

## STAFF PERSONNEL

### *Series 400*

**Policy Title:** Early Retirement Benefits

**Code Number:** 431.13

The Board of Education realizes that a mix of experienced employees and beginning employees through a gradual rotation of employees retiring can be of benefit. The District needs to balance this with its desire to attract and retain teachers to continue to invest their experience at a time of shortages of teachers. The Board also realizes that the availability of cost-effective medical insurance is an important issue for employees who are contemplating retirement. The intent of the District through this policy is to provide a means whereby employees can continue to have access to health care coverage after retirement and prior to their eligibility for Social Security and Medicare benefits. The Board reserves the right to review, amend, change, or eliminate retiree health coverage for future retirees at its discretion.

#### **I. Eligibility**

Full-time employees age 55 or older, who have at least fifteen years of service with the Sioux City Community School District, and are eligible to begin retirement through the IPERS program are eligible to participate in this plan. Service will be calculated as of the end of the school year in which they are retiring.

In order to qualify, the employee must elect a plan option other than plan A. The District will match the benefit for one other family member (but not to exceed 65 percent as noted below) if the dependent has been continuously enrolled under the employee's coverage as of January 1 of the year preceding the year of retirement.

An employee must be in a full-time position at retirement in order to qualify. Full-time employment is defined as 30 hours or more weekly.

First Adoption: June 27, 1995

Revision Adoption:

Legal Reference: Iowa Code Sections 279.46 & 298.4; 29 U.S.C. 623(l)(1)(A); Jankovitz v. Des Moines Independent Community School District, 421 F.3d 649 (8<sup>th</sup> Cir. 2005)

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**II. Benefits for Employee**

**Service Benefit:**

Full-time employees who are otherwise eligible will receive District subsidized health benefits per the following schedule:

Full Years of Consecutive Service	Percentage of Premium Paid By District
15-19	50 Percent
20-24	55 Percent
25-30	60 Percent
31+	65 Percent

**Service Definition:**

Each full-time year of service shall be counted as one full year of credited service toward this benefit. A partial year of service shall be prorated. Years an employee is on an approved leave of absence do not count toward this benefit.

Any years where an employee's contract was part-time, but was at least 20 hours weekly, will be counted as one-half year of credit. Years where service averaged less than twenty hours weekly will not be counted for service toward this benefit. Years of service as a substitute or temporary employee will not count toward this benefit.

If there is a break in service (including an approved leave of absence but excluding short-term absences due to illness or maternity leave which are not considered a break in service), the service prior to the break will be counted only if it meets the following requirements:

- The service prior to the break was equal to at least five continuous years; and
- The service after the break exceeds the number of years the employee was gone from the District.

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Revision Adoption:

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**Sick Leave Incentive:**

In addition, the contribution rate paid by the District for service will be increased for average banked sick leave days (calculated by averaging the sick leave balance at the end of the final three years of employment) per the following schedule:

<b>Sick Leave Balance</b>	<b>Increase in Percentage Paid By District</b>
71-90 Days	2 Percent
91-110 Days	4 Percent
111-130 Days	6 Percent
131+ Days	7 Percent

This increase in percentage will be added to the percentage based on service. The sick leave day balance will be a final three-year average as of the last day of school in the year in which the employee retires plus the preceding two years (final three-year average). If the employee elects retirement but later uses sick leave that reduces his/her average balance, he/she shall not be entitled to rescind the retirement election.

**III. Benefits for One Family Member**

The District will match the retiree benefit (not to exceed sixty-five percent) for one other family member as long as the employee meets the enrollment requirement outlined above. As noted, the District's contribution rate for the family member will in no case exceed 65 percent and will only be applicable to one family member.

The employee may enroll other family members at retirement who have been covered under their family health plan during the enrollment period noted above, but must pay 100 percent of the premium for such other members.

**IV. Premium Payment Schedule**

The retiree's share of the cost of benefits (including payment for a family member) is payable annually, semi-annually, or quarterly as elected by the retiree at retirement. Failure to pay such premiums on a timely basis will result in loss of coverage and elimination of the District's future contributions. Subject to an eligible employee having timely paid his/her share of the premium payment, the District's share will be made for the employee and family member, if applicable.

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**V. Restrictions**

Employees, who take other employment where health benefits are available at the employer's expense, or through another group benefit, including a spouse's coverage, shall not be eligible for this benefit. The District has a right to request proof of non-eligibility of other employer's insurance benefits.

The benefit will not extend beyond an employee's entitlement to Medicare or beyond seven years whichever occurs first.

This retirement benefit will not be available to anyone who retires or otherwise resigns service prior to the full completion of the academic year without approval of the Board.

**VI. Implementation Timeline**

Any employee who desires to retire at the end of the academic year and who submits a retirement letter by the last day of January, and meets the above conditions, shall be eligible for this retirement benefit.

**VII. Right to Amend**

The Board retains the exclusive right to review this policy annually and may amend, alter, or terminate the policy at its discretion for future availability.

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