

EAST PENN SCHOOL DISTRICT

SECTION: ADMINISTRATIVE
EMPLOYEES

TITLE: EARLY RETIREMENT
INCENTIVE PROGRAM

ADOPTED: September 13, 1993

REVISED: January 27, 1997

<p>1. Purpose</p> <p>2. Guidelines</p>	<p style="text-align: center;">350. EARLY RETIREMENT INCENTIVE PROGRAM</p> <p>The Board recognizes that certain administrative employees may be desirous of retiring from district service prior to the age required to qualify for Social Security benefits. In recognition of these interests, the Board makes the following Early Retirement Incentive Program (ERIP) available to administrative employees on a voluntary basis.</p> <p><u>Qualifications</u></p> <ol style="list-style-type: none"> 1. The employee must be an active (not on leave) member of the administrative staff at the time of the request. 2. The employee must choose to begin the ERIP program on July 1 and must be at least the age of 54 or not older than 60 on the preceding June 30. Clarification examples: Employee A turns 54 on June 22, 1997, and therefore is eligible to begin the program on July 1, 1997. Employee B turns 54 on July 5, 1997, and therefore is not eligible to start the program until July 1, 1998. 3. The employee must have a minimum of fifteen (15) consecutive years of service in the district prior to the commencement of ERIP. 4. The employee must qualify for retirement under provisions of the Public School Employees Retirement System (PSERS). <p><u>Procedures</u></p> <ol style="list-style-type: none"> 1. A letter of resignation, application to PSERS for benefits, and a formal letter must be received in the Superintendent's Office on or before May 1 of the school year receding the July 1 start date of ERIP. Filing to "vest" is not considered an application for benefits.
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2. The Board will act upon the application for the ERIP contract no later than June 20 following receipt of the items enumerated above. Said contract will be invalidated if the employee does not meet PSERS eligibility requirements and those set forth herein.
3. The Board reserves the right to alter and/or terminate this program as it sees fit. In the event of alteration or discontinuance, any person receiving ERIP benefits will continue to receive benefits in accordance with the provisions of the program in effect at the time of his/her entry.

Insurance Coverage

1. Under the provisions of Board Policy 350, the district will pay, for those employees electing ERIP, the premium for the retiring employee (individual coverage only) in an early retirees' hospitalization/medical plan. Such coverage will continue until the employee becomes eligible for government sponsored hospitalization or reaches age 65. Such an insurance plan will be substantially equivalent to the plan offered to regular employees, but will have a mandatory reduction in Major Medical benefits.
2. The retiring employee may, at his/her own expense, maintain coverage for all dependents covered under the program at the time of request for ERIP.
3. The carrier will determine eligibility for dependents in the event of the death of the employee.

Financial Incentive

Upon receipt of the items in Procedure "1", the district will pay to the employee a total payment equal to his/her final base salary, at the time of application for ERIP, multiplied by the percentage appearing in the chart below. Such payment will be made during the first calendar year of ERIP at a time stipulated, in writing, by the retiree. The employee may opt to receive these monies in either one (1) or two (2) installments.

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<u>Age of person on June 30 before ERIP Year</u>	<u>Percentage*</u>
54	50%
55	50%
56	40%
57	35%
58	30%
59	25%
60	20%
*Multiplied by March 1 base salary.	
The employee is strongly encouraged to discuss the program with central administration well in advance of the date of application.	
Replaces former policy GCQB	