

To: Dr. Charles Johns
Board of Education
From: Brad Swanson
Date: March 20, 2023
Re: Board Policy: 6434 Policy - One-Time Voluntary Termination Benefit Program for Administrators and Teachers on or before March 1, 2024

Recommendation:

It is recommended by the Superintendent's Policy Committee that the Board approve 6434 Policy - One-Time Voluntary Termination Benefit Program for Administrators and Teachers on or before March 1, 2024, at the April 10, 2023, Board meeting.

Please review and discuss the following new Board of Education policy.

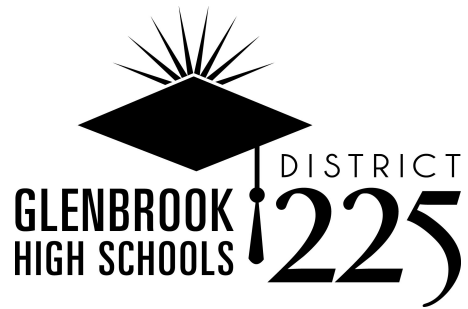
6434 Policy - One-Time Voluntary Termination Benefit Program for Administrators and Teachers on or before March 1, 2024

New - This new policy provides the structure for implementing the retirement benefits associated with the recently negotiated GEA contract. The specific additional benefit in this policy (Section D, Paragraph 2) is a one-time sick day contribution for administrators or teachers who declare their intent to retire by March 1, 2024, with a retirement date as early as June 30, 2027, or as late as June 30, 2032.

Background:

The district has established a Policy and Procedures Review Process that leads to revisions of current or adoptions of new policies and procedures. Much of this work involves the Superintendent Policy Committee, which consists of two Board Members, the Superintendent, the Associate Superintendent, and the Executive Director of Human Resources. In addition, the Assistant Superintendent for Administrative Services facilitates it.

The review process is supported by two primary resources - ongoing discussions with legal counsel and the use of the Policy Reference Education Subscription Service (PRESS) as provided by the Illinois Association of School Boards (IASB). The district's



legal counsel is directly involved with reviewing recommended revisions and creating new policies. In addition, PRESS provides ongoing guidance on policy and procedure subjects, suggested language, and state and federal law updates. District policies and procedures are identified for review based on legal counsel or PRESS recommendations, present district circumstances or discussions, or a three-year timeline.

The review process consists of but is not limited to, the following steps.

1. Superintendent identifies the prioritization of policies and procedures to be reviewed.
2. The Policy Committee and legal counsel conduct an initial read and review.
3. District stakeholders are identified to participate as an ad hoc committee as needed and conduct an initial read and review.
4. Suggested revisions are offered on working documents.
5. Legal educational sessions and additional reviews are conducted as needed.
6. Updates and reviews are facilitated with the leadership of the GEA, GESSA, and GESPA as appropriate.
7. Updates and reviews are facilitated with standing administrative committees or teams such as building Instructional Leadership Teams, the Building Administrative Teams, Instructional and Operational Councils, and Cabinet.
8. Feedback from all stakeholder reviews is communicated to the Policy Committee.
9. Review cycles and discussions are repeated as necessary to establish a comprehensive process that provides voice and understanding for all relevant stakeholders, association leadership, administration, and the Policy Committee.
10. The Policy Committee recommends revised policies and procedures to the Board of Education for a First Read.
11. Additional discussions or reviews may occur based on board member or community feedback.
12. The Policy Committee recommends revised policies and procedures to the Board of Education for a Second Read and Approval.

One-Time Voluntary Termination Benefit Program for Administrators and Teachers on or before March 1, 2024

Section A - Introduction

It shall be the policy of the Board of Education to recognize the services of its regularly employed personnel who have provided long and effective service to the youth of our community through a one-time program of voluntary termination benefits. This program shall be available to staff entering into a retirement agreement with the Board of Education no later than March 1, 2024.

