



**GOVERNING BOARD AGENDA ITEM  
AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10**

**DATE OF MEETING:** January 24, 2017

**TITLE:** Approval to Increase Phased Retiree Program Salary Percentage Rate

**BACKGROUND:**

A Phased Retirement Program allows Arizona State Retirement System (ASRS) employers to rehire ASRS-retired employees as “leased employees” to retain valuable experience at a cost savings through reduced salary and fringe benefit costs.

Research conducted in September 2016 by Human Resources indicates we are at a competitive disadvantage for retaining talent due to the percentage of pay used as compared to surrounding districts as the chart details.

<b>Catalina Foothills</b>	100% of prior salary
<b>Vail</b>	90% of prior salary
<b>Douglas</b>	81.84% if returning
<b>Benson</b>	80% if returning
<b>Sahuarita</b>	80% of prior salary
<b>Nogales</b>	74% of the salary schedule amount
<b>Amphitheater</b>	71.53% of prior salary
<b>Marana</b>	70.53%
<b>Sunnyside</b>	Place retiree on schedule as if new with credit up to 10 years of experience and reduce amount of the ACR (9.47%)

We recommend an increase from Amphitheater’s current percentage of 71.83% to 80% for current and new Phased Retiree salaries, effective July 1, 2017. This increase would incur an average cost to the District of 0.60% per participant rather than the current 7.83% savings per participant. The total cost will vary based on participation and is estimated to be \$196,000 for 2017-2018, which includes the ASRS Alternate Contribution Rate (ACR) of 9.36% that is effective on July 1, 2017.

**RECOMMENDATION:**

The administration recommends an increase to 80% to current and new Phased Retiree salaries, effective July 1, 2017.

**INITIATED BY:**

*Michael Bejarano*

Michael Bejarano, Chief Academic Officer Secondary Education 6-12

*1/13/17*

Date: January 13, 2017

*Patrick Nelson*

Patrick Nelson, Superintendent

## Phased Retiree Program Costs

	Current 2016-2017	2017-2018
Salaries	\$ 1,910,789	\$ 2,072,633
Social Security	\$ 118,469	\$ 128,503
Medicare	\$ 27,706	\$ 30,053
Unemployment-Federal	\$ 4,704	\$ 4,744
Unemployment-State	\$ 3,293	\$ 3,321
Workers Comp	\$ 22,960	\$ 24,904
Agency Fee	\$ 57,324	\$ 62,179
<b>Total Taxes &amp; Fee</b>	\$ 2,145,244	\$ 2,326,337
ASRS ACR	\$ 180,952	\$ 196,278
<b>Annual Cost</b>	\$ 2,326,196	\$ 2,522,615

**Total Estimated Increased  
Costs for 2017-2018 \$ 196,419**