

Adopted: 01/26/15

**ISD 704**

02/12/18 (no revisions)

**Policy 499**

02/24/20

01/11/21

## **499 SCHOOL DISTRICT MINNESOTA STATE RETIREMENT SYSTEM LEAVE CONVERSION**

### **I. PURPOSE**

The purpose of this policy is to establish parameters for leave conversion at the time of retirement from Independent School District 704. Qualified employees will convert accumulated leave into funds for health insurance/medical expenses with the Health Care Savings Plan (HCSP) administered by Minnesota State Retirement System.

### **II. GENERAL STATEMENT OF POLICY**

It is the intent of the school district to establish criteria by which non-union employees can convert their earned leave into an HCSP account administered by Minnesota State Retirement System.

### **III. DEFINITIONS**

- A. "MSRS" means Minnesota State Retirement System.
- B. "Retirement" means to leave employment with the District at a time where the employee qualifies to receive PERA benefits or TRA benefits as specified by contract.
- C. "Full time" means 1560 hours per year or more or works an average of 30 hours per week during the school year.

### **IV. QUALIFICATIONS FOR PARTICIPATION**

- A. All individual contract employees qualify to participate in this leave conversion as listed below:
  - 1. Employee must have been employed by the district full time for 10 years prior to retirement or as otherwise defined in employment contract;
  - 2. Employee must work for the district for 10 consecutive years prior to retirement (approved leaves are not considered a break in service) or as otherwise defined in employment contract;

3. Employee's request for retirement must be in conformance with School Board policy on retirement;

## **V. CONVERSION RATES**

- A. All support staff qualify to convert contractually allowed sick leave accumulation on the accepted date of retirement. These employees will be credited with an amount equal to the current hourly salary multiplied by the number of hours, and put into an HCSP account to be used by the retiree for the reimbursement of eligible medical expenses. In the event of death before the full payment of health insurance, the balance in this fund shall be paid by MSRS to the designated beneficiary. Positions included in this section are: Union bus drivers, Local 66, Transportation Supervisor, Payroll/Benefits Coordinator, Assistant to the Superintendent, and Finance Clerk.
- B. All administrative staff qualify to convert contractually allowed sick leave accumulation on the accepted date of retirement. These employees will be credited with an amount equal to the current daily salary multiplied by the number of days multiplied by 50%, and put into an HCSP account to be used by the retiree for the reimbursement of eligible medical expenses. In the event of death before the full payment of health insurance, the balance in this fund shall be paid by MSRS to the designated beneficiary. Positions included in this section are: Administrators, Superintendent of Schools, Community Education Director, Director of Curriculum and Learning, and the Director of Athletics and Sports Facilities.
- C. All teaching staff qualify to convert contractually allowed sick leave accumulation on the accepted date of retirement. These employees will be credited with the amount equal to the current daily salary multiplied by the number of days multiplied by 55%, and put into an HCSP account to be used by the retiree for the reimbursement of eligible medical expenses. In the event of death before the full payment of health insurance, the balance in this fund shall be paid by MSRS to the designated beneficiary.
- D. All technical support staff qualify to convert contractually allowed sick leave accumulation on the accepted date of retirement. These employees will be credited with an amount equal to 50%, and put into an HCSP account to be used by the retiree for the reimbursement of eligible medical expenses of the current value of unused sick leave. Any unused vacation days will be credited at 100 percent of their current value into MSRS. Positions included in this section are: Business Manager, Administrative Technology Director, Educational Technology Director, and the Coordinator of Student Information Systems.