Policy No. 4253

Retirement Incentives & Eligibility

Statement of Policy

To accommodate certificated educators who elect to retire early and to comply with the requirements of the Age Discrimination in Employment Act, the following policy has been adopted.

Definitions

1. "Salary Schedule Base" means the salary amount of the "Teacher Salary Schedule" Lane 1 Step 1.

2. "Educator's base contract amount" means the current lane and step on TCH A (for elementary educators) and TCH B (for secondary educators) for eight (8) hour contracts.

1. RETIREMENT INCENTIVES & ELIGIBILITY

1.1. A certificated educator of the ~~Alpine~~ Aspen Peaks School District shall receive this benefit if he/she:

1.1.1. submits the online form to Human Resources by February 1st of the employee's last completed contract year, (In the event the Utah State Legislature makes substantial changes to service requirements or the amount of benefit for full retirement under the Utah State Retirement System, the deadline will be extended to April 1st.)

1.1.2. is employed by the District as a certificated educator for the required time period immediately preceding retirement,

1.1.3. retires at the end of a contract (for extenuating circumstances the Superintendent or designee may allow an educator to retire prior to the end of a contract year and receive this benefit),

1.1.4. agrees to, if requested by the District, substantiate the unreduced old age insurance benefits (Social Security) and

1.1.5. meets one (1) of the following criteria:

2. STIPEND ELIGIBILITY

2.1. Has completed immediately preceding retirement, a minimum of fifteen (15) current, consecutive, full-time years with ~~Alpine~~ Aspen Peaks School District (and/or its predecessor, Alpine School District) to qualify for a stipend, and is or will be, during the contract year of retirement at least sixty (60) years of age, or

2.2. Has completed immediately preceding retirement, a minimum of fifteen (15) current, consecutive, full-time years to qualify for a stipend and has accumulated sufficient years of service under the Utah State Retirement System rules to qualify for full, unreduced pension benefits.**

2.3. Educators who are contracted at .5 or greater, and have completed immediately preceding retirement, a minimum of fifteen (15) years of current, consecutive, service with ~~Alpine~~ Aspen Peaks School District (and/or its predecessor, Alpine School District), and are or will be, during the contract year of retirement, at least sixty (60) years of age, shall be eligible for the stipend using the prorated formula defined in 2.4.1. or

2.4. Educators who are contracted at .5 or greater, and have completed immediately preceding retirement, a minimum of fifteen (15) years of current, consecutive, service with Aspen Peaks School District (and/or its predecessor, Alpine School District), and have accumulated sufficient years of service under the Utah State Retirement System rules to qualify for full, unreduced pension benefits,** shall be eligible for the stipend using the prorated formula defined in 2.4.1

2.4.1. The prorated formula for calculating the retirement incentives for partial contract service is as follows:

2.4.1.1. The partial contract portion for each of the fifteen (15) consecutive years immediately preceding the retirement shall be added together (e.g. .5 + .6 + .714 etc.).

2.4.1.2. The composite total shall then be divided by fifteen (15) to arrive at the average percentage of contract over the fifteen (15) year period.

2.4.1.3. The average percentage shall then be multiplied by the benefit/stipend of a teacher who is full-time, and on the same step and lane as the part-time contracted retiree.

3. STIPEND CALCULATION

3.1. Educators who qualify under this policy shall receive benefits as described below provided that any monthly, full Social Security benefits under the Social Security Act 42 U.S.C. (401 et seq.), which the educator is eligible to receive, whether actually applied for and received or not, shall be incorporated into the stipends paid under this policy. The result that the amount paid by the District plus such full Social Security benefits the educator is eligible to receive shall equal the stipend amount described below:

3.1.1. Educators retiring after July 1, 2017, will receive a stipend equal to 54% of the difference between the salary schedule base of the Teacher's Salary Schedule, and the Educator's basic contract amount multiplied by four, plus the insurance benefit described in 5.0. Part-time contracted employees refer to 5.1.1.1.

3.1.2. Educators who have less than four years remaining to qualify for full Social Security benefits, will have the benefit described in 3.0 offset by the Social Security benefits which the retired educator is entitled to receive when the individual is eligible to receive full unreduced Social Security.

3.1.3. Beginning with employees who retire after July 1, 2023, if death of the retired educator receiving benefits should occur, insurance benefits for the eligible beneficiary shall terminate forty-five (45)

days following the death, and stipend benefits shall be paid to the retired educator's designated beneficiary. If there is no designated beneficiary, the stipend benefits will be paid to the retired educator's estate.

3.1.4. For purposes of paragraph 4.1 "year" means the consecutive twelve month period beginning with the month benefits start under this policy and each anniversary thereafter.

3.1.5. Beginning July 1, 2019, school counselor's stipend will be calculated on the same length of contract as a teacher.

