BOARD OF SCHOOL DIRECTORS
MEETING OCTOBER 2026

Early Retirement Incentive Proposal

PROGRAM OVERVIEW

Early Retirement Incentive Mechanics

Structured incentive designed to generate immediate recurring payroll and benefit savings.

12 Minimum Accepted Retires

Program activates only if minimum threshold is met, ensuring fixed ROI.

$360,000 Upfront ERI Outlay

Fixed $30,000 incentive allotment per accepted applicant.

Master's Step 4 Replacement Benchmark

Replaced positions filled at realistic mid-career Master's Step 4 tier.



COST STRUCTURE COMPARISON

Financial Delta per Position

Cost differential between top-step senior staff and mid-step replacements (2027–2028 Projected Rates).

Cost Component	Retiring Senior Staff (M30 Step 15)	Replacement Hire (M Step 4)	Annual Net Delta (Board Savings)
Base Salary	$123,432.00	$79,817.00	**+$43,615.00**
Social Security (7.65%)	$9,442.55	$6,106.00	**+$3,336.55**
PSERS Pension (34.12%)	$42,115.00	$27,233.56	**+$14,881.44**
Healthcare & Benefits	$24,206.16 (E/S)	$30,591.36 (Fam)	**-$6,385.20**
Total Annual Package	**$199,195.71**	**$143,747.92**	**+$55,447.79**

Every 1-for-1 replaced position saves $55,448 annually. Fully absorbed/attrited positions save $199,196 annually.

Recommendation

Step 01

Board Authorization

Approve Early Retirement Incentive program framework ($30K incentive per retiree; 12 min. threshold). October 2026

Step 02

Application Window

Open formal non-binding intent window for eligible staff across target departments.
November 1, 2026 – January 1, 2027.

Step 03

Staffing Realignment

Finalize building schedules and replacement hiring based on actual applicant pool. Spring 2027.