

MEMORANDUM OF AGREEMENT

RETIREMENT INCENTIVE

The Board of Education of Collinsville Community Unit School District No. 10 is offering a onetime early retirement incentive program to the Collinsville Education Association, IEA/NEA. This retirement program will not be included in the CEA collective bargaining agreement and, instead, would constitute a one-time Memorandum of Agreement between the Board and CEA.

A. The Board shall recognize the service of full-time teachers who have rendered at least fifteen (15) years of full-time TRS creditable service to Collinsville Community Unit School District No. 10 and who are eligible to receive regular retirement pension benefits through the Teachers' Retirement System of the State of Illinois.

1. Requirements to Qualify – To be eligible for this benefit, a teacher must comply with all of the following requirements and limitations:

- a. Must have a minimum of fifteen (15) years of full-time teaching service in the Collinsville School District at the time the retirement notice is submitted in order to be eligible for this early retirement incentive; and
- b. Must be at least sixty (60) years of age by December 31 of the year of retirement; or
- c. Must be at least fifty-five (55) years of age by December 31 of the year of retirement with thirty-five (35) years of creditable service (including accumulated sick leave) with the Illinois Teachers Retirement System; and
- d. Must submit an irrevocable letter of resignation for retirement. As many as the last three (3) years of an employee's career may be included in the pre-retirement period. An irrevocable letter of resignation establishing the date of retirement will create and determine the length of the pre-retirement period; and
- e. No teacher may participate in this program unless they have sufficient service credit with the Illinois Teachers' Retirement System to exempt the employer from the payment of any penalty or other additional amount to the Teachers' Retirement System, including but not limited to payments to fund a teacher's TRS annuity; and

2. The irrevocable letter of resignation for retirement must be submitted to the Superintendent on or before May 15, 2018 and indicate a retirement date no later than the end of the 2019-2020 school year. The pre-retirement period may be from 1 to 3 years in duration. Employees who file by May 15, 2018 may indicate a retirement date of June 30, 2018, 2019, or 2020. Employees indicating retirement in 2018 will have a pre-retirement period of 1 year. Employees indicating retirement in 2019 will have a pre-retirement period of 2 years. Employees indicating retirement in 2020 will have a pre-retirement period of 3 years.

B. Total payment due under the Collinsville Retirement Program will be as follows:

One year retirement notice: \$1,500
Two year retirement notice: \$3,000
Three year retirement notice: \$4,500

- C. This retirement program payment may be paid in two forms -1) TRS creditable earnings and/or 2) a retirement severance payment—and shall be paid according to the following procedures.
1. A calculation will be made comparing the employee's creditable earnings of the immediately previous year with his/her creditable earnings of the year he/she gave notice. If such creditable earnings are less than 106% of his/her creditable earnings of the previous year, that portion of the retirement program payment (\$1,500) will be paid to the employee as creditable earnings in the last pay period in June, but in no case shall an employee's creditable earnings from any source cause the employee's creditable earnings to exceed 106% of his/her previous year's creditable earnings and the \$1,500 retirement payment will be reduced in an amount to ensure the teacher's creditable earnings does not exceed a 6% increase.
 2. For each succeeding year of the notice period, a comparison will be made between the employee's creditable earnings of the previous year and the current year. That portion of the program payment up to a maximum of \$1,500 will be paid to the employee as creditable earnings in the last pay period of June in each subsequent year of the retirement program, but in no case shall an employee's creditable earnings from any source cause the employee's creditable earnings to exceed 106% of his/her previous year's creditable earnings and the \$1,500 retirement payment will be reduced in an amount to ensure the teacher's creditable earnings does not exceed a 6% increase.
 3. In the event the entire program payment due the employee is not paid as creditable earnings during the notice period, the remaining balance will be paid to the employee as a severance payment. Such payment shall be made within ten (10) days after the employee's last workday and/or receipt of his/her last paycheck, whichever comes last. This severance payment will not be treated as creditable earnings under TRS.
 4. In the event an employee who elects this retirement incentive and subsequently becomes ineligible to retire on the date designated in his/her irrevocable notice because (s)he does not have sufficient years of TRS creditable service (e.g., teacher expected to retire with 35 years of TRS service by using 2 years of sick leave but had to use a number of sick leave days, pursuant to The School Code, and is no longer able to purchase 2 years of service credit), the Board may allow the employee to rescind his/her retirement or the Board may move the effective retirement date to the first date on which the employee obtains thirty-five (35) years of creditable service (including accumulated sick leave). The teacher will not be required to pay back any retirement benefits received, but shall be removed from the retirement program. Moreover, the teacher shall not be eligible to re-enter the retirement program.
 5. The parties agree that if the state pension statute and/or regulations change in any manner during the term of this contract that would create a penalty or additional cost to the District for offering this retirement program to employees, the parties will re-open and renegotiate this retirement program language.
 6. The parties agree that any teacher who has submitted his/her notice of resignation for retirement purposes, and which was accepted by the Board of Education prior to the date this language is ratified, will be required to retire on the date indicated in his/her retirement notice, but will be eligible for the retirement benefit for the duration of his/her employment. For example, a teacher that has already submitted a resignation letter to retire at the end of the 2017-18 school year will be eligible for the one year retirement program payment of \$1,500 –

the teacher cannot now modify his/her retirement date in order to extend his/her employment to receive additional retirement program payments.