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Retirement
Policy Series: 5000 Personnel **Policy No. 5510**

Purpose

This policy provides for the fair and lawful administration of employee retirement, retirement benefits, and retirement service credit in accordance with federal law, Utah law, and District policy.

Retirement

The Provo City School District Board of Education directs the superintendent to develop policy for the implementation of issuing and terminating post-retirement benefits to qualifying employees. As an equal opportunity employer, the district will comply with the Age Discrimination in Employment Amendments of 1986 (P.L. No. 99-592). An employee's age shall not be a factor in determining separation from employment.

The Board shall not require the retirement of any employee on the basis of age except pursuant to a valid District retirement program.

Provo City School District (PCSD) participates in the Utah Public Employees' Retirement System. Eligibility for participation and benefits is determined by Utah Retirement System (URS) guidelines implemented pursuant to the Utah State Retirement and Insurance Benefit Act, Utah Code Ann., Title 49 (the Act). The district will allow all employees who qualify to participate in the Utah Retirement System to purchase years of service credit based on criteria outlined in this policy and according to Utah Code 49.11 Section 4-3-410.

Social Security

Every District employee is also covered by the Federal Social Security System to the extent provided for by law.

The district will make contributions to these retirement systems on the behalf of qualifying staff according to law and will make payroll deductions from staff wages and salaries for the staff contributions to these programs as required by law.

41 **Notification of Intent to Retire**

42 An employee must give notice of intent to retire in writing at least thirty (30) calendar days
43 before the effective retirement date to the Human Resources Department to facilitate time to
44 hire a replacement for the position being vacated. Employees will be asked to complete the
45 Voluntary Retirement Acknowledgment, General Release and Waiver Agreement.

46

47 **Benefits**

48 The payroll coordinator, or his/her designee, shall provide assistance to retiring district
49 employees with their District retirement benefits. The following benefits are applicable to
50 employee groups as outlined in their negotiated agreements upon separation from the district in
51 good standing:

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53 The district will provide a payout of a portion of the qualifying employees sick leave balance
54 based upon years of service as per Procedure 5400 P3:

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- 56 • 0 – 11 years, 11 months and 31 days 0 days, does not qualify
- 57 • 12 -18 years 1 day for every 10 days in sick bank
- 58 • 19-25 years 1 day for every 8 days in sick bank
- 59 • 26 + years 1 day for every 6 days in sick bank

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61 Vacation is a benefit that is earned by eligible employees for each month worked. Contracted
62 employees who work 240 days or more, accrue vacation. Any unused balance, not to exceed 20
63 days unless negotiated otherwise by the association related to the employee classification, shall
64 be paid upon employee-initiated release of employment. There is no vacation payout for a
65 district-initiated release of employment.

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67 Through negotiated agreement, Provo City School District offers two post-employment benefit
68 plans:

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- 70 • Grandfathered Plan for those employees (termed “grandfathered”) who on or before
71 9/1/07 have 20 or more years of full-time contracted service with the district as
72 determined by the Utah State Retirement System Guidelines; and
- 73 • Pro-Rated Retirement Plan for those employees who on or before 9/1/07 have less than
74 20 years of full-time contracted service with the district as determined by the Utah State
75 Retirement System.

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76 Details regarding the administration of the OPEB plans can be found in the Regulations for
77 Post-Employment Benefits.

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79 Eligible employees who indicate in writing through the Voluntary Retirement Acknowledgment,
80 General Release and Waiver Agreement to the district Human Resources Department their
81 intent to retire, by the qualifying date indicated on the document, may receive an early
82 retirement benefit based on the district’s early retirement incentive program. This benefit is a
83 percentage of the employee’s annual income and is indicated in the notice offer based on
84 annual budget availability.

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86 **Purchasing Retirement Credit**

87 This section is intended to satisfy requirements provided for in [Utah Code 49.11 Section 4 -3-](#)
88 [410](#) for the purchase of service credit. It should be interpreted in such a fashion to satisfy the
89 requirements of said section:

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91 The district will purchase up to 95% (or such lesser amount as provided below) of the cost of the
92 early retirement credit that is available for all terminating eligible employees as further defined
93 below.

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95 To be an “eligible employee”, the employee must:

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- Satisfy the requirements of [Utah Code 49.11 Section 4 -3-410](#);
- Be an employee participating in the Utah Public Employee Noncontributory System;
- Satisfy, after the purchase of credit, the minimum retirement eligibility of said Utah system;
- Retire immediately following the purchase of the credit and agree with the district that such employee is not eligible for rehire by the district following the purchase of credits;
- Pay the percentage of the cost of the available early retirement credit which is not paid by the district.

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The percentage of the “available early retirement credit” which will be purchased by the district is the maximum amount of credit (but not more than 95%) which may be purchased for such employee pursuant to [Utah Code 49.11 Section 4 -3-410](#), but limited as not to exceed the amount of any District Retirement Benefits available to an eligible individual, including any early retirement notice incentive payments.

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This purchasing policy as provided above shall be administered in a nondiscriminatory fashion based upon the above provided participation standards.

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The district reserves the right to amend and modify this purchasing policy at any time.

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Synopsis

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- Utah State Retirement and Insurance Benefit Act
- [Retirement](#)
- [Social Security](#)
- [Retirement Benefits](#)
- [Notification of Intent to Retire](#)
- [Post-Employment Benefits](#)
- [Early Retirement Incentives](#)
- [Purchase of Retirement Service Credit](#)
- [Utah State Retirement and Insurance Benefit Act](#)

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Legal References:

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[29 U.S.C. § 623\(a\), \(f\) — Age Discrimination in Employment Act](#)

129 [Utah Code Title 49 — Utah State Retirement and Insurance Benefit Act](#)
130 [Utah Code § 49-3-410 — Purchase of Service Credit](#)
131 [Social Security Act](#)
132 [Utah Retirement Systems \(URS\) Employer Resources](#)

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134 **Board Approved:**
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DRAFT