

BATH COUNTY SCHOOL BOARD

AGENDA ITEM: INFORMATION { X } ACTION { X } CLOSED MEETING { }

SUBJECT: **SUPERINTENDENT’S REPORT - ACTION**

Consider Early Retirement Incentive Plan (ERIP)

BACKGROUND: A retirement incentive program is an employer’s attempt to allow individuals the opportunity to retire, thus freeing budgeted money at the upper end of a scale for either a staff replacement at a lower scale or reduction of a position through attrition. There would need to be some clear rules to the program and an expiration date, as we never know what the future may hold. Two options have been presented. Both the 10% and 20% of salary have maximum amounts by category if every individual chose to retire effective July 1, 2018. As it stands at this point in time, we would have enough funds categorically to completely fund 100% participation. It is highly unlikely to have 100% participation due to the need for health insurance for those below age 65. Of the 21 eligible employees, a probable participation of this program would be approximately five (5) employees. Of an additional note, there are two individuals that have already completed all retirement paperwork and would need to be included in any plan endorsed by the School Board.

RECOMMENDATION: To endorse the _____% of salary early retirement incentive program expiring June 30, 2018. Furthermore, employees must be able to receive an unreduced retirement benefit from VRS, a letter of resignation due to retirement would need to be received by May 11, 2018 with VRS paperwork completed by June 1, 2018. A participant will understand that payment will be taxed and placed with remaining contractual payments and cannot be used to offset insurance premiums, purchase VRS service or extend any payroll obligations beyond those which would normally be provided to other 10, 11, or 12 month staff as applicable. The ERIP payment would be in addition to what is due at retirement by existing School Board Policy - GCBD-R1 / GDBD-R2.