CALALLEN ISD
RETIREMENT NOTIFICATION INCENTIVE PROGRAM PLAN
EFFECTIVE 2026–2027, 2027–2028, AND 2028–2029 SCHOOL YEARS

PURPOSE

The purpose of the Retirement Notification Incentive Program is to recognize and reward eligible employees for their years of dedicated service to Calallen Independent School District while supporting the District's long-term workforce planning and succession efforts.

The program is intended to encourage eligible employees who have independently decided to retire to provide advance notification of their retirement, allowing the District sufficient time to recruit, hire, and prepare qualified replacements. Providing additional time for these transitions will help preserve institutional knowledge, maintain continuity of District operations, and minimize disruptions to instructional programs and support services.

The program is not intended to encourage employees to retire before they are ready but rather to provide a meaningful recognition of service when an employee has made the personal decision to retire.

BACKGROUND

Calallen Independent School District has a long-standing history of employee retention, with many employees dedicating significant portions of their professional careers to serving the District and its students.

As of the development of this program, the District has 87 employees with 25 or more years of total service. Over the next three years, an additional 31 employees are expected to reach this milestone, bringing the potential total to 118 employees with at least 25 years of service.

While the District does not anticipate that all eligible employees will retire within this timeframe, the potential for multiple retirements occurring within the same school year presents workforce planning challenges. The loss of experienced employees across multiple departments and instructional areas can create significant recruitment, hiring, training, and operational challenges.

To proactively address these considerations, the District proposes establishing a three-year Retirement Notification Incentive Program beginning with the 2026–2027 school year. The program will provide a one-time financial incentive to eligible employees who provide timely notification of their intent to retire and fulfill their remaining contractual or assigned work obligations.

The February 1 notification deadline is intended to provide the District approximately five months to conduct recruitment, interviews, and hiring activities before the beginning of the subsequent school year.

RETIREMENT NOTIFICATION INCENTIVE PROGRAM PLAN

A. Program Duration

The Retirement Notification Incentive Program will be available for a period of three consecutive school years: **2026–2027, 2027–2028, and 2028–2029**.

The program will conclude at the end of the 2028–2029 school year unless otherwise extended or modified by the Board of Trustees.

B. Eligibility Requirements

To qualify for the retirement notification incentive, an employee must meet all of the following requirements:

1. **Retirement Eligibility**: Be eligible to retire under the Teacher Retirement System of Texas (TRS) at the time of retirement.
2. **Employment Status**: Be employed by Calallen ISD in a full-time position at the time retirement notification is submitted.
3. **Notification Deadline**: Submit written notification of their intent to retire to their Campus Principal or Department Director no later than February 1 of the applicable school year.
4. **Completion of Employment Obligations**: Remain employed and fulfill all contractual obligations or assigned work calendar requirements through the employee's designated final workday for the applicable school year.
5. **Retirement Separation**: Voluntarily separate from employment with the District for the purpose of TRS retirement at the conclusion of the applicable school year.

Employees currently employed by the District in a retire-rehire capacity are not eligible for participation in this program. The District already incurs additional financial obligations associated with these employment arrangements through required TRS retirement surcharges.

C. Incentive Amounts

Eligible employees will receive a one-time financial incentive based on their completed years of service with Calallen ISD as of their retirement date. The incentive amounts will be determined by the employee's employment classification as either salaried or hourly, as follows:

Years in Calallen ISD	Salaried Employees	Hourly Employees
0–9 years	$3,000	$1,500
10–19 years	$6,000	$3,000
20–29 years	$9,000	$4,500
30+ years	$12,000	$6,000

For purposes of determining the incentive amount, years of service will be calculated using the employee's completed years of employment with Calallen ISD. The employee's classification as salaried or hourly will be based on their position held at the time of retirement.

D. Notification Procedures

Employees wishing to participate in the program must submit written notification of their intent to retire to their Campus Principal or Department Director no later than February 1 of the applicable school year. The notification must clearly communicate the employee's intent to retire at the conclusion of the applicable school year.

The February 1 deadline is based on the school year in which the employee intends to retire, not the calendar year in which the employee submits their notification. For clarification:

- An employee intending to retire at the conclusion of the 2026–2027 school year must submit notification by February 1, 2027.
- An employee intending to retire at the conclusion of the 2027–2028 school year must submit notification by February 1, 2028.
- An employee intending to retire at the conclusion of the 2028–2029 school year must submit notification by February 1, 2029.

E. Payment of Incentive

Upon verification that all program eligibility requirements have been satisfied, the applicable retirement notification incentive will be paid as a one-time payment through the employee's final paycheck.

The incentive will be subject to applicable federal income tax withholding, payroll reporting, and any other deductions or contributions required by law. The incentive is not TRS-eligible compensation, therefore, applicable TRS deductions and withholding will not be applied to the incentive payment.

H. Withdrawal or Rescission of Retirement Notification

An employee who submits written notification of their intent to retire under this program may subsequently withdraw or rescind their retirement notification by submitting written notice to their Campus Principal or Department Director. The notification to withdraw or rescind their retirement must be received at least 10 days prior to the employee's final paycheck.

If an employee withdraws or rescinds their retirement notification, the employee will forfeit eligibility for the retirement notification incentive for that school year. Withdrawal of the notification does not guarantee continued employment or alter the District's authority regarding employment, staffing, or personnel decisions.

An employee who withdraws their retirement notification may submit a new notification in a subsequent school year, provided the employee meets all eligibility requirements and submits the notification by the applicable February 1 deadline.

F. Administration

The Superintendent, or designee, will be responsible for administering the program and verifying employee eligibility, years of service, employment classification, retirement notification, and completion of employment obligations.

The District's Business Office and Human Resources Department will coordinate to ensure that incentive payments are accurately calculated and processed in accordance with this plan and all applicable payroll and retirement reporting requirements.

G. Program Limitations

Participation in the Retirement Notification Incentive Program is voluntary and subject to the established eligibility requirements and notification deadlines.

The program does not guarantee continued employment beyond an employee's existing contract or employment terms, alter the District's authority regarding staffing and personnel decisions, or create an entitlement to an incentive for employees who do not satisfy all program requirements.

The District reserves the right to interpret and administer the program consistent with applicable law and Board policy. Any amendments, extensions, or discontinuation of the program will be subject to approval by the Board of Trustees.