Section B - Eligibility

Administrators and teachers who satisfy the following requirements may apply for termination benefits under this policy as a "Retiree":

1. Have been full-time employees of the district for a minimum of ten consecutive years immediately preceding their voluntary termination, or for an aggregate minimum of fifteen years of which a minimum of five consecutive years are immediately preceding their voluntary termination.
2. Will be at least 55 years of age by June 30 of the last year of employment.
3. Is eligible to retire under a State of Illinois retirement system (note: an employee who is eligible to receive a maximum retirement pension, and will attain age 55 on or before December 31 during the calendar year of retirement, shall be deemed to attain age 55 on the preceding June 30th).
4. Have not retired, nor are receiving retirement benefits, under any other District 225 retirement plan.
5. The staff member's retirement will not cause the District to have to make an additional contribution or accelerated payment of any kind to a State of Illinois retirement system.
6. All requests for participation in this plan must be submitted in writing to the most senior Human Resources administrator prior to March 1, 2024. The request shall include a copy of the Retiree's latest statement from the appropriate State of Illinois retirement system indicating the Retiree's credit information, including accumulated sick leave credit information.
7. Participation in the benefits of this plan is dependent on the Retiree's unconditional and irrevocable resignation from employment, and acceptance by the Board of Education, for retirement effective no earlier than June 30, 2027 and no later than June 30, 2032.
8. Any Retiree who does not fulfill his/her contract through this time, for whatever reason, shall be ineligible for any of the benefits contained in this, or other retirement policies.

Section C - Health Benefits Available to Retirees

The Board of Education shall provide Retirees a Board insurance grant equal to 95% of the District Single PPO/HMO premium rate for the Insurance Plan in effect and chosen by the Retiree during the school year prior to retirement. This insurance grant will be paid each year after retirement until the Retiree Former Employee reaches age 65 or Medicare eligibility, whichever occurs first. The Retiree Former Employee receiving this grant will be subject to premium cost increases or decreases which may occur as a result of

future changes in the cost of the noted premiums in the district plan used as the basis for calculating this benefit. This grant will be paid annually through a contribution to an employer-funded retiree health reimbursement arrangement account. Such payment shall be made on or before January 30th of each school year following the school year of retirement.

Section D - Additional Health and Insurance Benefits for Retirees

1. **Employer-Funded Health Reimbursement Arrangement Account:** In addition to the benefits provided in Section C, the Board of Education shall contribute \$2,500, annually, to an employer-funded health reimbursement arrangement account, on behalf of the Retiree, for a period of five years after the effective date of retirement.
2. **Additional Sick Leave:** A Retiree who submits the resignation and retirement notice as outlined in Section G of this policy will be credited with additional sick leave as follows:
 - a. As of June 15 after the fifth year prior to retirement, the Retirees will be credited with up to an additional 170 days of sick leave, based on the number of days necessary to achieve the maximum number allowed to contribute to the employee's State of Illinois retirement system (e.g., 340 for TRS participants), as long as, at the time of the credit, the provisions of 40 ILCS 5/16-128(d-10) and 80 Ill. Admin Code 1650.351(c) permits a grant of sick leave days in excess of the normal allotment five years prior to retirement without triggering any employer contributions.
 - b. The sick leave will be made available for use pursuant to the appropriate State of Illinois retirement system rules and regulations.
3. **Access to Term Life Insurance:** The Retiree shall be allowed to convert any term life insurance, bought or provided for by the district, and carried on their last date of employment, to any alternative policy if approved by the insurance carrier and allowable under the group policy terms. After such conversion, the Retiree shall be responsible for full payment of any premium.
4. **Access to the Employee Assistance Program:** Retirees shall be allowed to continue to participate, at no cost, in the Employee Assistance Program provided by the Board for regularly employed personnel.

Section E - Salary Benefits Available to Retirees

In addition to the benefits outlined in this policy, Retirees will have access to the salary benefits outlined in Section E of their respective retirement policy (e.g., Board Policy 6100 or 6110).

Section F - Unused Vacation Benefits

In addition to those benefits contained in Section C, D, and E, Retirees who were employed by the district on a full-time, and receive vacation days, may choose to have the Board of Education directly contribute to an employer-funded health reimbursement arrangement account, the value of up to ten (10) days of unused vacation days, at their then-current annual base salary per diem rate for the first year of retirement. This provision does not apply to Retirees participating in a retirement system other than TRS that are credited with additional vacation days defined within Section D of this policy. For Retirees participating in a retirement system other than TRS, any other vacation days accrued and earned, must be used or they will convert to sick leave on the employee's last day of work.

Section G - Miscellaneous Provisions

1. For purposes of this Policy, the school year shall begin on July 1 and end on June 30.
2. If an employee, who has been approved for participation in one of the plans in this Policy, dies prior to their declared retirement date, the employee's prorated salary shall be calculated utilizing the 106% salary rates, in lieu of any benefits otherwise provided under this policy.
3. If changes occur in the operation of a retirement system or for any other reason the Board determines appropriate the Board may revise this Policy.
4. This policy shall be effective from the date of adoption through June 30, 2020.

Approved: TBD