

**EMPLOYMENT
RIGHTS AND PROTECTIONS
COMPENSATION AND BENEFITS
RETIREMENT**

DEEA

1. RETIREMENT BENEFIT

- A. An employee must be eligible for Utah Retirement System benefits and have a minimum of twenty (20) years with the Tintic School District to qualify for this offered retirement benefit.
- B. To recognize the value of long-term employees, the Tintic School District Board of Education provides a retirement benefit that consists of a one-time payment equal to employee’s final average yearly salary, as calculated by Utah Retirement Systems, multiplied by years of service factor as illustrated in Table 2.1. Payment shall be deposited, upon retirement, into a Prime Trust (Health Reimbursement Account – HRA), or a 401(k) account, or a 403 (b) account, as determined by an exit interview with employee. The amount paid may not exceed the maximum amount allowed by IRS rules and regulations in effect at the time of choosing to retire for an HRA, 401(k), or 403(b) accounts. In no case will the employee be eligible for a “cash” payment.

Table 2.1

<i>Years of Service Factor Table</i>											
Years of Service	20	21	22	23	24	25	26	27	28	29	30
Factor	.1	.115	.130	.145	.160	.175	.190	.205	.22	.235	.25

Example – Employee with 25 years of service:

$$(25 \text{ years} - \text{Employee's Retirement Salary}) \times (\text{factor } 1.75) =$$

$$\$30,000 \times 1.75 = \$5,250$$

- C. Qualified employees are eligible to receive payment for Unused Sick Leave at Retirement. Unused sick leave to a maximum of 120 days may be paid to employees at the following rates upon retirement:
 - 1. 5% after 10 years or more of service in the district.
 - 2. 10% after 20 years or more of service in the district or upon retirement or early retirement.
Example of person with 120 accumulated days of sick leave and 20 years of service:
(120 days) X (final year’s daily rate) X 10%
- D. An employee may use this benefit to purchase future service years or previously earned service years from the Utah Retirement System.
- E. Upon the death of the qualified employee and all that qualified employee’s dependents who are eligible to withdraw funds from the defined medical benefit trust (Prime 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 the

beneficiary designation. Dependents or heirs of the employee are responsible for all tax consequences from the District distributions.

- F. Qualified employees currently on the Tintic School District Medical benefit may opt to remain on the District's insurance until the employee is Medicare eligible. If a qualified employee chooses this option, the District is not responsible for any costs related to the insurance premium. A qualified employee wishing to participate in this option must either pay the entire annual premium in advance or provide for reimbursement to the Tintic School District from a Prime Trust account.
 - G. Any employee who resigns during the contract year or is terminated for cause will not be eligible.
 - H. In order to receive a full benefit, application must be made to the Superintendent of Schools by January 31st of the year of retiring. Any questions regarding the eligibility of an individual will be reviewed with the applicant by the Superintendent of Schools or Business Administrator.
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