

MEMORANDUM OF UNDERSTANDING
BETWEEN
ISD 2687
AND
Education Minnesota HLWW

Subject: Early Retirement Incentive Program (ERIP)

This Memorandum of Understanding (“MOU”) is entered into by and between **ISD 2687** (“District”) and **Education Minnesota HLWW** (“Association”) to establish a one-time Early Retirement Incentive Program for eligible teachers, consistent with Minnesota law. This incentive is in addition to any and all other retirement benefits available to employees under the master agreement.

1. Purpose

This MOU is intended to provide a voluntary early retirement incentive to eligible teachers while supporting workforce planning and fiscal responsibility.

2. Eligibility

To be eligible, a teacher must meet **all** of the following requirements:

- Be at least **fifty-five (55) years of age**;
- Have completed at least **ten (10) consecutive years of service** with the District;
- Be eligible to retire under the **Minnesota Teachers Retirement Association (TRA)** pursuant to **Minn. Stat. § 354**, as applicable;
- Be actively employed and in good standing at the time of application;
- Submit a written and irrevocable notice of intent to retire by the deadline stated herein.

3. Incentive Benefit

Each eligible teacher who retires under this MOU shall receive:

A **one-time lump sum contribution of Ten Thousand Dollars (\$10,000)** to a District-established **Health Reimbursement Arrangement (HRA)**, consistent with **Internal Revenue Code § 105** and applicable IRS guidance.

HRA Terms:

- The amount shall be deposited into the retiree's HRA account within **sixty (60) days** following the employee's final day of employment.
- Use of funds shall comply with IRS requirements, including eligibility for medical expense reimbursement only.
- No cash payment shall be made directly to the retiree.
- Funds have no cash value and are not transferable.
- Unused balances shall be governed by the District's HRA plan document.

4. Application Deadline and Retirement Date

Eligible teachers must submit written notice of participation by **March 1** of the applicable year.

This program is available **only** for teachers who retire at the conclusion of:

- The **2025–26 school year**, or
- The **2026–27 school year**.

Retirement shall occur at the end of the teacher's contract year unless otherwise approved by the Superintendent or designee.

5. Effect on Salary and Retirement Benefits

Consistent with **Minn. Stat. §§ 353 and 354**, the incentive:

- Shall not be considered salary or compensation;
- Shall not be reported as pensionable earnings;
- Shall not increase retirement annuities;
- Does not constitute severance under any other provision of law unless specifically stated herein.

6. Reemployment Limitation

Participants in the program agree not to seek reemployment with the District in a teaching capacity for **two (2) years** after retirement unless approved in writing by the Superintendent or designee.

If this provision is violated, the District reserves the right to seek reimbursement of the District's contribution.

7. Responsibility for Retirement Filings

Employees are responsible for compliance with applicable filing and retirement procedures under TRA as required by **Minn. Stat. §§ 353**.

The District encourages participants to seek independent professional financial or legal advice.

8. Non-Precedent Clause

This MOU is a one-time agreement authorized by Minnesota law and shall not constitute a binding practice for future negotiations under the **Public Employment Labor Relations Act (PELRA), Minn. Stat. § 179A**.

9. Term and Board Approval

This MOU is subject to approval by the School Board as required by **Minn. Stat. § 123B.02** and shall expire after all obligations have been satisfied.

10. Entire Agreement

This MOU constitutes the entire understanding between the parties concerning the ERIP.

SIGNATURES

For the District:

Name: _____

Title: _____

Date: _____

For the Association:

Name: _____

Title: _____

Date: _____