

## PERSONNEL

**Early Retirement Incentive Plan P 5-17.1**A. Requirements for Participation in the Plan

1. Any full-time employee of the school board who is a member of the Virginia Retirement System (VRS) is eligible to retire under the Early Retirement Incentive Plan beginning at age 50, provided he/she has completed 25 years in public education and 10 continuous years of service in the Lynchburg City Schools immediately preceding retirement. In addition, the employee cannot be eligible for disability retirement benefits under VRS.

The retired employee must complete the application process to begin receiving benefits from the Virginia Retirement System in order to participate with said retirement plan effective the first day after the last workday of the existing contract.

2. Each employee electing early retirement under this plan shall be paid an annual supplement for services rendered, based on 20 percent of the salary he/she received during the last year of employment as reported to VRS. A person electing early retirement may continue in the plan until the earlier of (1) participation in the plan for five years, (2) termination of the agreement by the employee, (3) termination of the agreement by the superintendent because the employee failed to complete assigned duties in a manner that meets the standards of the Lynchburg City Schools, or (4) death of the retired employee.

To be eligible, the individual must complete an application for the Early Retirement Incentive Plan and turn it into the Department of Personnel before May 1 of the current school year. Eligibility is not retroactive to individuals who retired prior to the adoption date of this policy.

3. Each 10-month employee retiring under the plan will be eligible to perform services for a period not to exceed 20 days per school year for five consecutive years. Each 10.5-month employee retiring under the plan will be eligible to perform services for a period not to exceed 21 days per school year for five consecutive years. Each 11-month employee retiring under the plan will be eligible to perform services for a period not to exceed 22 days per school year for five consecutive years. Each 12-month employee retiring under the plan will be eligible to perform services for a period not to exceed 24 days per school year for five consecutive years. Assignments must be approved by the superintendent or designee and be in the best interest of the school division. Prior to participating in this plan, an eligible employee must have a bona fide break in service of at least 30 calendar days during a time when he/she would normally have been working. **A retiree will be paid only for days worked.** If a retiree desires to substitute teach or perform other duties after he has completed the number of eligible early retirement days,

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Early Retirement Incentive Plan (continued)

he/she will be paid at the existing substitute teacher or related rate at that time.

**B. Additional Procedures for Implementing the Plan**

1. A supervisor, generally the supervisor of the retiree at the end of retirement, designated by the director of personnel, will report the days worked by the retiree. Assignments for retirees will be based on previous job code where possible. On the first business day of each month, the supervisor will report these days through miscellaneous payroll to the Department of Finance. The supervisor's report will reflect the days that the retiree worked during the previous month.
2. As outlined in section A. 2., Lynchburg City Schools agrees to pay the employee for services rendered on a pro rata daily basis for days worked. The school division will deduct taxes. Lynchburg City Schools will pay the matching share of social security. It is imperative that a person considering early retirement consult with the Social Security Administration.
3. If the employee is otherwise eligible, Lynchburg City Schools will pay for the cost of the employee-only low option hospitalization insurance for the participant in the Early Retirement Incentive Plan up to five years or until age 65. This does not include vision or dental insurance which may be added for an additional fee to the retiree. Also, if the employee would prefer the high option employee-only hospitalization insurance, he/she may choose the high option employee-only insurance and pay the difference between the low-option and high-option premiums. The employee may not increase insurance coverage beyond what he/she had at the beginning of his/her last full year of employment. He/she will not be eligible for other fringe benefits. At age 65, the retiree will move his/her health coverage to Medicare. If the employee currently has spouse and/or family health insurance coverage on the school division's plan, that coverage may continue as long as the employee remains eligible for the Early Retirement Incentive Plan. Lynchburg City Schools will not pay the spouse/family portion of the premium. The spouse, at age 65, will move to Medicare for health coverage. If an employee exits the Early Retirement Incentive Plan, Lynchburg City Schools will no longer pay for health insurance.
4. As needed, the superintendent may develop rules, regulations, and procedures for proper implementation of the plan. This includes requirements for participation in this plan to maintain appropriate skills and expertise in the work force.

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Early Retirement Incentive Plan (continued)

The superintendent is authorized to declare an individual ineligible for continuation in the Early Retirement Incentive Plan if the employee does not meet the participation requirements. Examples of these requirements, include but are not limited to, failure to report, failure to properly complete job requirements, or refusal to accept assignments.

5. Continuation of the plan is subject to annual funding. A retiree who is approved to enter the Early Retirement Incentive Plan will be allowed to complete the plan as outlined in section A. 2. An individual must work at least five days each year to retain eligibility for continuation in the plan.
6. In unusual circumstances, the superintendent may make recommendations to the school board for exceptions to the conditions of this policy.

Adopted by School Board: April 7, 2009