



## #2053 - Retirement Incentive Policy

### A. PURPOSE

1. The purpose of this policy is to provide prospective retiree's with funding support for health insurance and other health related expenses at retirement.

### B. BENEFITS

1. After the completion of each fiscal year a single deposit for that year will be made into a defined medical benefit trust fund account on the employee's behalf in an amount determined by the employee's number of years of service with the District as follows:
  - 1.1. 1 to 10 years: \$500
  - 1.2. 11 to 20 years: \$750
  - 1.3. 21 to 30 years: \$1,000
  - 1.4. 31 or more years: \$250
2. The medical benefit trust funds deposited on behalf of the employee will be held in a District trust account or the District's trust accumulation account that is subdivided into individual employee accounts, which will be interest bearing at the current invested rates. Interest will be posted to employee sub-accounts periodically as earned.
3. After the completion of ten consecutive years in the school district, and when qualified for full URS retirement, the employee shall have a 100 percent vested entitlement to the medical benefit trust funds, which the District has previously deposited to that employee's account.
4. Upon the death of the employee and all dependents who are eligible to withdraw funds from the defined medical benefit trust, the remaining funds will be returned to the District, which in turn will, as far as is possible, issue the funds to the estate of the deceased employee as defined by their beneficiary designation. Dependents or heirs of the employee who receive funds are responsible for all tax consequences from District distributions.
5. For employees hired full-time prior to July 1, 2015 the district will contribute a minimum of \$15,000 to the employee defined medical trust. For example, if the total district contribution to an employee's defined medical trust at retirement is \$10,000, the school district will contribute an additional \$5,000. If this additional contribution is greater \$1,000 the school district may elect to divide the contribution into three deposits over the course of the three years following the employees retirement. Employees hired full-time prior to July 1, 2015 must still meet all eligibility requirements listed in this policy.
6. For employees hired full-time prior to July 1, 1990 the following adjustment is made. Up to couple insurance will be provided at the expense of the district for up to three consecutive years; however, the district payments are limited to the amount the insurance company charges for active employees. If retirees wish to participate, the additional premium will be paid by the retirees. This benefit from the employee at the premium of the retirement year. These employees may also choose to have the school district put the value of this benefit towards the purchase of future service credit from Utah Retirement Systems or as a deposit

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to the retiree's medical trust account. If the employee elects to receive this benefit into their medical trust account the district may chose to make three equal deposits over three years or one lump sum deposit at retirement.

### C. ELIGIBILITY

1. In order to qualify for the retirement benefits under this policy, eligible employees of Piute County School District, must have, by June 30th of the year in which retirement they are under is elected, have accumulated sufficient years of service under the Utah State Retirement System rules to qualify for retirement benefits under the Utah State Retirement System. If retirement benefits from the Utah State Retirement System are subject to a benefit reduction, the same reduction will be applied to this benefit.
2. Eligibility is restricted to all full-time employees (at least 35 hours per week) with ten (10) or more years of service in the district. If an employee terminates employment with the District for any reason before the completion of his or her tenth consecutive year of employment, then any medical benefit trust funds and interest earnings previously deposited to that employee's account by the District will be forfeited to the District.
3. Employees who are eligible for Retirement under the above criterion and wish to participate in this retirement benefit must make application to the Superintendent of Piute County School District by May 15th of the year they elect to retire.
4. Special consideration of employees for retirement during the school year may be made at the discretion of Superintendent and the Board of Education of Piute County School District under the following condition:
5. Employees who would have qualified for retirement at the end of the preceding year if they had made application; and who find it difficult to complete their yearly contract may request retirement at any time during the year. Requests submitted during the year shall be considered on their individual merit.

Adopted Sept. 10, 2002  
Amended May 13, 2003  
Amended May 9, 2006  
Amended May 12, 2015  
Amended March 8, 2016  
Amended November 8, 2016

*This policy is intended to provide a non-discriminatory policy which complies with the provisions of the Age Discrimination in Employment Act and the Older Workers' Benefit Protection Act. Should any provision under this policy be determined to violate any current or future provision in any statute, federal, state, or local, this policy will be deemed canceled or terminated, without any prospective liabilities on the part of Piute School District, its agents, or administrators'.*

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