

## **2020-2021 Voluntary Early Retirement Plan**

The Fairfield Community School District Board of Directors is offering a one-time, supplemental benefit of early retirement for those employees who meet the eligibility and application requirements. The program provides an incentive that will be of mutual benefit to the District and employees. The benefit to the District will be cost savings in the general fund and the benefit to employees will be cash incentive and single health insurance until age 65 to aid in the transition to retirement. Participation in this program is voluntary. **This plan is for the year ending June 30, 2021 only. There is no guarantee that this program, or any early retirement program, will be offered in future years.**

### **Eligibility Requirements:**

The Board of Directors hereby extends an offer of early retirement benefits to all full-time, regular employees who meet all of the following requirements: at least 55 years of age on or before June 30, 2021 and currently have at least 10 years of continuous service with the district.

### **Application Requirements:**

An employee who wants to receive early retirement benefits must complete and turn in an application to the A.C.T. office (See Policy 401.15R1). Approval by the Board of Directors of the employee's application for early retirement benefits constitutes voluntary resignation from all employment with the district provided they finish out their contract and are not scheduled for layoff or have received an official notice of layoff/termination.

### **Resignation Date for Year-Round Employees:**

In an effort to ease the transition of certain key support personnel, a 12-month employee may request and qualify for this early retirement incentive with the understanding that his/her retirement date may be delayed to a date mutually beneficial to the District and the retiring employee. However, the final date of separation will be within a six-week period following June 30, 2021.

### **Benefit Computation:**

An employee who participates in this early retirement program will receive 20%-40% of his/her base salary in the final year of employment (See chart below). The benefit will be calculated on regular contract, base salary only; not including any stipend, TLC contract, extra-curricular, co-curricular, or over-time pay. For purposes of calculating the years of service, employment must be continuous, regular, and based on 30 hours or more per week. Absence due to reductions in force or due to approved leaves will not constitute a voluntary interruption in service, unless the absence or leave exceeds six (6) consecutive months in length. However, the period of time during which an employee is absent due to a reduction in force or due to an approved leave will not be counted for purposes of determining the minimum length of service required to establish eligibility.

Approved: Jan 19, 2015, Dec 21, 2015, Dec. 14, 2020

Reviewed: Dec 22, 2014, Oct 26, 2015, Dec 09, 2020

Revised: Dec 22, 2014, Dec. 09, 2020

% of

Continuous years of internal service	base salary
10-14	20%
15-19	25%
20-24	30%
25-29	35%
>30	40%

### **Benefit Payment**

Payment to employees of early retirement funds shall be made in two payments over a two-year period with the first payment made approximately on September 25th of the year of retirement. The second payment will be made one year later. All cash distributions will be made into the District's Special Pay Deferral Plan. (If a 12-month employee delays the date of retirement, his/her first benefit payment will be made approximately 60 days after his/her final date of employment.)

In the event of the death of the employee prior to the full payment of the designated amount, payment shall be made to a designated beneficiary, or in the event no beneficiary is named, payment will be made to the estate of the employee. In the event of the death of the employee, the entire sum remaining to be paid to the beneficiary or estate will be paid in one lump sum.

### **Program Timeline**

Completed applications for early retirement must be received in the office of the Superintendent by Noon, February 01, 2021. Applications will be accepted via email to: [christine.willmon@fairfieldsfuture.org](mailto:christine.willmon@fairfieldsfuture.org) or in person. Any eligible employee who has not committed their participation in the program by Noon on February 01, 2021, will forever lose their opportunity to participate in this Early Retirement Program.

### **Benefit Payments Limit**

The Board will limit the total early retirement benefits paid under this program to a total of \$2,000,000. If it will be necessary to limit the number of approved applications, the Board will use a process based on seniority in Fairfield and the most senior employee(s) will be granted early retirement benefits.

### **Status of Participants**

An employee who elects to participate in this early retirement program and whose application for early retirement is approved will become a retired employee and will be entitled to all rights and privileges of an employee under applicable law and policies of the Fairfield Community School District. An employee who elects to participate in this early retirement program and whose application for early retirement is approved shall not be eligible to be rehired in any capacity with the Fairfield Community School District nor shall the District be required to accept an application for employment from an employee who elects to participate in this early retirement program; however, that, at the sole discretion of the Board of Directors, the District may employ an employee who elects to participate in this early retirement program as a temporary substitute employee.

### **Additional Provisions and Conditions:**

All eligible employees who elect early retirement will receive single health insurance. The health insurance coverage available under this plan shall be the group coverage offered to the staff and may be altered from time to time. All employees who elect early retirement may purchase health insurance by paying the entire premium for family coverage until the maximum age permitted by

the policy. In accordance with Iowa Code 509A.13, employees are eligible to participate until age 65. Employees paying for family insurance must arrange a payment schedule with the District's Business Office one month prior to the start of coverage. Failure to meet the arranged payment schedule shall result in the loss of family insurance coverage.

**Right to Waive Requirements:**

The Board reserves the right to waive any requirement or condition of this policy at its discretion and at any time. Any decision by the Board to waive a requirement or condition which is a part of this policy shall not establish any precedent with regard to any other request for a waiver.

**Termination:**

This plan shall terminate on June 30, 2021. Notwithstanding the termination of this plan, employees who are granted benefits pursuant to this plan will continue to receive such benefits as set forth herein.

**No Vesting/Right to Amend or Revoke:**

The adoption of this Early Retirement Plan shall not vest any right in any employee whether or not the employee is currently eligible for early retirement. The Board shall have the complete discretion to amend or repeal this plan or any provisions thereof at any time with or without notice and shall not be obligated to provide any benefits to any employee after the date of such amendment or repeal, except to those employees whose early retirement pursuant to this plan has commenced prior to amendment or repeal.

**Conflict/Severability:**

Should any portion of this policy be in conflict with state or federal rules, regulations or laws, that portion of the policy shall be invalid, and all other portions remain in full force and effect. Any decision by the Board to waive a requirement or condition which is part of this policy shall not establish any precedent with regard to future requests for a waiver.

**Plan Interpretation:**

The Board is the final arbiter of all questions of interpretation under this plan, including but not limited to, questions of eligibility or benefit calculations.

**An employee contemplating participation in this early retirement program should seek the advice of a financial planner and/or an attorney.**