

District Retirement Benefit (For Teachers)

1. **Benefit Eligibility**

District employees are eligible for post-employment benefits based on their age and years of continuous full time service to the District. Employees who plan to retire commencing September 1 of a given school year must reach the age and years of service described no later than August 31. The District retains the right to change, alter or modify retirement benefits and eligibility requirements at its sole discretion.

2. **Post-Employment Benefit**

Until further notice, all Board contributions for payments under the retirement provisions for each eligible employee shall not exceed \$75,000 or eight years, whichever comes first. In the event that the retiree has not reached this cap at the end of eight (8) years, the remaining amount is forfeited.

Notwithstanding any other provisions of this benefit or agreement, the Board's contribution towards health insurance, actuarial reduction penalty, or any other payment shall cease once this cap is reached. There will be no stacking of benefits between spouses beyond eight years.

Stacking of benefits between spouses (both SDW retirees): Each spouse retains his/her own benefit for health insurance purposes and may not defer the use for health insurance beyond eight years.

Spouses may not use the other's benefit to offset the retiree portion of the monthly premium.

If a lapse in coverage occurs during the period of retirement for any reason, one is not eligible or permitted to re-enroll in the plan.

3. **Eligibility:** Employees who plan to take early retirement shall notify the Superintendent or designee (Human Resources Department), of the intent to do so by February 15th for retirement at the end of the school year.

a. **Limitations:** Employees shall only be permitted to retire under this policy at the end of the school year.

b. **Contribution:** For employees with at least fifteen (15) years of full time continuous service in the District, who have attained the age of at least 55 years, and who submit a letter requesting early retirement by February 15th, the District will provide payment based on the employee's request, one or more of the following:

i. The **actuarial reduction penalty** of a retirement annuity for the employee to a maximum of two years as determined by WRS. It is the employee's responsibility to request the calculation from the WRS and to specify the calculation be done for the two-year limitation. The payment will be made in full directly to WRS upon receipt of the final calculation of actuarial reduction penalty subject to the \$75,000 limit. The payment will be deducted from the \$75,000 maximum benefit. In order to ensure the actuarial reduction form is received by the WRS before the employee's last workday, the form must be received by the HR Department 14 days prior to the last teacher work day.

ii. **Health insurance** contribution at the same contribution *rate* that is made on behalf of active employees; except that, when a retiring employee becomes eligible for Medicare, the retiree shall pay the cost of the Medicare policy (Parts A & B) and the Board shall pay the employer's share of the cost of additional insurance coverage, which, when added to Medicare, is equivalent to the coverage, provided to all active

employees. (Note that this means the employee is still responsible for paying the retiree's share of the premium cost.)

4. Continuing With the Group Insurance: Retirees With 10 Or More Years

Employees who retire at age fifty-five (55) or older and have been in the Waukesha system full time continuously at least ten (10) years but less than fifteen (15) may continue to carry the group health insurance, subject to the rules of the carrier, by making the necessary payments directly to the carrier for the desired coverage.

5. Extended Insurance – Purchase of health insurance after the retirement benefit is exhausted:

- a. Eligible early retirees may continue participation in the District health insurance program following termination of the District benefit, subject to the rules of the carrier, by making the necessary payments (100% of the premium) directly to the carrier for the desired coverage. In the event payment cannot be made directly to the carrier, payment shall be made directly to the District.
- b. Employees who are retired and are over sixty-five (65) years of age may remain in the group health insurance plan, subject to the rules of the carrier, by paying 100% of the “Medicare” carve-out* rate directly to the carrier. This implies that the employee must carry the Medicare plan (Parts A, B and D (prescription coverage)). Under this provision, Medicare is the primary payer and the District plan will be the secondary payer.
 - i. Note that a “carve-out” is not “supplemental” insurance. A carve-out simply provides the benefits that when put together with the Medicare benefit equals the SDW insurance plan.

6. Surviving Spouse Continuation Benefit

If a retiree and spouse are on the group health insurance plan, the surviving spouse may remain on the plan if he/she desires by making the necessary payments directly to the carrier for the desired coverage. If Medicare eligible, the surviving spouse must carry the Medicare plan (Parts A, B, and D).

7. Vision – Vision insurance is terminated at the end of August of the retirement year.

8. Life Insurance

- a. Life insurance is terminated upon retirement (last day of work).
- b. The AD&D (Accidental Death & Dismemberment) portion of life insurance also ends upon retirement.

9. Dental – Dental insurance ends at the end of August in the year of retirement. Retiring employees may continue purchasing dental insurance through the COBRA program. Retirement benefits may not be used to purchase dental insurance.

10. Long-Term Disability and Voluntary Short-Term Disability – LTD insurance is terminated upon retirement (last day of work).

The entire retirement plan may be amended or discontinued by the District at the District's sole discretion.