

## EARLY RETIREMENT POLICY

Early retirement is a plan whereby an employee (as defined below) may receive insurance coverage for a predetermined period, as calculated below, if they choose to retire early. Early retirement is designed to be beneficial to both the employee and the Midway School District (District). The plan provides a positive method for dealing with declining enrollments and the resulting need to reduce staff.

Early retirement is fully voluntary, and no employee shall be required or coerced in any manner to retire early under the provision of this policy. However, all persons who desire early retirement and are eligible may make application. The Board will consider all such requests, but approval of any or all requests will depend on the availability of funds, the number of applicants, and such other factors as the Board, in its sole discretion, may deem important.

### DEFINITIONS:

- *Employee* is defined as a professional licensed staff member who is eligible for participation in the North Dakota Teachers' Fund For Retirement (TFFR).
- *Year of eligibility* is defined as the year when the employee meets the eligibility standard of the Teachers' Fund For Retirement for a normal service retirement (see NDCC 15039.1-10).

### ELIGIBILITY CRITERIA

The plan is available to employees who have met the following criteria for eligibility:

1. Any employee who has taught and/or administered for 20 years, of which the last six (6) consecutive years were in the Midway School district #128, will be entitled to continue in the district's insurance plan upon retirement from the teaching profession.
2. The employee has attained the eligibility standards of the Teachers' Fund For Retirement for a normal (unreduced) service retirement. The employee must submit written verification of the years of creditable service from the Teachers' Fund For Retirement, effective on the date of retirement from the Midway School District to document that the employee meets the eligibility standard of normal service retirement.
3. To be valid, all eligibility provisions to participate in the Early Retirement plan must be met by the conclusion of the school year when the employee becomes eligible.

The employee shall notify the District in writing of his/her intention of retiring no later than March 31 immediately prior to the year retirement begins. Upon

receipt of this letter, the superintendent will meet with the employee to prepare proper documentation.

Employees who elect to avail themselves of this policy are personally responsible for determining what effect early retirement will have on their coverage under the Teachers' Fund For Retirement, Social Security, and any other programs for which they may be eligible.

A properly completed application and subsequent approval by the Board of an early retirement request shall constitute a legally binding resignation and a waiver of the employee's continuing contract and nonrenewal rights.

An employee who takes a teaching/administrative position in any other school district during the time covered by this agreement forfeits all benefits provided by this policy.

#### **EARLY RETIREMENT BENEFIT PLAN**

An employee who meets the above stated criteria will be eligible for coverage on the Midway School District's health insurance plan on the same basis as an employed teacher according to the following schedule:

- 4 years of coverage if the employee retires at the beginning of the first year of eligibility according to the Teachers' Fund For Retirement standards for a normal (unreduced) service retirement.
- 4 years of coverage if the employee retires at the beginning of the second year of eligibility according to the Teachers' Fund For Retirement standards for a normal (unreduced) service retirement.
- One year of coverage will be reduced for each year after the second year of eligibility according to the standards of the Teachers' Fund For Retirement for a normal (unreduced) service retirement. Under any circumstance, this benefit will expire after the 5<sup>th</sup> year after the employee becomes eligible for retirement.