

Professional Personnel

Early Retirement Incentive

Certified employees participating in the Teachers' Retirement System of Illinois (TRS) are eligible to receive additional compensation when they retire from the District under the terms of this Early Retirement Incentive.

Eligibility

To be eligible for the Early Retirement Incentive, the employee must retire at the end of the school year in which (1) he or she is first eligible to receive a non-discounted annuity under the provisions of Section 133 (B) of the Teachers' Retirement System law [40 ILCS 5/16 133(B)], or (2) he or she first accumulates 35 years of creditable service and retires under the Early Retirement without discount Option (ERO) under Section 133.2 of the Teachers' Retirement System law [40 ILCS 5/16-133.2], whichever first occurs. The eligibility requirement of this Early Retirement Incentive has been adopted purposely to benefit both employees and the District. Specifically, the incentive is not available until the employee can retire without the one-half percent (½ %) per month reduction to his or her retirement annuity (and without obligating the employee or the District to make member or employer contributions under ERO). In addition, the employee's effective retirement date must occur in the school year in which he or she is first eligible for a non-discounted annuity (without application of ERO) so that the additional compensation remains an incentive to retire early rather than a mere severance payment.

Election Requirements

In order to receive the additional compensation available under this Early Retirement Incentive, eligible employees must deliver a non-revocable letter of resignation to the Superintendent no later than February 1st, two years prior to the year of retirement. (Retirements at the end of the 2007-08 school year will have a notification date of June 1, 2006).

Notification Schedule:	2007-08 Retirement	June	1, 2006
	2008-09 Retirement	February	1, 2007
	2009-10 Retirement	February	1, 2008
	2010-11 Retirement	February	1, 2009

The resignation must reference an intent to retire under this Early Retirement Incentive Policy.

Employees wishing to retire under the Early Retirement Incentive must have at least eight years of full-time service with the District and not previously have taken advantage of any retirement incentive from Pekin Community High School.

Early Retirement Incentive Benefit

An employee who elects to receive this Early Retirement Incentive by submitting a timely resignation as provided above shall be entitled to an increase in salary during the final-three (3) years of employment. The employee's TRS Base Salary shall be calculated as follows:

(1) In each of the final three (3) years as a full-time certificated employee, the Board shall pay him or her a six percent (6%) retirement incentive, based on the employee's TRS Base Salary, inclusive of any other increases in TRS Base Salary compensation. All calculations will be based on the Teachers' Retirement System (TRS) creditable earnings in the year prior to the submission of the irrevocable Notice of Retirement as it relates to the employee's TRS Base Salary. Once the employee submits an irrevocable Notice of Retirement, in no case will the employee's total TRS creditable earnings increase exceed six percent (6%) of the previous year.

(2) In the event the total retirement incentive over the three (3) years is less than \$10,000, the District will pay to the employee a severance payment due and payable ninety (90) days after receipt of his or her final regular paycheck, an amount equal to the difference between the retirement incentive received and \$10,000. This payment shall not be reported as creditable earnings to TRS.

(3) The dollar amount of the retirement incentive for purposes of computation of any severance payment due is computed by adding the sum of the final three (3) years of base salary payments and subtracting the base salary amounts that would have been payable for those same three (3) years under the Certified Employee Salary Schedule.

Definitions

TRS Base Salary means the employee's base salary as reported on the District's salary schedule together with yearly TRS contributions paid on the base salary by the Board on behalf of the employee. *TRS Base Salary* does not include any amounts paid to an employee for an extra-duty assignment such as athletic coach or club sponsor.

Year means "school year" and not "calendar year".

Adopted: October 16, 2000

Suspended: April 24, 2006

Rewritten: April 27, 2006

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