

Early Retirement Incentive Program



Independent School District No. 1
Lewiston, Idaho

Independent School District No. 1
3317 12th Street • Lewiston, Idaho 83501

Early Retirement Incentive Program

Adopted May 8, 1989 • Revised December 12, 2011

(EXCERPT) RULES AND REGULATIONS – 4130.

(Revised 07/11/2016)

4130. CONTRACTS, PROFESSIONAL PERSONNEL (Cont'd.)

9. EARLY RETIREMENT INCENTIVE PLAN

- A. This plan gives certificated employees in good standing the opportunity to retire early as an option to continued employment in the District. Please refer to the plan for details. A copy of the plan may be attained by contacting the benefits specialist at the Central Services business office.
- B. Administrative personnel may take this same opportunity. Grants will be determined by the individual's appropriate place on the certificated salary schedule in effect during his/her last year of employment.

1. STATEMENT OF PURPOSE

The purpose of this Early Retirement Incentive Program is

- A. It gives certified employees in good standing the opportunity to retire early as an option to continued employment in the District. Certified employees may voluntarily take advantage of earlier retirement.
- B. The District may realize a financial advantage by replacing retiring employees with lower paid employees. This would also provide incentive for higher paid employees to retire early, thus reducing the necessity for a reduction in staff through a R.I.F. policy. The program is designed so the net effect will not cost the District additional monies.

2. ELIGIBILITY

Early retirement is voluntary and no certified employee shall be required or coerced in any manner to retire early under provisions of this program.

Any certified employee wishing to make application for this Early Retirement Incentive Program must meet one of the following conditions.

- A. Certified employees who are at least 55 years of age by August 15 of the last year of employment as a certified employee with the District and have at least 15 years of continuous employment as a certified employee in the District.
- B. Certified employees who have at least 30 years of continuous employment as a certified employee in the District regardless of age.

Any certified employee who has been notified of termination or non-renewal of contract will not be eligible for participation in this program.

3. CONTINUING CONTRACT STATUS

When an Early Retirement Incentive Agreement has been mutually agreed upon and entered into, the certified employee forfeits his/her continuing contract status in the District. Any employee receiving an Early Retirement Incentive Program benefit shall not be eligible for future employment in the Public Employee Retirement System of Idaho. To be considered an ineligible employee by PERSI, an employee must work less than twenty (20) hours per week or less than half of a full-time contracted position.

4. APPLICATION DEADLINES

Any certified employee wishing to retire early must submit a letter to the Superintendent by January 15 of the year he/she elects to retire requesting approval to be included in the district's early retirement incentive program as outlined in this plan.

Special consideration of an employee for the district early retirement during the school year may be made at the discretion of the Superintendent and the board under the following conditions.

Certified employees who would have qualified for early retirement at the end of the preceding year if they had made a written request, who develop health problems during the ongoing year, and who find it difficult to complete their yearly contract, may request early retirement at any time during the year. Requests submitted during the year will be considered on their individual merit.

5. PAYMENT SCHEDULE

Payment of benefits will be made as a contribution to a 403(b) Employer-Paid Retirement Plan to the maximum allowed by Federal Law to a qualified 403(b) retirement plan .

- A. The Contribution will be made in one lump sum within two days of the regularly-scheduled September payday in the year of retirement.

- B. No contributions will be made to this plan prior to termination of employment from the District.
- C. In the event of death of a participant, the District will pay the remainder of the grant to the participant's estate.

6. GRANT PAYMENTS

The Early Retirement Incentive Program benefit payable by the District will be calculated using the formula and table below. In calculating the retirement incentive benefit, the employee's age as of August 15 of the year of retirement shall be used. The retiree's salary index will be taken from the Certificated Salary Schedule as negotiated in the LEA Master Agreement in effect for his/her last year of employment with the District as a certified employee.

ERIP = Retiree Salary Index X Negotiated Base Salary X the percentage of an applicant's full time equivalency X % from TABLE 1 below.

TABLE 1
AGE PERCENT

50-55	50
56	46.5
57	43
58	39.5
59	36
60	32.5
61	29
62	25.5
63	22
64	18.5
65 and over is 0%	

All payments in excess of the maximum contribution to the 403(b) Employer-Paid Retirement Plan will be considered as salary and will be subject to withholding for F.I.C.A., federal income tax, and state income tax.

7. INSURANCE

Medical insurance may be retrained through the District carrier with the participant paying his/her premium until such time as he/she elects enactment of Public Employment Retirement.

8. REVISION

The Early Retirement Incentive Program is part of Rules and Regulations of the District and will be reviewed as needed by the Board.

EARLY RETIREMENT INCENTIVE AGREEMENT

EARLY RETIREMENT TERMINATION AGREEMENT, made this ____ day of _____ between INDEPENDENT SCHOOL DISTRICT NO. 1, Lewiston, Idaho, hereinafter designated as "District," and _____ hereinafter designated as "Employee."

WITNESETH:

WHEREAS, the Board of Directors of the District adopted an Early Retirement Incentive for certified employees to provide a benefit from the District, the amount of which is dependent upon the age and salary of the certified employee at the time of his/her early retirement, and,

WHEREAS, in order to be eligible to apply for the Early Retirement Incentive Program, the certified employee must meet one of the following conditions:

1. Certified employee must be at least 55 years of age by August 15 of the last year of employment as a certified employee with the District, and have at least 15 years of continuous employment as a certified employee in the District; or
2. Certified employee must be have at least 30 years of continuous employment as a certified employee in the District regardless of age; and

WHEREAS, Employee has made written request to the District dated _____ whereby he/she has applied for early retirement pursuant to the Early Retirement Incentive Policy adopted by the District and,

WHEREAS, the parties desire to enter into written agreement concerning the termination of employment and payment of the Early Retirement Incentive benefits.

NOW THEREFORE:

IN CONSIDERATION OF the mutual promises and covenants herein contained, IT IS AGREED between the parties as follows:

1. The District accepts Employee's application for early retirement and the Employee's employment with the District shall terminate on August 31, 20 .

2. The District shall make the incentive payment on Employee's behalf according to his/her age on the schedule set forth in Section 6, Table 1 of the Early Retirement Incentive Program document. The payment will be made in the form of a contribution to the 403(b) Employer-Paid Retirement Plan (The Plan) up to the maximum amount allowed by federal law.

3. Total entitlement for the Early Retirement Incentive is \$_____. The contribution to the Plan will be made within two day of _____. Entitlements in excess of the maximum amount of the contribution to the Plan will be paid as wages on _____ subject to federal and state withholding taxes.

4. It is understood that Employee is on a _____ contract status and is entitled to all the benefits conferred by that status. As a part of his/her voluntary early retirement and payment of the incentive grant, Employee hereby waives and releases all rights he/she may have to further employment with the District as a certified employee on contract status and any other benefits said renewable contract status confers, effective the date of termination of employment as mentioned above.

5. The Employee acknowledges that an Early Retirement Incentive Program payment may adversely affect his/her social security, teacher retirement, and medical insurance benefits, and may have other detriments.

IN WITNESS THEREOF, we sign this agreement this

____ day of _____, 20____.

INDEPENDENT SCHOOL DISTRICT NO. 1
LEWISTON, IDAHO

BY:

ATTEST:

President, Board of Directors

Clerk, Board of Directors

Retiring Employee

FORM REVISED 12/11 km/pb

