

EMPLOYEES - Series 400

401 Employees and Internal Relations

401.9 Voluntary Retirement

Purpose of Voluntary Retirement

Employees may without prejudice voluntarily opt for early retirement as provided herein. This policy provides an incentive which allows an orderly means of attrition of employees if there is a need for reduction of staff. It could provide savings on staff costs as well as maintain a mixture of experienced employees along with less experienced ones. While it should be mutually beneficial to school district and staff, it should also provide a suitable attraction to well-qualified persons to accept employment in the district.

The board has complete discretion to offer or not to offer an early retirement plan for employees. Th

Eligibility

The benefit will be provided for those staff who:

1. are otherwise eligible for the receipt of IPERS early retirement benefits pursuant to Chapter 97B.50 of the Iowa Code (1979), as amended;
2. wish to retire voluntarily from service in the West Branch Community School District;
3. have been actively employed during the school year in which the staff member requests early retirement benefits;
4. are at least 55 years of age by June 30;
5. have completed a minimum of 14 years continuous service to the West Branch Community School District and are currently employed at the time the request for early retirement is made;
6. is not receiving payments from the district's long-term disability insurance program;
7. have not been discharged for cause.

For employees employed only during the school year, the employee must have been employed for the regular contract year of 180 student days plus in-service days. A full-time, 12-month employee must have been employed 40 hours per week.

Part-time employees will be eligible for a benefit in proportion with the amount of time their position entails. If work years are a combination of full and part-time employment, the superintendent will compute the proportion of the final 14 years of service the employee has in the district. Extended contracts are excluded from years of service and proportion of service computations. An employee shall have worked a minimum of 150 days in a school year to count one year of employment and a 12-month employee must have worked 215 days to count one year of employment. A leave of absence will not be

counted as service.

Application Procedures

1. The employee must complete and submit a district provided application form to the superintendent on or before February 15 of the retirement year. A letter of resignation must accompany the application.
2. An application for early retirement does not constitute a resignation of a contract. Approval of the request for early retirement by the board shall be considered a voluntary resignation and shall constitute termination of the contract at the date specified in the request. If the request is denied, the employee's contract will continue in effect.
3. If the board places a limit on applications they wish to accept in any one year, those approved will be in the order in which the application and letter of resignation have been received and dated in the superintendent's office. Both items must be received before considered a received request.
4. Employees' early retirement requests should generally become effective beginning July 1. The Board of Education may consider exceptions; however, the Board of Education shall be the sole determiner of the time and date exceptions as they consider what is best to accommodate the mission of the district. Such exceptions shall consider continuity required of the position, the district's financial condition, the number of early retirement applicants approved for one fiscal year and the discretion of the board. Any exceptions shall not constitute precedent for future applicants.
5. Any decision made by the superintendent may be appealed to the Board of Education whose decision shall be final and is considered non-grievable.
6. The superintendent, upon request, shall provide the employee information showing his/her potential retirement benefit.

Retirement Compensation Procedures and Options

1. Upon approval and the determination of the date for early retirement, the superintendent and/or business manager shall meet with the employee to review the plan benefits and amount involved as per the compensation plan.
2. Benefits:
 - a. If the employee wishes to remain on the district's insurance policy, the amount of the benefit will be placed in a Health Care Savings Plan. This contribution will be made on behalf of the employee tax-free. The deposits will grow tax-free and are used at retirement tax-free for eligible medical expenses and premiums.
 - b. If the employee waives the district's health insurance policy, the benefit will be placed in a special pay deferral plan (403(b)). The contribution will be made on behalf of the employee tax-deferred. The deposits grow tax-deferred and can be accessed by the retiree at any time. The withdrawals will be taxable at the time of withdrawal to the employee.
 - c. For the 2010-11 school year, any certified staff member will also receive a

\$5,000 cash payment as part of the package. This will be paid in one lump sum payment between July 1 and July 15 of the year the retirement takes place. This cash payment is taxable and appropriate taxes will be withheld from the payment.

- d. The benefits will be explained completely to the employee and complete details of the plan will be provided.

Computation of the Retirement Benefit

All employees who apply and are approved will receive a 50% benefit based on the criteria below.

For the teacher, the benefit shall be based upon the Schedule A salary, longevity and extended contract only. Benefits for all other employees shall be based upon the contracted salary or yearly salary based on letter of assignment.

Benefits for part-time employees shall be prorated as determined by the average of full-time equivalency of the last five years of employment.

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