

## ADMINISTRATIVE RETIREMENT INCENTIVE PLAN

The purpose of the district Retirement Incentive Plan is to:

1. Facilitate staff reductions.
2. Effect cost savings to the district's operating fund.
3. Provide assistance to the retiree in addressing the benefits they will forgo by participating in this plan.

The district Retirement Incentive Plan is available to qualified individuals who meet the following criteria:

1. To be eligible for retirement benefits under this incentive plan, an employee, prior to the beginning of the school year the employee enters retirement, must have attained 55 years of age, must have been continuously employed by the district for at least ten years immediately preceding the year of retirement, and must have been employed during the school year preceding the employee's retirement date on a regular, full-time basis. There is a seven-year window for an employee to apply for benefits once the employee first becomes eligible. The employee remains subject to the eligibility requirements during the seven-year window.
2. A written letter of intent to resign must be submitted to the superintendent no later than February 27, 2009 for early retirement at the conclusion of the 2008-2009 school year and January 31, 2010 for early retirement at the conclusion of the 2009-2010 school year. If the retirement is approved by the Board of Directors, the employee will be considered to have voluntarily resigned and the employee's continuing contract will be terminated as of the end of the school year in which the early retirement application is submitted.
3. Benefits to the retiree under this retirement incentive plan are as follows:
  - a. The calculation will be 0.020 of the annual salary received by the retiree during the contract year immediately preceding retirement times 84. The total payout will be spread evenly over a five year period with the first annual payment beginning the first month of retirement. Such payment will be made to *America United Life at MidAmerica Administrative and Retirement Solution, Inc.* "Annual salary" refers to compensation which the retiree received under Schedule A of the Master Contract, between the Fairfield Community School District and the Fairfield Community Education Association, the annual salary for administrators, and the annual salary for non-certified staff. It excludes all supplemental pay, extra-duty pay, and extended contract pay.

Approved: July 10, 1995

Reviewed: Oct. 9, 2006, June 9, 2008, Feb. 9, 2009

Revised: Nov. 13, 2006, Mar. 9, 2009

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To receive full benefits, the employee must have a minimum of twenty years of service to the district.

Those individuals with documented length of service ranging from fifteen to nineteen years would qualify for 75% of the benefit package.

Those individuals with documented length of service ranging from ten to fourteen years would qualify for 50% of the benefit package.

- b. In the event of the death of the retiree before the total payout period the retiree's surviving spouse shall be entitled to continue to receive the same monthly retirement benefit as that being paid to the retiree at the time of the retiree's death. Such payment shall be continued to the spouse through the total payout timeline. In the event the retiree's surviving spouse dies prior to the month that the retiree would have received the final payment, a lump sum payment will be made to the estate of the spouse in an amount equal to the monthly retirement benefit multiplied by the number of months between such spouse's date of death and the month during which the retiree would have attained the final payment had the retiree lived. If no spouse survives the retiree, a lump sum payment will be made to the estate of the retiree in an amount equal to the monthly retirement benefit multiplied by the number of months between the date of death and the final payment month had the retiree lived.
  - c. The retiree, at his/her expense, may continue in the district's group health insurance plan covering the regular full-time certified staff through the month in which the retiree becomes Medicare eligible. The benefits under such plan and the types of coverage to be provided to retirees shall be identical to the benefits and type of coverage in effect from year to year for the regular, full-time staff.
4. This retirement incentive plan applies to employees retiring after December 12, 2006.
  5. This policy will automatically, without additional action by the Board of Directors, be discontinued at the conclusion of the 2009-2010 school year terminating additional retirement under this retirement incentive plan.
  6. The district reserves the right to determine the number of early retirement requests to be approved based on the following factors:
    - Maintaining integrity and continuity of the overall staff.
    - Limiting the loss of expertise/district leadership in any one year.
    - Financial obligations of the district.
    - Total years of service within the Fairfield Community School District.

This board's approval of requests for the Retirement Incentive Plan will be finalized at the April board meeting.

Legal Reference: Iowa Code §§ 97B; 216; 279.46 (1995).  
581 I.A.C. 21.  
1978 Op. Att'y Gen. 247.  
1974 Op. Att'y Gen. 11, 322.

Cross Reference: 401.8 Recognition for Service of Employees