

	<p>D.C. Everest Area School District</p> <p>6100 Alderson Street Weston, WI 54476 Phone 715-359-4221 www.dce.k12.wi.us</p> <p>Dr. Kelley Strike Assistant Superintendent of Operations</p>	<p>MISSION STATEMENT</p> <p>D.C. Everest Area School District, in partnership with the community, is committed to being an innovative educational leader in developing knowledgeable, productive, caring, creative, responsible individuals prepared to meet the challenges of an ever-changing global society.</p>
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TO: Dr. Casey Nye, Superintendent
FROM: Dr. Kelley Strike, Assistant Superintendent of Operations
DATE: June 18, 2025
SUBJECT: Post-Retirement Benefit for Staff Hired after July 1, 2014

Overview

This memo outlines a proposed post-employment retirement benefit for employees hired on or after July 1, 2014, who are not currently eligible for the district’s post-employment retirement benefit. This new benefit offers a fiscally responsible, forward-looking solution to address retirement support for current and future employees.

New Benefit Structure

The proposed benefit will be provided through annual defined contributions to a Health Reimbursement Arrangement (HRA). This contribution method will be different from the lump sum contribution that is made for employees hired before July 1, 2014. The new structure will be implemented in the 25-26 school year and will be defined in the 25-26 handbook for teachers, at-will salaried, and support staff. Administrators will shift to the new defined contribution method in the 26-27 school year.

Post-Employment HRA Benefit (Employees Hired On or After July 1, 2014)

Group (on date of retirement)	Age Eligibility (on date of retirement)	Years of Service	Annual Contribution	Maximum District Contribution
Teachers	55	15	\$1,000/year	\$60,000
At-Will Salaried	55	15	\$1,000/year	\$60,000
Hourly (Support Staff)	57	25	\$500/year	\$30,000

***Administrators vesting and contribution amounts are outlined in administrator contracts with a maximum contribution of \$60,000.**

For comparison purposes: Post-Employment HRA Benefit (Employees Hired BEFORE July 1, 2014)

Group (on date of retirement)	Age Eligibility (on date of retirement)	Years of Service	District Contribution
Teachers	55	15	\$60,000
At-Will Salaried	55	15	\$60,000
Hourly (Support Staff)	57	25	\$30,000
		30	\$40,000
		35	\$50,000

Additional Notes for Defined Contribution Employees:

- Contributions are made annually at the **end of the fiscal year (June)**.
- **HRA is non-portable**; funds remain with the district if the employee leaves before meeting vesting criteria.
- Employees will receive **annual statements** showing their HRA balance.
- **Forfeited funds** will be redistributed back into employee HRA accounts.
- Eligible employees hired on or after 7/1/14 will also receive a **retroactive contribution** based on past service since their hire date.
- Total years of service to the district with the employee group at the time of retirement will be used to determine eligibility for vesting. However, only the HRA account funded during the employee's most recent period of employment will be available for use upon retirement.
- Employees who change employee groups will receive the contribution amount of the group of employment at the end of the year and are subject to the maximum contribution of the group of employment.

Retroactive Contributions for Prior Service

To address years of service since July 1, 2014, during which eligible employees did not receive post-employment retirement benefits, the district will provide a one-time "catch-up" contribution. It is currently estimated that the retroactive contribution amount could be:

- **Teachers and at-will salaried staff:** \$1,082,000

- **Support staff:** \$405,000

These retroactive contributions will be allocated to eligible employees' HRA accounts based on their years of service since July 1, 2014.

Financial Considerations

This new benefit will be reported as an unfunded liability in the district's actuarial study until such time that contributions can be made to the district's Fund 73 OPEB (Other Post-Employment Benefits) account to offset this new liability. The district's goal is to begin making offsetting contributions over the next 3–4 years, using a combination of end-of-year surplus dollars and/or budgeted contributions.

We currently contribute annually to Fund 73, and our long-term goal is to **stabilize the annual contribution amount over the next 5 years**. This will be supported through a combination of:

- Redistribution of **forfeited HRA account balances**, and
 - Continued annual Fund 73 contributions.
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Recommendation

I recommend that the Board adopt the resolution to implement the adjustments to our post-retirement benefit. This plan ensures a retirement benefit for all employee groups while promoting long-term financial sustainability and supporting employee retention. This benefit supports our goal to be a "Great Place to Work". At this time, I am also recommending changing our HRA accounts to 213(d) rather than premium only for our teachers, at-will salaried, and support staff for more flexibility for staff at no additional cost. Administrators can only receive a premium only HRA as they are considered highly compensated. The changes would be implemented in the 26-27 school year. The resolution has been written to allow flexibility for future adjustments to be made within the handbook.