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ADMINISTRATIVE MEMORANDUM NUMBER SEVENTY-FOUR
EARLY RETIREMENT INCENTIVE PROGRAM FOR
ADMINISTRATORS AND MIDDLE MANAGERS

1. Early Retirement Incentive Program

The district provides a three-part early – retirement incentive program for Administrators and Middle Managers who retire:

- a. District Retirement Benefit – provided to all administrators and middle managers who retire under the provisions of the Utah State Retirement Act and receive retirement payments from the state retirement system.
- b. Early Retirement Stipends – provided to administrators and middle managers 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.
- c. Continued participation in the district's group medical and basic life insurance programs – provided to administrators and middle managers 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 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. In order to be eligible for participation in the Early Retirement Incentive Program, administrators and middle managers must submit the approved Human Resources forms, including a retirement date, to the Associate Director of Human Resources over retirement no later than the following dates:

Administrators

- a. December 15, if the anticipated retirement date is between June 30 and July 31.

- b. At least sixty (60) calendar days before the anticipated retirement date if that date is other than between June 30 and July 31. Approval must be granted by the Superintendent's office on a restricted basis.

Middle Managers

At least ninety (90) calendar days before the anticipated retirement date.

5. District Retirement Benefit

Administrators and Middle Managers retiring under the provision of this memorandum will receive the District Retirement Benefit – a one-time stipend equal to one-half of one percent (0.005) of the final contract base salary (including longevity), times the number of years of service in the district in a contract position. This one-time stipend will be deposited into a 403(b) Special Pay Plan within 30 days of the last paycheck date. Stipends for individuals who retire within three months after the start of a new contract year will be based on the base contract salary from the previous year.

6. Early Retirement Stipends

Any eligible regular contract administrator or middle manager who retires under the provisions of this memorandum, will be given 12% of their final base contract salary or \$5,667, whichever is greater, each year for five consecutive years or until eligible for full Social Security benefits (by July 1 of that year), whichever occurs first. Early retirement stipends will cease upon the death of the retiree. The payments will be deposited into a 403(b) Special Pay Plan beginning the first September 15 following the last date of contract employment (termination date) and each September 15 thereafter, until the payments are completed as described above.

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

7. 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 occurs. The amount of life insurance coverage will be based on the retiree's base contract salary (including longevity) 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 memorandum.
- 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.)

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

/s/

Dr. Martin W. Bates
Superintendent