

LICENSED EMPLOYEE VOLUNTARY EARLY RETIREMENT

It is the intention of the Cherokee Community School District to provide a supplemental benefit as a consequence of early retirement, which can be elected by an employee after that employee's 55th birthday. July 1st of the retirement year will be used to determine age.

It is the expressed intent of the board of directors to not create any age discrimination in this policy, but rather to reward years of service by the employees of this district.

Eligibility Requirements:

For benefits to be payable the employee must:

1. Be a teacher or administrator with a certificate in good standing with the State of Iowa.
2. Have completed at least 15 years of service to the Cherokee Community School District.
3. Years of service shall include only those years in which an employee held a contract to teach under Schedule A or an administrator's contract.
4. The last 10 years of service must be continuous employment.
5. The person must be currently under contract with the district and not received a notice of staff reduction or notice of termination prior to submitting the request for acceptance of resignation.
6. The person may not be on an extended unpaid leave of absence at the time of submission of the request for acceptance of resignation and election to receive the benefits of early retirement.
7. The retirement of an eligible employee cannot become effective before the employee's last contracted day.

Application Requirements:

1. An otherwise eligible teacher/administrator wishing to apply must submit the attached application to the Superintendent with a letter of resignation on or before January 15th of the school year in which the employee intends to retire.
2. Comply with the procedures required by the board of directors and the law.
3. If the board of directors rejects the application for early retirement benefits, the request for acceptance of the resignation shall be considered null and void.

Retirement incentive:

Persons approved for an early retirement shall receive a cash benefit equal to the difference between contracted salary (Schedules A and B), minus the Schedule A, Lane I base. In addition, for the equivalent of each year of full-time service to this district over the 15 qualifying years, the employee shall receive an additional 1% of the total benefit described in the previous sentence. Total cash benefit cannot exceed \$20,000. Benefits for part-time employees shall be pro rated as determined by the average of full-time equivalence of the last ten years of employment. The district shall provide options for payment of the cash benefit.

The district shall offer early retirees single health insurance through the last day of the month prior to the retiree's 65th birthday and shall contribute toward the premium cost of this individual health insurance, under the following provisions: The amount the district pays toward individual health insurance shall be equal to the least expensive option offered to employees in the fiscal year in which the employee applies for early retirement, or \$3,945 per year, whichever is lower. The annual insurance benefit shall be prorated for any partial year(s) of eligibility.

It is the intent of the Board to provide individual health insurance to early retirees; however, nothing herein shall limit the district's ability to change the terms of its existing health and major medical insurance coverage.

Administrators are eligible for this program. Administrators' cash benefits will be equal to their total contract salary minus the Schedule A, Lane I base. Benefits for administrators are subject to the same limitations and provisions as teachers.

Early retirement benefits shall not be considered vested so as to pass to survivors in the event of death.

The board shall review this policy annually and reserves the right to make changes to the policy at any time. Although it is the intent of the board to maintain an early retirement incentive, it has discretion to offer or not offer an early retirement program for licensed employees.

Approved 11/19/2007 Reviewed 11/17/2009 Revised 11/5/07