

Policy 3124

Certificated: Retirement

A. State Retirement System

1. All employees in the Box Elder School District who qualify will be members of and covered by the provisions of the Utah State Retirement System.

B. Post Retirement Employment

1. Once retired, educators may be rehired in the Box Elder School District on a temporary basis with the approval of the Board and in compliance with provisions of the Utah State Retirement System.

C. School District Retirement/Sick Leave Incentive Benefit

1. Eligibility

- a. Employees will be eligible for the Sick Leave Incentive Buy-Out when they qualify for and accept State Retirement benefits. In case of a death, qualifying employee's Sick Leave Incentive Buy-Out will be paid to a surviving beneficiary.
- b. Employees will be eligible for the Retirement Bonus when they qualify for and accept State Retirement benefits.

2. Sick Leave Incentive Buy-Out

- a. Qualifying employees will receive upon termination from the District a Sick Leave Buy-Out computed at the rate of 2% per year times the number of years' experience in Box Elder School District, plus 1% per year for each year of experience granted by the District upon employment, to a maximum of 60%.
- b. This percentage will be applied to the number of unused sick leave days and unused personal leave days accumulated by the educator and based on his/her daily contracted salary of the completed school year immediately preceding retirement.

- c. One year of qualifying service is based on the regular educator's contract. Less than full time contracts will be prorated.

3. Payment

- a. Any sick leave incentive buy-out paid in excess of \$1,500.00 and up to the maximum allowable will need to be run through Utah Retirement System (URS) 401k. If the URS 401k amount reaches the maximum allowable the balance will be deposited in a 403b account. This will save the employee the federal and state taxes on the sum of money that is deferred. Federal and State taxes will have to be paid when the money is withdrawn. It also saves the employee and the school district the Social Security Tax on the deferred amount. This deferral can be left with URS and be invested or can be withdrawn by the employee right after it is deposited.
- b. Employees who sign a retirement agreement prior to their actual retirement date, up to 12 months, may have a portion of their estimated Sick Leave Incentive buy-out paid out in the proceeding calendar year prior to retirement.
- c. An employee who has an excess of 200 days of accumulated sick leave, may request payment annually for up to 10 days of those days in excess of 200. Application for payment must be received in the District Office by October 15th and payment will be made at the end of November payroll. These days will be paid at the teacher's previous year daily rate. The percentage is based on the years of service on June 30th of the previous working year and experience granted, at the rate of 2% per year times the number of years' experience in Box Elder School District, plus 1% per year for each year of experience granted by the District upon employment, to a maximum of 60%.

4. Retirement Bonus

a. Early Notification

- 1) Any certificated employee who signs District retirement paperwork by December 15th will receive a \$300 bonus. Any certificated employee who signs their District retirement paperwork by February 1st will receive \$200.00. These amounts will be added to the employee's District retirement and sick leave buy out and deposited into the employees URS 401k.
- b. Employees who qualify for School District Retirement as defined in C.1. above and retire after July 1, 2011 will receive, upon retirement, a retirement bonus generated at .30 per year of full-time contracted employment in the

- district, times the base value. The maximum amount will not exceed nine times the base value. The base value is set at \$2,861. The base value will be adjusted each year according to the change in the Consumer Price Index, Annual average for All items, U.S. city average, calculated for the previous calendar year.
- c. The retirement bonus will be run through Utah Retirement System (URS) 401k. IF the URS 401k amount reaches the maximum allowable the balance will be deposited in a 403b account. This will save the employee the federal and state taxes on the sum of the money that is deferred. Federal and State taxes will have to be paid when the money is withdrawn. It also saves the employee and the school district the Social Security Tax on the deferred amount. This deferral can be left with URS and be invested or can be withdrawn by the employee right after it is deposited.
 - d. **Employees may also elect to have a portion of their retirement bonus deposited into a District-offered medical trust account.**
 - e. Employees who sign a retirement agreement prior to their actual retirement date, up to four years, may have a portion of their estimated Retirement Bonus paid annually for up to four years prior to retirement.
 - 1) Retirees may participate in the District offered health and accident insurance program by paying the active employee rate charged to the District by the insurance carrier. To be eligible to participate as a retiree, the retiree must have fully participated in the District's health and accident insurance program for the five years immediately preceding retirement.