

February 2017

**ADMINISTRATIVE MEMORANDUM NUMBER FIFTY-SIX**  
**EARLY RETIREMENT INCENTIVE PROGRAM FOR TEACHERS**

1. Early Retirement Incentive Program

The district provides a three-part early –retirement incentive program for teachers who retire:

- a. District Retirement Benefit – provided to all teachers 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 teachers 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 teachers 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 teacher who has received a current (within the existing contract year) written notice of suspension, termination, or non-renewal of contract in accordance with Article 19 of the Professional Agreement.
4. Teachers wishing to participate in the early retirement incentive program shall apply through a written request submitted to the director of Human Resources no later than:
  - a. March 1 to retire at the end of the school year
  - b. October 1 to retire at the end of the first semester in January

Retirement other than at the end of the school year or at the end of the first semester in January is strongly discouraged. Applications for participation in the program with desired retirement dates other than those listed above must be made in writing to the Superintendent with a request for an exception to this memorandum.

## 5. District Retirement Benefit

Teachers retiring under the provision of this memorandum receive the District Retirement Benefit – a one-time stipend equal to one-half of one percent (0.005) of the final contract base salary, 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 contract base salary from the prior year.

## 6. Early Retirement Stipends

Any eligible regular contract teacher who retires under the provisions of this memorandum, will be given 12% of their final base contract salary 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 contract base salary from the prior year.

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

Teachers who retire early under this incentive program may continue to enroll in the district's group medical program for five consecutive years following the last date of contractual insurance coverage or until they are eligible for Medicare, whichever occurs first. Teachers may participate 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 and 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 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 under 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).
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