



**Roaring Fork School District Planning for Retirement**  
*Updated May 2023*

**Action step: Ready to retire? Complete this [form](#) to document your planning.**

There are two separate benefits available for retirees: retirement through PERA and an incentive through the district for employees who have reached their 15th qualified year of service.

**I. Retirement in PERA**

The district is part of the Public Employees Retirement Association (PERA)'s defined benefit plan, also called a pension. Every time you get paid, a portion of your paycheck automatically goes into your PERA retirement account: you contribute 10.4% and the district contributes 20.9%. For most members, PERA serves as a substitute for Social Security. PERA invests these funds on your behalf and then provides a lifetime monthly benefit in retirement.

When the time comes to retire, you will receive a monthly check from PERA for the rest of your life. Your benefit is determined by the amount of time you work at your PERA-covered job, your age when you retire, and the average of your highest average salaries.

The Roaring Fork Schools do not administer or manage PERA, and all your PERA retirement planning should be done directly through PERA. You can visit [www.COPera.org](http://www.COPera.org) and explore your account, including the "Ready to Retire" section under the "Members" dropdown. If you are a year out from retiring, you can request a benefit estimate from PERA by calling the Customer Service Center at 1-800-759-PERA (7372).

If you have been covered by Social Security at any time during your career, you may also want to contact Social Security to receive an estimate of your benefit (if any). Your PERA benefit will not be reduced if you receive a Social Security benefit, but PERA might reduce your Social Security.

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**II. Continuing District Employment While Receiving PERA Retirement Benefits ("Double Dipping")**

You might decide to return to work after retiring. If you're planning on [returning to work in retirement](#), be aware of the working after retirement rules if you work for a PERA employer after retiring. If you work at an employer not covered under PERA, these rules don't apply<sup>1</sup>.

If you'd like to receive retirement benefits with PERA and continue to work for the district, you can typically do that on a contracted services basis. This "transitional retirement" or "double dipping" is available to all (no minimum years of service within the district required) but has day limitations based on position:

- ["Critical Shortage"](#)<sup>2</sup> positions including teachers, guest teachers, bus drivers, food service cook paraprofessionals, and nurses: no maximum days or hours for up to five consecutive years
- Employees who apply for extended time: a maximum of 140 days

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<sup>1</sup> There are no limits on the amount of time you may work for an employer not affiliated with PERA. No contributions are due from you or your employer and your benefit will not be affected.

<sup>2</sup> House Bill (HB) 17-1176 and [HB22-1101](#) allow rural school districts like ours to declare a critical shortage allowing certain positions to be exempt from PERA working after retirement limits.

- All other employees working over 4 hours/day: a maximum of 110 days per calendar year
- All other employees working 4 hours/day or less: a maximum of 720 hours per calendar year

Employees who work more than these maximum allotments will see a reduction in PERA benefits at a penalty of 5% for every day or partial day that you work over the maximum.

Some important things to know about working after retirement:

- Employees continuing district employment after retirement will be automatically non-renewed at the end of each contract year, and will be eligible for rehire annually.
- Step placement upon rehire:
  - Employees who return to work after retirement who have not received a retirement incentive with the district (see below) AND who have not had their leave paid out (see who is eligible for this below) can continue to advance on the salary schedule. For example, a teacher who retires on Step 20 can be rehired the following year on Step 21.
  - Employees who return to work after retirement who have not received a retirement incentive with the district (see below) but who HAVE had their leave paid are frozen at their pre-retirement step. For example, a teacher who retires on Step 20 can be rehired in following years on Step 20.
  - Employees who return to work after retirement who have received a retirement incentive with the district are limited to the maximum step employees can be placed at initial hire, which is currently Step 11.
- There must be a termination of employment for you to be eligible to retire. Because of this, PERA prohibits any return to work in the effective month of retirement. This means that if an employee retires June 1, they may return under transitional retirement as soon as July 1. If you work during the effective month of retirement, PERA will reduce your benefit by 5% for each day or partial day that you work during that month.
- Employees who work after retirement pay PERA a working retiree contribution equal to what members employed by the employer pay for their member contribution (currently 11%).
- Employees who choose transitional retirement and who are eligible for a lump sum payment will receive their incentive following their completion of employment with the district.