4. INSURANCE ELIGIBILITY- Including Post COBRA Benefits

4.1. Has completed, immediately preceding retirement, a minimum of twenty (20) years (fifteen (15) of which must be current and consecutive) qualify for the four (4), five (5), or six (6) years of retired insurance articulated in 5.0, *(1) full-time professional service with ~~Alpine~~ Aspen Peaks School District (and/or its predecessor, Alpine School District), and is, or will be, during the contract year of retirement at least sixty years of age.

4.2. Has completed immediately preceding retirement a minimum of twenty (20) years, fifteen (15) must be current, consecutive, to qualify for the four (4), five (5), or six (6) years of retired insurance in 5.0, * (2) full-time professional service with ~~Alpine~~ Aspen Peaks School District (and/or its predecessor, Alpine School District), and has accumulated sufficient years of service under the Utah State Retirement System rules to qualify for full, unreduced pension benefits**.

4.3. Educators who are contracted at .5 or greater and have completed immediately preceding retirement a minimum of twenty (20) years, fifteen (15) of which must be current, consecutive to qualify for the four (4), five (5), or six (6) years of retired insurance in 5.0 professional service with Aspen Peaks School District (and/or its predecessor, Alpine School District) and are, or will be, during the contract year of retirement, at least sixty (60)

years of age, shall be eligible for retirement incentives under the prorated formula defined in 2.4.1 or

4.4. Educators who are contracted at .5 or greater and have completed immediately preceding retirement a minimum of twenty (20) years, fifteen (15) of which must be current, consecutive to qualify for the four (4), five (5), or six (6) years of retired insurance in 5.0 professional service with ~~Alpine~~ Aspen Peaks School District (and/or its predecessor, Alpine School District) and have accumulated sufficient years of service under the Utah State Retirement System rules to qualify for full, unreduced pension benefits.**, shall be eligible for retirement incentives under the prorated formula defined in 2.4.1.

4.5. Retirees-who exhaust COBRA benefits may purchase insurance for 106% of the premium.

5. RETIRED EMPLOYEE INSURANCE BENEFIT

5.1. There are no retired insurance benefits for employees hired on or after March 1, 2006. The retired insurance benefits for employees and/or their eligible dependents hired before March 1, 2006 are as follows (Spouse and dependent coverage may not exceed what is granted to the retiring employee.):

5.1.1. Employees who were hired prior to March 1, 2006, and who have not retired prior to July 1, 2006, will have the following post retirement insurance benefit for themselves and/or their eligible dependents. The years of experience are as of July 1, 2006.

5.1.1.1. Part time contracted employees may obtain the insurance benefits accorded full-time employees by paying the percent of the premium which represents the difference between 100% (full-time) and the average percent of contract as defined in 2.4.1.

5.1.2. If the coverage in 5.1.1 expires before the employee is eligible to join Medicare the employee may purchase the District designated group health insurance policies at 106% of the regular district rate, after

exhausting any COBRA rights, until he/she is eligible to join Medicare. The payments for such extended coverage must be in advance and paid at least quarterly. The employee must maintain continuous coverage, including any COBRA rights of purchase, with the District's designated group health insurance policies for benefits under this policy. Part-time contracted employees qualify for this benefit at the 106% rate.

5.1.3. For those educators hired prior to July 1, 2000 the insurance coverage will continue for the number of eligible years regardless of eligibility to join Medicare. Coverage for the retired employee eligible to join Medicare shall consist only of a supplement to Medicare as outlined in Policies 4254 and 4255.

5.1.4. If a retiree is covered by a post-retirement medical plan and chooses not to participate in the ~~Alpine~~ Aspen Peaks School District medical benefits, they may sell the ~~Alpine~~ Aspen Peaks School District medical plan back to ~~Alpine~~ Aspen Peaks School District for 25% of the premium for which they qualify.

6. RETIRED EMPLOYEE DEPENDENT INSURANCE BENEFIT: Including Post-COBRA Benefits

6.1. Insurance benefits for spouse and/or dependents can be earned by educators who qualify for eligibility as defined in 4.0. The benefits for spouse and dependent coverage are defined in 5.0. Spouse and dependent coverage may not exceed what is granted to the retiring employee. Part-time contracted employees may obtain benefits for spouse and dependent coverage by paying the percent of the premium which represents the difference between 100% (full-time) and the average percent of a contract as defined in 2.4.1.

6.1.1. If the spouse or dependent becomes eligible to join Medicare (except as noted in 6.1.5) or is enrolled in another employer sponsored health insurance plan or is eligible for another employer sponsored health insurance plan that is fully funded by the employer, the benefits cease until the spouse is not longer eligible

for coverage under the other plan and again applies for coverage under HIPPA, which allows for a special enrollment period to maintain continuous coverage when insurance is lost. The years of spouse and dependent eligibility begin running upon the date the insurance terminates as a result of the educator retirement regardless of eligibility or membership in another health insurance plan.

