

4035.1
EARLY SEPARATION PROGRAM

A. PURPOSE

The purpose of the Early Separation Program is to encourage eligible certificated employees who are considering an early separation to accelerate their plans. The program's objectives include, but are not limited to, the following:

1. Offering financial incentives which will assist long-term employees who are considering early separation.
2. Reducing costs to the school district by replacing maximum salaried employees with lesser salaried employees.
3. Providing a balance of employee experience.

B. QUALIFICATIONS

1. Certificated Employee. To participate, a person must be a teacher certificated by the Nebraska Department of Education.

2. Full-Time Equivalency. Certificated employees, whether full-time or part-time, may participate in the Early Separation Program. Provided, a part-time employee's benefits under the Program shall be based on the employee's teaching contract salary for the academic year preceding early separation.

3. Minimum Years of Service. To be eligible for this program, a certificated employee must have completed **15** total years of credited service in the employment of the school district. Credited service shall be defined as employment with the school district as a certificated employee. Board-approved leave for military service, for a sabbatical or for a leave of absence, or any leave required to be granted according to law, shall not be included as credited years of service. In determining years of credited service with the district for the purpose of meeting the required total years of service, part-time employment is equal to full-time employment.

C. ENROLLMENT REQUIREMENTS

1. Timeline. The board of education shall determine if the program will be offered by the regularly scheduled December meeting. Interested applicants shall submit their application to the superintendent's office, on or before February 1st. The board of education shall make the determination of the awarded participants by the regularly scheduled March meeting.

2. Resignation. Participants in the program may resign their teaching positions with the school district effective at the close of the school year in consideration for the benefits outlined in paragraph D below.

3. Application. An applicant must submit a signed application and agreement to the board of education on or before February 1, of the school year in which the employee contemplates separation. The superintendent shall review the employee's record to determine whether the employee is eligible for the program.

4. Employee's Ineligibility. An employee who has received written notice of possible contract termination or cancellation shall not be eligible to participate in this program unless (1) the notice of termination or cancellation is withdrawn by the administration or (2), after a hearing before the board of education, the board determines that said employee's employment should not be canceled or terminated.

D. BENEFITS

1. Calculation of Benefits:

(a) The benefit to be paid to a teacher who has been approved for early separation shall be based on the teacher's teaching contract salary during the last contract year. Teaching contract salary refers to salary paid from the salary schedule; it includes salary paid for an extended contract but excludes other salary payments such as for extra duties, and fringe benefits.

(b) The benefit to be paid under this program shall be an amount equal to \$10,000.00, added to the product of the number of years of credited service, multiplied by \$250.00. For example, for an employee with thirty-seven (37) years of credited service, the benefit would be \$10,000.00 plus 37 multiplied by \$250.00, for a total benefit of \$19,250.00. (Example with the minimum of 10 years experience, the total benefit would be \$12,500.00.)

2. Payment of Benefit. The benefit shall be paid to the teacher in two (2) equal payments on October 15 of the calendar year of the teacher's resignation, and on February 15 of the following calendar year. Provided, the teacher and board of education may, by mutual agreement, schedule the payment of the benefit in more than two (2) payments, or may vary the amounts of the payments, so long as the first payment does not exceed fifty percent (50%) of the total benefit.

3. Limitation on Payment. The board of education shall, in its sole and unfettered discretion, determine whether any early retirement program payments will be made in a particular year and shall determine the total amount of such payments. The

board of education shall make this determination on or before the December's regularly scheduled meeting of the school year.

4. Source of Funds. The school district shall pay the entire cost of the plan.

5. Administration. This plan shall be administered by the board of education by and through the administration of the school district.

6. Beneficiary Designation. In order for the application to be considered complete, a beneficiary must be designated.

7. Income Tax Consequences. Early Separation pay has been determined to be taxable income for state and federal income tax purposes, and will be treated as such. It will be reported as a taxable retirement payment. The social security percentage and any other required state or federal withholdings will be subtracted from each payment.

8. COBRA Rights. A separating employee will have the opportunity to continue health insurance benefits as may be permitted by the provisions of the Comprehensive Omnibus Budget Reconciliation Act.

E. ADMINISTRATION

1. Basis for Benefits. The benefits to be paid to an applicant for early retirement shall be based on the salary schedule in effect during the employee's last year of service, as set forth in the negotiated agreement between the Pawnee City Education Association and the school district.

2. Application and Waiver. An employee who elects to participate in the Early Separation Program, and the school district (through its board of education), shall execute the Application and Agreement, Exhibit "A" attached hereto. That Application and Agreement shall inform the employee that Pawnee City Public Schools' Early Separation Program is totally voluntary in nature, provides each employee at least 45 days to consider the ramifications of participation in the Program before making a decision. The Application and Agreement shall also include a specific Waiver and Release of Claims of the participants' rights under the Age Discrimination and Employment Act (ADEA), 29 USC § 621-63 and the Act Prohibiting Unjust Discrimination in Employment Because of Age, NEB. REV. STAT. § 48-1001 *et seq.*, the Employee Separation Income Security Act of 1974 (ERISA), 29 USC § 1001 *et seq.*, and all other state and federal constitutions, statutes and regulations that relate to the validity of the TERIP, and allows the employee to revoke the Release or Waiver at any time within one (1) week after signing the contract, and advises the employee to consult with an attorney before signing the Application and Agreement.

An employee who submits an application for early separation may withdraw the application within 8 days after submitting it, but not afterward without the written consent of the board of education. Each application will be reviewed on an individual basis. **The board shall, in its sole discretion, determine the number of applications to be approved in any given year.** If the Board receives more applications for voluntary separation than it approves, the Board shall approve the applications on the basis of the seniority of the applicants with the most senior applicant(s) receiving approval in preference to less senior applicants. Seniority shall be defined as the number of full-time equivalent years of employment in the district as an employee. A full-time equivalent year is defined as employment on a full-time basis for an entire school year. Less than full-time employment would reduce the employee's full-time equivalent employment for a school year. For example, an employee employed on a half-time basis would be credited with half a year of full-time equivalent employment. A break in service will not terminate an employee's seniority and length of service under this provision; however, in determining an employee's full-time equivalent employment, the employee shall not be credited with the period of time of any leave approved by the board of education except sick leave and paid leave. If a tie results because two or more employees have equal seniority, the tie shall be broken in the following manner.

- (a) The board will approve the application of the employee whose salary is higher, as determined by the employee's placement on the salary schedule index (excluding all unit pay).
- (b) If the salaries of those involved are exactly the same, the board will approve the application of the employee who signed his or her contract earlier.
- (c) If the salaries and signing dates of those involved are exactly the same, the board will approve the application of the employee which was submitted earlier.

An employee's application for early retirement is in itself not a resignation of a contract with the School District. However, the Board's approval of an employee's application for early retirement will be considered a voluntary resignation and termination of the employee's continuing contract. Should the Board not approve an employee's application, the employee's contract will continue in effect, and the employee will remain an employee of the School District unless he or she otherwise resigns or the employee's contract is terminated for just cause.

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