*Health insurance:* Employees who remain employed by the district while simultaneously collecting PERA benefits and who meet the minimum requirements of the district's group health plan may continue to be covered under the plan at their own cost.

*Sick and personal leave payout and accumulation:*

Leave payouts are required for retirees in some circumstances:

- Classified employees with 5 or more of years of service: Required leave payout
- Certified employees with 15 or more years of service: Required leave payout
- Classified employees with 4 or fewer years of service: Not eligible for leave payout
- Certified employees with 14 or fewer years of service: Not eligible for leave payout

When a payout is required it is done after retiring and before starting any transitional time according to guidelines in policy [GBGG](#). Typically this happens during the required "off" month. Per [district policy GBGG](#), employees returning to the district after having received their sick and personal leave payout will continue to accrue sick and personal leave, but will not be eligible for the payout of additional sick and personal leave upon termination of employment with the district, nor will they be eligible for participation in the district's sick leave bank.

### **III. Retirement Incentive through the Roaring Fork Schools**

Separate from PERA, the district offers a retirement incentive to employees who have worked for district schools<sup>3</sup> for 15 or more qualified years. This incentive is available to eligible employees only after they have fully completed their employment with the district. This incentive was formerly called the Extended Service Pay Plan (ESPP) and the options listed below were updated by the Certified Interest-Based Bargaining (IBB) group in 2019.

If you are eligible for an incentive, you can apply using this [form](#) by the deadlines indicated below.

#### **Option I: Lump Sum Incentive Plan**

Employees who have worked 15 or more eligible years with the district can receive a lump sum payment equivalent to the percentage of one year's salary (using the highest one-year salary earned out of the last five years of employment with the district\*<sup>4</sup>):

- 20 years of employment in the Roaring Fork School District = 50%
- 19 years of employment in the Roaring Fork School District = 40%
- 18 years of employment in the Roaring Fork School District = 30%
- 15-17 years of employment in the Roaring Fork School District = 25%
- 14 years or below = no incentive

Employees who complete the [form](#) by the deadline are eligible for Option I benefits on the following schedule:

- One lump sum in August following resignation from the district
- One lump sum in January following resignation from the district
- Twelve or twenty-four equal installments beginning in August after resignation from the district

#### **Option II: Three Year Installment Incentive Plan**

Employees who are in at least their 17th year with the district are eligible to apply, to start receiving the benefit in their 18<sup>th</sup> year, for the three-year plan where their salary is increased by 16.67% over the salary schedule amount for the last three years of employment. Following participation, after the third year in Option II, the employee is required to resign from the district.

#### **How is that salary calculated?**

- For teachers, the 16.67% shall be based on the salary listed or computed from the salary schedule and for administrators or classified staff on the contracted annual rate. This shall not include any other pay for extra performance, overtime activities, special assignment pay, stipend payment etc. or any other employee benefits.
- The salary under this option will be equal to 16.67% above the salary schedule amount for each of the three years. The 16.67% is not compounded annually.

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<sup>3</sup> Charter school employees. Our two charter schools, Carbondale Community School and Two Rivers Community School, are authorized by the district but their staff are not district staff. As such, years at these schools are **not** counted toward the district retirement incentive. BOCES employees. Employees who transferred employment from Mountain BOCES to RFSD in 2011 as part of the BOCES reorganization are eligible to participate in the Retirement Incentive plans as follows: BOCES staff serving RFSD at 50% or more per year may count those years toward retirement incentive service credit with the district for purposes of calculating their retirement incentive payment on a 1:1 basis for a maximum of 10 years. For example, if you were a BOCES employee who worked in RFSD schools for 5 years while at BOCES, those 5 years will count toward your years of service for calculating retirement. If you were a BOCES employee who worked in RFSD schools for 15 years while employed at BOCES, 10 years will count towards your years of service for calculating retirement.