6.1.2. The spouse and dependent coverage in 6.0 shall consist of the District designated group insurance policies. If the spouse and/or dependent becomes eligible to join Medicare, the insurance coverage for the dependent shall consist of the District's supplement to Medicare.

6.1.3. If the spouse and dependent coverage expires under 6.0, the spouse and/or dependent may purchase the District's designated health insurance policies at 106% of the regular district rate after exhausting any COBRA rights, until they cease to be a dependent under health insurance rules or are eligible to join Medicare or another employee-sponsored health insurance plan. The payments for such extended coverage must be in advance and paid at least quarterly. The spouse and/or dependent must maintain continuous coverage, including any COBRA rights of purchase, with the District's designated group health insurance policies for benefits under this policy.

6.1.4. For those employees hired prior to July 1, 2000, the insurance coverage for the spouse in 6.0 will continue for the period of coverage regardless of eligibility to join Medicare. The insurance coverage for the spouse of those employees hired prior to July 1, 2000 who are eligible to join Medicare shall consist of a supplement to Medicare.

6.2. Benefits of the early retirement incentive program provided by the District are independent of the Utah State Retirement System. Retirees should carefully consider the effect of early retirement as it relates to Social Security, State Retirement, Income Taxes, Medical and Life Insurance, etc.

6.3. Nothing in this policy should be construed to violate any rights an employee or dependent has under COBRA, ADEA or similar law.

6.4. All retirees will participate in a special pay plan until the agreement is terminated by mutual agreement of the ~~Alpine~~ Aspen Peaks School District and the professional association representing the majority of the teachers. If an individual purchases years of service from the State, this shall be paid without going through the special pay plan. An individual may elect to withhold funds from the special pay plan to be placed in a flexible spending account.

6.4.1. Calculations for the retirement incentive will be calculated once at the time of retirement. The total amount allowed by the IRS guidelines will be deposited at the time of the first retirement payment. Additional payments, if needed, will be in January of the following year.

6.4.2. A supplement to MEDICARE Contingency Fund will be established to help insure the solvency of this benefit. The contingency fund will consist of two separate funds, the "A" fund and the "B" fund.

6.4.2.1. The "A" fund will contain the current finances that are set aside for the supplement to MEDICARE. It will also contain the District's annual savings from the retirees participation in the special pay plan. The District may add additional funds as it deems necessary. These funds may be accessed to help fund in part any one or all of the following post retirement benefit costs:

a. Six year post retirement medical benefit program,
b. Retirement stipend costs, or
c. Supplement to MEDICARE costs.

6.4.2.2. The "B" fund will contain the finances currently set aside to fund a return to self-insured medical plan, should that become a viable option in the future. These funds may be accessed for that purpose if necessary. Interest will accrue on these funds. It is intended that the necessity of continuing

these funds be reviewed, by the negotiations teams, at least every five (5) years.

7. ONCE SUBMITTED, RETIREMENT FORMS MAY NOT BE RESCINDED

7.1. An approved leave of absence will not constitute a break in service if the educator returned immediately following the leave.

7.2. **Currently, this means to retire with thirty (30) qualifying years of service at any age.

7.3. ***The word "another" refers to insurance coverage other than that provided by ~~Alpine~~ Aspen Peaks School District so long as the district's insurance carrier continues to require only a single premium payment on the spouse with the later birthday when dual insurance coverage exists, i.e. both spouses are employed by ~~Alpine~~ Aspen Peaks School District.

7.4. **** Any changes made to the retirement benefits in current policy that would affect current employees eligible for the benefits, the District will open a thirty (30) day retirement declaration window the year prior to the policy changes going into effect.

Board Approvals

- Negotiated: June 19, 1979
- Negotiated Revision: October 14, 1986
- Negotiated Revision: August 25, 1987
- Negotiated Revision: June 16, 1989
- Negotiated Revision: September 8, 1993
- Negotiated Revision: August 16, 1996
- Negotiated Revision: July 26, 2000
- Negotiated Revision June 19, 2001
- Negotiated Revision May 24, 2002
- Negotiated Revision: June 15, 2004
- Negotiated Revision: May 8, 2006

- Negotiated Revision: June 12, 2007
- Negotiated Revision: May 24, 2011
- Negotiated Revision: May 21, 2015
- Negotiated Revision: April 2017
- Negotiated Revision: May 3, 2018
- Negotiated Revision: May 11, 2023
- Negotiated Revision: June 11, 2024
- Negotiated Revision: October 14, 2025
- Negotiated Revision: February 10, 2026

Procedures

No procedures have been established at this time.

Rules & Regulations

No rules & regulations have been established at this time.

Citations

Policy No. 4254 | Insurance for Employees Over 65
Policy No. 4255 | Retired Educator Insurance
Social Security Act 42 U.S.C. (401 et seq.)