



Professional Educator Post-Employment Benefit Plan

Approved by the Board of Education on February 23, 2015

Eligibility

To be eligible for the Professional Educator Post-Employment Benefit Plan (“Plan”), the Professional Educator must:

- (1) retire from the District;
- (2) be age 57; and
- (3) have 20 years of service in the District.

Definitions

For purposes of the Plan:

“Years of service” mean the number of consecutive, full-time equivalent school years that the employee has served as a licensed, contracted Professional Educator in the School District of Greenfield.

“Age” means the age of the Professional Educator as of June 30 of the year they intend to retire.

“Retire” means that the employee has informed the District that they will not be accepting a contract from the School District of Greenfield to serve as a Professional Educator in the forthcoming school year. Professional Educators who relinquish their duties prior to the conclusion of their current contract are not considered a “retiree” and are ineligible for any retiree benefits. Applicants for retirement must submit the

*School District of Greenfield Professional Educator Application for Retirement and Post-Employment Benefits by March 1st.*¹

Benefit Calculation

Each Professional Educator is assigned to the grid based on their years of service as of June 30, 2015. Placement on the grid establishes the benefit level for that Professional Educator upon meeting eligibility criteria.

Professional Educators who were hired in the past five (5) years will not be assigned a specific benefit value. Rather, \$1250 will be credited to the employee, annually, for the purposes of a providing a retirement benefit upon meeting the same eligibility criteria (i.e., age 57, 20 years of service, and retirement from the District).

Payout of Benefit

The benefit will be in the form of a Tax-Sheltered Annuity (TSA). The TSA will be paid out over the course of 5 years. However, the TSA payout may be accelerated upon request, and per IRS guidelines and the District’s ability to pay.

Benefit Calculation

| Position | Years of Service as of June 30, 2015 | Benefit Value-TSA |
|-----------------|---|-----------------------------|
| A | 20+ | 82,500 |
| B | 19.9-17.0 | 74,725 |
| C | 16.9-15.0 | 66,950 |
| D | 14.9-13.0 | 59,175 |
| E | 12.9-11.0 | 51,400 |
| F | 10.9-9.0 | 43,625 |
| G | 8.9-7.0 | 35,850 |
| H | 6.9-5.0 | 28,075 |
| I | 4.9 or less | \$1,250 per year of service |

Examples

All examples are based on a retirement at a future date and assumes that the professional educator has met the minimum eligibility of 20 years of service and age 57.

a. Employee #1:

- a. Retirement date: June 30, 2017
- b. As of June 30, 2015 has over 20 years of service (Position A),
- c. Age 57 at time of retirement,
- d. Eligible to receive:

¹ For the 2014-15 school year retirement requests, the deadline will be April 1st.

- i. up to \$82,500,
 - 1. in the form of a Tax-Sheltered Annuity,
 - 2. Paid over the course of five (5) years.

b. Employee #2:

- a. Retirement date: June 30, 2020
- b. As of June 30, 2015 has 15.0 years of service (Position C),
 - i. Age 59 at time of retirement, with 20 YOS
- c. Eligible to receive:
 - i. Up to \$66,950,
 - 1. In the form of a Tax-Sheltered Annuity,
 - 2. Paid over the course of five (5) years.

c. Employee #3:

- a. Retirement date: June 30, 2026
- b. As of June 30, 2015 has 9.5 years of service (Position F),
- c. Age 62 at time of retirement, with 20 YOS
- d. Eligible to receive:
 - i. Up to \$43,625,
 - 1. In the form of a Tax-Sheltered Annuity,
 - 2. Paid over the course of five (5) years.

d. Employee #4:

- a. Retirement date: June 30, 2032
- b. As of June 30, 2015 has 3.0 years of service (Position I),
- c. Age 45 as of today,
- d. Eligible to receive (upon retirement and age eligibility)
 - i. The accumulated value of the District's annual TSA contribution of \$1,250. Over the course of 20 years, value would be approximately \$25,000.

Early Retirement Reduction Option

A Professional Educator who does not meet the standard eligibility criteria may be granted a reduced benefit under the following conditions:

a. Age Reduction:

- a. If the professional educator has 20 years of service, and is over age 55 as of June 30 of the year in which retirement is requested, **but less than 57**, then the benefit is reduced 5% for every year prior to their standard eligibility.

b. Example:

- i. Employee age 56 (as of June 30th of the year they are retiring) with 24 years of service as of June 30, 2015, would be eligible for the following benefit:

- 1. Benefit Value (\$82,500) x .95 (5% penalty)= \$78,375

- b. Years of Service Reduction:
 - a. If the professional educator has less than 20 years of service, but at **least 15 Years of Service**, is age 57 or older, then the professional educator may retire subject to a reduction factor of 5% per year of service of the benefit value as set forth in the grid.
 - b. Example:
 - i. Employee age 55 with 11 years of service as of June 30, 2015 (Position E),
 - ii. Employee elects to retire at the end of their 15th year (prior to accumulating 20 Years of Service) at age 59,
 - 1. Benefit Value (\$51,400) is based on 11 years of service as of June 30, 2015. Benefit value is reduced by 25% to \$38,550 (20 years-15 years=5 year gap; 5 years @ 5% per year=25%).
 - c. Years of Service Reduction Exemption
 - i. The Years of Service Reduction Exemption would be applied to Professional Educators who are age 60 with 15 Years of Service. At Age 60, the Professional Educator's benefit value would not be reduced.

Not Eligibility to Purchase District's Group Health Insurance

Retirees, over age 65, are able to purchase supplemental health insurance through the District's vendor (Benistar). Retirees under the age of 65 are ineligible to purchase the District's group health insurance. Retirees are encouraged to review their options on the Health Insurance Marketplace at healthcare.gov.