

CERTIFICATED EMPLOYEE EARLY RETIREMENT INCENTIVE PLAN

A. QUALIFICATIONS

1. **Certificated Employee:** To be a participant, a person must be a fully certificated teacher or administrator.
2. **Full-Time Equivalency:** Certificated employees, both full-time and part-time, may participate in the Early Retirement Incentive Program provided that part-time employees' benefits under such plan shall be based on their part-time schedule salary for the academic year preceding early retirement.
3. **Minimum Age and Years of Service:** In order for a certificated employee to be eligible for this program he/she must:
 - a. Be at least fifty-seven (57) years of age on or before September 6 of any year the Early Retirement Incentive Program is offered.
 - b. Have completed twenty (20) years consecutive years of credited service to the district. Credited service shall mean continuous employment with the district as a certificated employee through the employee's last year of service. Board approved military service, sabbatical and/or approved leave of absence, or any other leave required to be granted according to law, shall not be included as credited years of service but such events shall not disrupt continuous employment for purposes of this paragraph. Full and partial years of credited service shall be added together to calculate a total amount of credited service. A partial year shall not be counted unless there are sufficient partial years to total a full year.

B. ENROLLMENT REQUIREMENTS

1. **Resignation:** Certificated employee participants in the program who will be fifty seven (57) years of age on or before September 6 of the year in which the Early Incentive Retirement Program will be in effect may resign their teaching positions with the district effective at the close of the preceding school year in consideration for the benefits outlined in paragraph "C".

An employee's application for early retirement is in itself not a resignation from employment with the district. However, the board's approval of an employee's application for early retirement will be considered the approval of the employee's voluntary resignation. Should the board not approve an employee's application, the employee's contract will continue in effect, and the employee will remain an

employee of the district unless he or she otherwise resigns or the employee's contract is terminated for just cause.

2. **Eligibility:** By September 1 of each year the superintendent will provide all certificated teachers and administrators a list indicating which employees are eligible for the Early Retirement Incentive Program. Certificated employees will have until October 1 to inform the superintendent, in writing, of potential errors on the list. After October 1 no changes will be made to the list and it will become the official list for determining eligibility for the Early Retirement Incentive Program.
3. **Notice of Plan:** At the December regular board meeting the board shall determine if a window of opportunity for early retirement will be offered to eligible certificated employees for the following school year. Within ten (10) working days after the December board meeting the superintendent shall inform all certificated teachers and administrators of the board's decision to provide a window of opportunity for early retirement.
4. **Application:** Any certificated employee who will attain the minimum eligibility requirements set forth in paragraph "A" shall be eligible to participate in the Early Incentive Retirement Program. Application for participation in this program must be made in writing on the appropriate form provided by the district by March 1 of the school year prior to the school year in which the certificated employee wishes to take early retirement. Applications may not be withdrawn after this date.
5. **Waiver of Claims:** An employee who elects to participate in the Early Retirement Incentive Program and the district, through its board, shall execute an Application and Agreement Form which sets forth the agreement of the employee and the district. A copy of the Form is attached to this policy. The Form shall state that participation in the Early Retirement Incentive Program is totally voluntary in nature. The Form shall include a Waiver and Release of Claims of the participants rights to sue under the Age Discrimination in Employment Act (ADEA) 29 USC 621-634, the Act Prohibiting Unjust Discrimination in Employment Because of Age, Neb. Rev. Stat. 48-1001 et seq. and all other state and federal constitutions, statues and regulations that relate to the validity of the Early Retirement Incentive Program. The Form will advise the employee of the right to revoke the Application and Agreement and the Waiver and Release at any time on or before March 1. The Form will also advise the employee to consult with an attorney before signing the Application and Agreement.
6. **Selection of Applicants:** If the board believes that the number of requests for early retirement exceeds the funds available to pay the requested early retirement benefits, the board shall, in its sole discretion, determine the number of applications to be approved. If the board receives more applications for early retirement than it approves, the board shall approve the applications on the basis of the seniority (as defined in policy 408.05) of the applicants with the most senior applicant(s)

receiving approval. If a tie results because two or more employees have equal seniority, the tie shall be broken in the following manner:

- a. The board will approve the application of the employee whose salary is higher, as determined by the employee's placement on the salary schedule index (excluding extended contract and extra duty pay).
 - b. If the salaries of those involved are exactly the same, the board will approve the application of the employee who signed his or her original employment contract earlier.
 - c. If the salaries and signing dates of those involved are exactly the same, the board will approve the application of the employee which was submitted earlier.
7. Future Employment: Certificated teachers and administrators participating in this program cannot return to full-time or part-time employment as a certificate teacher or administrator on a continuing contract with the district at a later date. A participant may substitute teach for the district on a per diem basis.
8. Terminated Employee's Ineligibility: An employee being terminated or having employment cancelled, is not eligible and may not participate in the Early Retirement Incentive Program absent board approval. An employee involved in the process or who has been terminated through the reduction in force policy is not eligible and may not participate in this program. Long term disability recipients are not eligible and may not participate in this program unless otherwise required by law. The phrase "involved in the process" as used in this paragraph means an employee who has been issued a letter of possible termination or cancellation as required by law.

C. BENEFITS

1. Calculation of Benefits:
 - a. Teachers - One percent of the last teaching schedule salary figure multiplied by the number of years of credited service. The maximum number of years of credited service allowed in the formula is 25. No extra duty pay or other benefits will be calculated into this formula.
 - b. Administration - One percent of the highest teaching schedule salary figure multiplied by the number of years of credited service. The maximum number of years of credited service allowed in the formula is 25. No extra duty pay or other benefits will be calculated into this formula.
2. Early retirement payments will be made on September 20th annually for three years. The payouts will be distributed to an employee owned 403 (b) plan or lump sum.

3. The following is an example of how the formula would work:

Teacher base salary x 1% x number of years of service (not exceeding 25 years) x
3 annual payments = Total paid to retiree over 3 years

4. Beneficiary: In order for the application to be considered complete, a beneficiary must be designated. Upon the death of the teacher or administrator before all benefits are paid, the beneficiary has the choice to receive the remaining benefits as scheduled each year or may option to take the remaining funds in one lump sum on the next designated date.
5. The payout through the 403 (b) plan may or may not result in tax deferred income. The payments to the early retiree will be subject to FICA taxation.
6. COBRA Rights: Pursuant to COBRA, a retired employee will have the opportunity to continue participation in the district's group health insurance plan for at least eighteen (18) months. The health insurance company will bill the retiree at his/her home address for the premium payments.

D. NEGOTIATED EARLY RETIREMENT PLAN

1. In any school year which the district does not offer the above mentioned Early Retirement Incentive Program, the certificated employee may take advantage of the early retirement plan as it is outlined in the negotiated agreement.
2. A certificated employee shall not be allowed to take part in both the negotiated early retirement plan and the district Early Retirement Incentive Program at the same time. If given the option, the employee may choose which plan he/she wants to take part in.

Cross Reference: 408.06 Certificated Employee Early Retirement