

LICENSED EMPLOYEE VOLUNTARY EARLY RETIREMENT BENEFIT

The Board of Education will offer an early retirement benefit to teachers/administrators who will be 55 years of age or older prior to the first day of workshop for the next school year.

The teacher/administrator who accepts early retirement under this offer will be a retired teacher/administrator employee of the Humboldt Community School District and entitled to all rights and privileges of such a retiree under the applicable laws and policies of the District.

The full-time teacher/administrator who accepts this early retirement offer will receive benefits distributed after July 1 in the year of retirement. Part-time employees will be eligible on a pro-rata basis, **based upon their full-time equivalency** in their last year of employment. The effective date for this early retirement will be at the conclusion of the school year. If the employee's 55th birth date is after June, early retirement benefits will be distributed the month following his/her birth date.

I. Eligibility for early retirement benefit:

- A. Available to those who have reached the age of 55 and retire prior to the first day of workshop for the next school year.
- B. And have submitted an application for the early retirement program on or before December 20th. Applications submitted after December 20th will be considered on an individual basis.
- C. And have submitted a written resignation for their existing contract. The resignation will be contingent upon approval by the Board of Education of the individual's participation in the voluntary early retirement program. Employees with birth dates after the end of the school year, your resignation date will be the day after your 55th birthday.
- D. The application for early retirement benefits and the resignation must be approved by the Board of Education prior to distribution of benefits.

II. Voluntary early retirement benefit:

- A. The District will pay a retiree with at least ten (10) years of service to the District \$125 for teachers and \$225 for administrators for each unused sick day up to 120 days maximum at the conclusion of their contract. The benefit can be paid up to and not exceed \$15,000 for teachers and \$27,000 for administrators each year for a total of 3 years.

Retirees who turn 55 after June 30 will receive the sum benefit of the total benefit package in the month following their birth of the calendar year.

Approved 11-18-24 Revised 10-21-24

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B. The district shall contribute the lump sum amount of the employee's retirement compensation directly in an account for the employee under the District's Employer Sponsored 403(b) Special Pay Deferral Plan, as a non-elective employer contribution, within 60 days of the employee's retirement effective date; provided, however, that the amount of such contribution shall not exceed the applicable limitations under section 403(b) and other applicable provisions of the Internal Revenue Code of 1986, as amended.

C. All payments are subject to any applicable taxes, e.g. Social Security and/or federal/state income tax withholdings.

D. No interest will accrue on any monies to be paid under this policy.

III. Insurance

As provided by Iowa Code Section 509A.13, an eligible employee who participates in the early retirement program and who participated as of June 30th, in the District's group health insurance plan, may continue to participate in the District's group plan, at the employee's expense, to the extent consistent with state law. Continued participation will require the employee to submit payments for his/her monthly premiums in advance to the District according to District requirements. The employee may only continue to participate as long as it is allowed by the 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).

IV. Beneficiary

In the event of the death of the employee prior to payment of the basic benefit and after acceptance of application for early retirement, payment of the basic benefit shall be made to a designated beneficiary; or, if no beneficiary is named, payment will be made to the estate of the employee. In the event of the death of the employee prior to payment of the entire basic benefit, the remaining sum will be paid as one lump sum to the estate or the beneficiary as designated.

V. The Board or its designees shall be the sole, exclusive and final interpreter of all issues of eligibility or benefit calculation under this policy. The Board has discretion to approve or disapprove any and all applications for early retirement benefits or limit the number of applications to be approved. Failure of the Board to approve an application and/or resignation shall make the employee's contract(s) with the District continue in full force and effect unless the employee otherwise resigns or is terminated.

VI. The Board has the complete discretion to amend or repeal this policy at any time with or without notice.

VII. Should any portion of this policy be in conflict with state or federal laws or regulations, that portion of the policy shall be invalid and all other portions shall 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.