

## EARLY RETIREMENT POLICY

An early retirement/severance pay system is established to reward teachers for their service in years in the District and for their faithfulness to the task.

Years of Continuous Service	% of Employee's annual salary paid
11-15	50%
16-20	75%
21+	100%

It shall be the option of the School Board to pay the severance over a three (3) year period or to pay a lump sum not to exceed \$10,000 per year.

### *A. Eligibility*

1. Any teacher who is in or beyond his/her twelfth year of continuous employment in the Montrose School District 43-2 prior to entering the retirement plan and who has attained the minimum age of fifty-five (55) years is under the maximum age of sixty (60) years on or before May 1 of any school year is eligible to apply of this benefit.
2. A teacher may have a one-year board approved leave of absence. That year will not count for years of service, but the years of continuous service do not need to start back at zero. If a second leave of absence is taken, it will then go back to zero for the early retirement policy eligibility.

### *B. Application*

1. A written application to enter the early retirement program and letter of resignation effective at the end of the school year, subject to the Board's approval of the early retirement benefit, must be submitted to the Superintendent's office by the close of business on January 31. The Board may take a major life-altering event (death or sickness of a spouse, parent, etc.) into consideration for a later early retirement application. An application cannot be withdrawn after being approved by the School Board. Early retirement must coincide with the end of the school term.
2. Staff members who notify the superintendent prior to January 1 will have their benefits increased by 5 %. The Board will act upon the request and notify the applicant with in (30) days of that date. The payments still cannot exceed \$10,000 per year.
3. Staff members who notify the superintendent February 1 through February 28 will have their entire benefits reduced by 2 %.

4. The first payments will be made August 1 from the time the employee notifies the superintendent, in writing, of his/her intention to elect retirement.
5. At any given time no more than 3-benefit terms may be paid under the arranged terms.
6. A limit of two eligible employees can retire in a given year. The teachers having seniority (defined as most continuous years of service) within the district may retire first. Chronological age of the teacher will be the tiebreaker for eligibility. If ineligible, they may participate in the following year.
7. The funding for this policy will take effect immediately, with compensation commencing in the 2007-2008 school year.

### *C. Insurance*

A teacher who elects retirement may remain in the medical insurance group, dental insurance group, life insurance group, and any other insurance program the district is involved in, but will assume the entire payment of the insurance premium until age 65 or leaves the group.

### *D. Death Benefit*

Should the employee, who elects to receive the benefits contained herein, dies before receiving all such benefits, the school districts shall pay the full amount of the undistributed benefits to the deceased employee's estate within ninety (90) days of death or when fiscally possible.

E. No employee who has retired, received early retirement benefits pursuant to this policy, is eligible to receive or has received SDRS retirement benefits, and been rehired by the District, shall be subsequently eligible for the district's early retirement benefit.

Adopted: October 10, 2005

Amended: May 8, 2006

Amended: May 14, 2007

Amended: June 9, 2008

Montrose School District Early Retirement Application

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Age: \_\_\_\_\_ (must be 55-60 on March 1 of any school year)

Date hired by the District: \_\_\_\_\_

Total number of years teaching with the District: \_\_\_\_\_

\_\_\_\_\_

Positions and dates held in the District: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Was there any interruption in your employment with the District such as by an approved leave of absence, retirement, or any other reason? If so, when? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

What is Your Current Salary? \_\_\_\_\_

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_

Superintendent's Signature acknowledging receipt of application

\_\_\_\_\_ Date \_\_\_\_\_