

May 2019

ADMINISTRATIVE MEMORANDUM NUMBER SEVENTY-EIGHT
EARLY RETIREMENT INCENTIVE PROGRAM FOR
CLASSIFIED AND SECRETARIAL EMPLOYEES

1. Early Retirement Incentive Program

The district provides a two-part early-retirement incentive program for contract Classified and Secretarial employees who retire:

- a. District Retirement Benefit – provided to all contract Classified and Secretarial employees who retire under the provisions of the Utah State Retirement Act and receive retirement payments from the state retirement system.
- b. Continued participation in the district’s group medical and basic life insurance programs – provided to contract Classified and Secretarial employees who retire under the provisions of the Utah State Retirement Act, receive retirement payments from the state retirement system and have at least 10 years of contract service in Granite School District.

The right to participate in this program is subject to the additional eligibility requirements discussed below and vests only upon the conclusion of retirement procedures and acceptance by the state retirement system.

2. Eligibility is restricted to those contract classified and secretarial employees with a minimum of ten years of contract service in the Granite School District who retire immediately and receive benefits under the provisions of the Utah Retirement System.
3. The following employees are not eligible for participation in the early retirement program:

Any employee who has received a current (within the existing contract year) written notice of suspension, termination, or non-renewal of contract.
4. Contract Classified and Secretarial Employees must apply for the Early Retirement Benefit by submitting the approved Human Resources forms to the Associate Director of Human Resources over retirement at least ten (10) or more working days prior to the date of retirement.
5. District Retirement Benefit

Contract Classified and Secretarial employees retiring under the provisions of this memorandum shall also receive the District Retirement Benefit which will be deposited into a 403(b) Special Pay Plan. The District Retirement Benefit is a one-time stipend equal to one-half of one percent (0.005) of the base contract salary (including longevity) at the time of retirement times the number of contract years of service in the district. This one-time stipend will be deposited into a 403(b) Special Pay Plan for

the retiree within 30 days of the last contract paycheck date. Stipends for individuals who retire within three months after the start of a new contract year will be based on the contract base salary from the prior year.

6. Continued Participation in the District's Group Medical and Basic Life Insurance Programs

Employees who retire early under this incentive program will continue to be enrolled in the district's group medical insurance program for five consecutive years following the last date of contractual insurance coverage or until eligible for Medicare, whichever occurs first, and in the district-sponsored life insurance program for five consecutive years following the last date of contractual insurance coverage or until eligible for full Social Security benefits, whichever occurs first. Life insurance and medical benefits will be paid according to the life insurance or medical policies in effect at the time expenses or death occur. The amount of life insurance coverage will be based on the retiree's contract base salary during his/her final year of contract service up to a maximum amount of \$100,000. Any ongoing changes in premium or benefits affecting regular contract employees will also apply to retirees. Medical coverage includes the retiree's previously enrolled eligible spouse and dependents.

Medical coverage ends:

- a. For the retiree and dependents when the retiree becomes ineligible according to the guidelines of this policy.
- b. For the retiree's spouse who becomes eligible for Medicare.
- c. For any dependent when he/she is no longer eligible under the medical plan guidelines (see medical plan booklet for details).
- d. When the required contribution for continuation of coverage is not paid within the designated annual timeframe. This includes possible retroactive termination of coverage.

After the district has maintained such insurance coverage for the five consecutive years following the employee's last date of contractual insurance coverage or until Medicare eligibility, the retired employee and eligible dependents may elect to continue coverage by seeking an individual plan which may be offered by the district's insurance carrier and by paying the required premiums. (Continuation of coverage under COBRA may also be available for employees and/or dependents who have coverage under one of the Granite School District insurance plans and are eligible by COBRA guidelines. Please contact the Benefits Office for details.)

7. Membership and benefits under the Granite Employee Welfare Association cease on the last date of contract employment (termination date).
8. Information regarding the specifics of purchasing early retirement credit may be found in Board Policy IX.A.1.q.
9. Benefits of this early retirement incentive program provided by the district are independent of the Utah State Retirement System.
10. All district retirement incentive benefits cease on the death of the retired employee, including any upcoming payments.

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Dr. Martin W. Bates
Superintendent