

Policy 407.06: Certified Employee Early Retirement Incentive

Original Adopted Date: 09/01/2018 | **Last Revised Date:** 11/25/2024 | **Last Reviewed Date:** 11/25/2024

1. PURPOSE

The Board of Directors of the Dallas Center-Grimes Community School District is committed, through this plan, to reduce the potential for involuntary staff reduction, as a financial tool to help with the school budget, and to provide a financial incentive for certified full-time employees and administrators to afford them an opportunity to pursue other career or life interests. This incentive will NOT be available on an annual basis.

2. STATEMENT OF NON-DISCRIMINATION

The School District will not discriminate against any employee on the basis of age, gender, gender identity, sexual orientation, race, color, creed, religion, national origin, marital status, or disability through the application or administration of this plan.

3. ELIGIBILITY

A regular, certified teacher or nurse employee is eligible for early retirement if the employee:

- a. has reached the age of 55 at the actual date of retirement,
- b. has worked a minimum of ten (10) continuous years at the School District and is actively employed during the last fiscal year prior to early retirement,
- c. notifies the Board as provided by this Plan, and, in any event, not later than 4:00 p.m. on December 12th, of the school year in which the plan is activated.
- d. Employee retires effective no later than June 30, of the completion of the retirement fiscal year, unless otherwise mutually agreed upon,
- e. has not received a notice concerning termination of the employee's contract, unless the notice is based upon reasons which are related to staff reduction, and
- f. has not previously received early retirement benefits from the School District.

4. DEFINITION OF TERMS

- a. Years of service - Years of service must be consecutive and all years used to establish eligibility must be years of service as a certified teacher, certified nurse or an administrator with no year of service being less than .50 FTE.
- b. Continuous Employment - Continuous employment must be without any voluntary interruptions of service. Absences due to reductions in force or due to approved leaves will not constitute a voluntary interruption in service, unless the absence or leave exceeds twenty-four (24) consecutive months in length. However, the period of time during which an employee is absent due to a reduction in force or due to approved leaves will not be counted for purposes of determining the minimum length of service required to establish eligibility.
- c. Regular employee - A regular employee is a certified employee who works a minimum of nine months or more each fiscal year.
- d. Certified teacher or nurse employee - An employee who is issued a contract under Iowa Code Chapter 279.
- e. Administrator - An employee who is serving in an identified administrator role including principals, superintendent, athletic director, directors of transportation/ business services/ operations/ teaching and learning / and technology departments.

5. APPLICATION

- a. The date of retirement for eligible employees will ordinarily be the end of the individual's contract year or the end of a school term. However, another date may be agreed upon by the eligible employee and Superintendent and, subsequently, approved by the Board.
- b. Application materials must include the following forms:
 - i. Resignation and Request for Retirement
 - ii. Release of Claims Form
 - iii. Agreement Not to Reapply for Employment. This agreement does not prohibit the School District from offering employment to the employee in the future.
- c. All application materials must be received by the Superintendent not later than 4:00 p.m. on December 15th, of the school year in which the plan is activated.
- d. An employee's application for early retirement benefits is not, in itself, a resignation of a contract with the School District nor does it require the Board to accept the application. However, acceptance by the Board of an employee's application for early retirement will be considered a voluntary resignation and termination of his/her continuing contract. If the Board does not accept the employee's application, the

employee's contract will continue in effect.

6. POLICY IMPLEMENTATION

This policy will be implemented for a given period of time, only after formal Board approval.

The Board reserves the right to limit and/or determine the number of employees who will be approved for and granted benefits under this policy and will set this limit by Board action.

Employees who are eligible may apply immediately following the Board's adoption of this plan. Recipients will be determined by using District seniority based on years of service of employees and the most senior employee(s) will be granted early retirement benefits.

7. VOLUNTARY EARLY RETIREMENT BENEFITS

a. Basic Terms

- i. Early retirement benefits are offered as an inducement to, and consequence of, retirement and are not to be construed as a continuation of salary.

b. Retirement Benefit: An eligible employee who is approved for early retirement shall receive:

- i. A non-elective (District paid) contribution into a District approved tax sheltered annuity plan of \$40,000, unless otherwise prohibited by a legal annual cap, payable in January of the following year after retirement.

c. Continuation of Insurance

- i. As provided by Iowa Code Section 509A.13, the employee retiring under the early retirement program may be eligible to continue participation in the School District's group insurance plan at the employee's own expense, to the extent permitted by state law. An employee who wishes to continue participation in the School District's group insurance plan must be less than 65 years of age, must meet the requirements of the insurer and must submit payments for his/her monthly premiums in advance to the School District according to School District requirements. The employee may only continue to participate as long as it is allowed by the School District, its group plan and insurance carrier and/or until the employee dies or becomes eligible for Medicare for any reason (regardless of whether the employee actually applies for Medicare coverage).

Nothing herein shall limit the School District's ability to change the terms of its existing health and major medical insurance plan. This plan in no way guarantees that a participating employee will be provided any certain level of benefits during the time of the employee's participation in the School District's plan.

8. NO VESTING/RIGHT TO AMEND OR REVOKE

The adoption of this Personnel Retirement Incentive shall not vest any right in any employee whether or not the employee is currently eligible for early retirement. The Board shall have the complete discretion to amend or repeal this plan or any provisions thereof at any time with or without notice and shall not be obligated to provide any benefits to any employee after the date of such amendment or repeal, except to those employees whose early retirement pursuant to this plan has commenced prior to amendment or repeal.

9. TERMINATION

Employees who are eligible for early retirement under the terms of this policy and who wish to apply for benefits must do so no later than December 12th, of the school year in which the plan is activated.

10. CONFLICT/SEVERABILITY

Should any portion of this policy be in conflict with state or federal rules, regulations or laws, that portion of the policy shall be invalid and all other portions remain in full force and effect. Any decision by the Board to waive a requirement or condition which is part of this policy shall not establish any precedent with regard to future requests for a waiver.

11. INDEPENDENT ADVICE

Employees are advised to seek independent advice with regard to tax or financial consequences associated with any action taken by them under this plan.
