1/2 of the termination benefit for which they qualify.)

VIII. Career Employee Benefits:

- A. After a minimum of 20 years service in the District and completing 30 or more actual years (not purchased) in the Utah Retirement System, the employee will receive termination benefits as explained in D. above.
1. In addition, a career employee will be compensated for their unused sick leave days at 100% of the current base rate paid to certificated substitutes.
 2. The payment for unused sick leave days will be deposited into a qualified tax sheltered account (Primetrust).
 3. Exit interview will determine whether sick leave payout will be directed towards the health reimbursement account or the special pay option.

IX. Retiree Health Insurance Coverage+

- A. Retirees who qualify for the termination benefit described above will have the option to purchase a retiree health insurance coverage through the District.
1. This health insurance coverage will be based upon a retiree group benefit plan with premiums determined by the retiree group utilization.
 2. This retiree coverage will cover pre-existing conditions for those retirees with continuous coverage at the time of retirement.

X. Notification of Retirement:

- A. Eligible employees may retire and receive termination benefits either at the end of the current school year or at a mutually agreed upon date during the following contract year if a written request is made to the superintendent by March 20th of the current year. Failure to meet this deadline will defer insurance coverage for three months. The employee must cover the cost of these three months insurance premium to receive continuous insurance coverage. The Board of Education has the right to extend this deadline if required by individual extenuating circumstances.
1. Verification regarding eligibility will be made within 10 working days of receipt of written request for retirement benefits and a reply mailed to the requesting employee.
 2. Upon acceptance of request for benefits by the District, the employee must sign a letter of resignation for retirement and must submit an application to receive termination benefits. Application for termination benefits must be submitted by April 20th of the current year to receive termination benefits for the current year. The Board of Education has the right to extend this deadline if required by individual extenuating circumstances.

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3. When such a retirement termination contract has been mutually agreed upon and entered into, the educator forfeits his/her seniority status in the District. In the event such educator wishes to receive further professional full-time employment in the District, he/she will receive the same consideration as any other applicant.
4. Exceptions to the Retirement Benefits Guidelines are at the discretion of the Board of Education.

XI. Death Benefit for Eligible Employees:

- A. If an employee dies when they have met the requirements under section c. (except for c.4). the District agrees to pay the designated beneficiary the lump sum termination benefit that employee would have qualified for at the time of their death.
- B. The lump sum termination benefit will be paid to the beneficiary that the employee designated in connection with the life insurance policy provided by the District. The payment of this death benefit will be made in a transaction that minimizes the tax burden to the designated beneficiary.

Legal References:

Synopsis:

Approved by the Board of Education: June 1, 1978. Last Revised: October 1, 2005. Prior Revised Dates: 4/29/2010; 6/1/1985; 1/1/1987; 7/1/1988; 8/1/1992; 1/1/1993; 5/1/1994; 5/1/1995; 5/1/1996; 6/1/1997; 5/1/1998; 10/1/2000