

EXECUTIVE SUMMARY

FOR THE SHOREWOOD SCHOOL BOARD

Topic: Teacher Handbook Retirement Benefit Language

Date: June 10, 2014

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Recommended action:

<input type="checkbox"/>	Information only
<input type="checkbox"/>	Presentation/discussion
<input type="checkbox"/>	Discussion/action by committee
<input checked="" type="checkbox"/>	Discussion/action by board of education
<input type="checkbox"/>	Presentation/action next meeting

Recommendation(s): Recommend School Board Approval of Revised Teachers Appendix Retirement Language

Purpose: To update the teacher appendix to the handbook with retirement benefit language that aligns with the transition from the defined benefit to the defined contribution as previously approved by the Board.

Background:

The District borrowed \$5,060,000 following a voter approved referendum and deposited these funds into a Trust for the purpose of paying the benefits of current and future retirees. The HR Committee developed a formula strategy to move the District from a defined benefit to the defined contribution retirement benefit model. The Board approved the defined contribution model and the transition to the new model at its December 10, 2013 meeting.

The HR Committee continued to work on the language for the teacher appendix to the handbook related to the retirement benefit changes. The attachment includes the new language and will be included in the teacher appendix following Board approval.

One unique option created in the language is a provision for teachers who become eligible to retire on July 1, 2014 to still do so before next school year. The reason some teachers become eligible on July 1, 2014 is that the consecutive years of service eligibility criteria for retirement ends on June 30. This means a small group of teachers meet the age requirement on July 1 and that is the sole requirement for retirement with the retirement benefit. The HR Committee supported providing employees with professional options rather than expect this group of teachers to work another school year when they, in fact, are eligible to retire on July 1, 2014. There is no requirement that this group of teachers retire, the language simply presents them with an option.

Attachment: Teacher Handbook Retirement Benefit Language