

## Insurance at Retirement (DRAFT 5)

- A. A teacher hired before July 1, 2014 who retires from the District at the end of the 2013-14 school year, is at least fifty-seven (57) years old, and who has been continuously employed as a full-time teacher in the District for a minimum of 18 years at retirement, will receive post-retirement health insurance from the District as provided below. In order to receive this benefit, teachers must provide notice of the intent to retire at the end of the 2013-2014 school year to the Superintendent by April 7, 2014. No teacher may choose cash or another alternative benefit in lieu of this benefit.

Teachers who meet the requirements specified above may continue in the District's group health insurance program following retirement for a maximum of sixty-one (61) months. The Board will pay the full health insurance premium minus any percentage or dollar contribution required to be made by the teacher. The contribution made by the teacher during retirement shall be the same percentage or dollar contribution the teacher was contributing at the time of retirement. The Board will make the district's insurance contribution for sixty-one months or until the retiree is eligible for Medicare, whichever occurs first. If the retiree dies before receiving the full payment for retiree health insurance, the retiree's spouse shall continue to receive family or single insurance, whichever was elected prior to the retiree's death, until the retiree would have been eligible for Medicare, until the retiree's spouse is eligible for Medicare, or for the remainder of the sixty-one (61) months, whichever occurs first. The District's contribution shall start September 1 following retirement. If the employee elects, coverage will be provided under the District's health plan, provided that the carrier continues to allow retirees to participate in the plan.

- B. Teachers who do not meet the eligibility criteria for post-retirement health insurance coverage described in Part A will not be eligible for post-retirement health insurance. Instead, effective July 1, 2014, the District will provide a formula-based lump sum contribution into a Health Reimbursement Account (HRA) and/or will make an annual contribution to a HRA on behalf of such teachers who are employed full-time. Contributions will be made in accordance with the Mid-America Retiree HRA plan or any other plan provider approved by the Board in the future. No teacher may choose cash or an alternative benefit in lieu of this benefit.

In order to make use of the funds in the HRA, the teacher must: reach age fifty-seven (57) by August 30 of the year in which the teacher retires; be employed full-time on the last teaching day of the school year in which the teacher retires; and resign from his or her regular, full-time duties. This benefit is not vested, and shall be forfeited back to the District, if all conditions are not met.

For the 2013-14 school year only, a teacher who would like to retire at the end of the 2013-14 school year (June 30, 2014), but who does not meet the eligibility criteria for post-retirement

health insurance in Part A, will be deemed eligible for the HRA retirement benefit described above in Part B if: the teacher will become eligible for the HRA retirement benefit described above on July 1, 2014; and the teacher files an application for retirement benefits with the Superintendent by June 30, 2014. In late June, the Superintendent shall make a recommendation to the Board for approval of the application for retirement benefits.

For the 2014-15 school year and subsequent school years, notice of intent to retire must be filed with the Superintendent between the first day of student attendance and November 15 of the school year in which the retirement becomes effective. In December, the Superintendent shall make recommendations to the Board for approval of the retirement.

The District's contribution to the HRA shall be calculated as follows:

1. Beginning with the 2014-15 school year, the District will make fixed dollar amount contributions to the HRA on behalf of the teacher, the amount of which will be approved annually by the School Board. If the teacher is not employed for the entire school year, the contribution will be prorated accordingly.
  2. In addition, teachers whose starting date of employment as a full-time teacher with the District was on or after August 22, 2012 (the start of the 2012-13 school year) will receive a \$2,000 contribution for the 2012-13 school year and a \$2,000 contribution for the 2013-14 school year. If the teacher was not employed throughout the entire 2012-13 and 2013-14 school years, the contribution(s) will be prorated accordingly. The contributions will be made July 31, 2014.
- C. The District reserves the right to modify any of these benefits in the event that the benefits, as offered, could subject the District or any retirees to unexpected or negative tax consequences. The District will provide affected individuals with alternate compensation or benefits of approximately the same cost to the District.