<sup>4</sup> \*Salary is defined as a percentage of one year's salary, using the highest 1-year salary earned out of the last five years of employment with the district, provided that the majority of the years to be counted toward meeting the service requirement are full years for an employee's contract (not partial years). If the majority of the years are partial years, salary is a percentage of the salary for the last contract year, excluding stipends, riders for extra duties (such as coaching), overtime, etc., but including classified longevity pay. Bus driving in addition to a primary position (for example, a teacher who also drives a bus route) shall not count in the salary calculation for the district incentive.

- No PERA benefits will be paid on the 16.67% and these additional funds are not eligible for PERA in computing the highest average salary for retirement purposes.

#### How can I apply for Option II?

A total of ten slots are available yearly; you can apply using this [form](#). Total slots available may increase, if people on this plan change to Option III after their first or second year of participation. Eligibility for available slots is determined by seniority (years in the district). In case of a tie, participation will be determined by the earliest date of application. Employees participating in this plan will be required to sign a letter of resignation dated three years prospectively as a part of their acceptance of this option.

#### What happens if I started Option II (three-year plan), but would like to make a change?

- *I want to retire earlier:* An individual starting on Option II could switch to Option I by resigning after either the first or second year. In this event, the employee would be eligible to receive the Option I benefit reduced by the amount already received under Option II.
- *I want to continue working beyond three years:* An individual starting on Option II could switch to transitional retirement after either the first or second year. In this event, after the employee completes their transitional or critical shortage retirement and resigns from the district, they would be eligible to receive the Option I benefit reduced by the amount already received under Option II.

### **Retirement Incentive Planning**

#### How do I apply for a district retirement incentive?

To receive a district retirement incentive, an employee must complete an [application](#) form by the deadline:

- Option I: Applications can be submitted as early as January 15 and are due by June 1.
- Option II: Applications can be submitted as early as January 15 and are due by March 1.

#### Which years count for the district's retirement incentive?

All years of employment with the district count, with the exception of:

- any year during which an employee was on paid or unpaid leave of absence, excluding sick leave, for more than half of the school year
- any year that an employee worked less than half time
- any year that an employee worked less than half a contract year

#### What happens if I retire and then seek reemployment with the district after I've participated in a retirement incentive plan?

In hardship cases for either the retired employee or the district, the employee may apply for a position, either full time or part time. If the position is offered, the employee is rehired at a mutually negotiated rate, which typically will not be more than the hire rate for an employee new to the district with the same education and years of experience, subject to the initial maximum step placement for new employees.

### **Next Steps for All Retirees**

As you consider planning for retirement, you may want to take some of the following steps:

- Contact PERA at 800.759.7372.
- Visit [www.COPera.org](http://www.COPera.org) and explore your account, read through the "Retirement Ready Members" section, and watch the two retirement focused webinars.
- Complete this [form](#) to document your planning.
- Meet with your supervisors to discuss planning and with HR if you have questions.
- Explore health insurance options, knowing that once you retire with the district you will likely need to pay for your own health insurance.
- Determine if you would like to switch your health insurance to post-tax, which could increase your average salary in PERA. Once you've made this decision, you can work with HR to make a change.

**Continuation of Health Insurance after retirement**

At the time of retirement, employees leaving the district must transition to PERACare or another health insurance plan. Employees who remain employed by the district while simultaneously collecting PERA benefits and who meet the minimum requirements of the district's group health plan may continue to be covered under the plan at their own cost. All employees, certified, classified, and administrative, are eligible for participation.

**Other Information**

Tax deferred retirement plans: Payments received by employees under this retirement incentive plan are not eligible for contribution to a tax deferred retirement plan (such as 401(k), 457, or 403(b) plans) under Treasury Regulation 1.415c-2e3IV since they are received after employment has been severed.

Death of employee prior to retirement incentive: In the event an employee has met all eligibility requirements for participating in the retirement incentive plans, but is deceased prior to receiving their retirement incentive payment(s), the benefit shall be paid to the employee's estate.