



TIER 1 “RETIREMENT CHECKLIST”

☐ **VERIFY** your eligible years of service by reviewing your annual statement from Utah Retirement Systems (URS) or by calling the URS Retirement Division at **801-366-7770** or **1-800-695-4877**.



PLEASE NOTE: It is your responsibility to make sure you are eligible to retire with URS and Davis School District (DSD) **before** you submit a “*Letter of Intent to Retire*” to the Human Resources Department! (*See URS and DSD requirements below*)



Utah Retirement Systems Tier 1 Eligibility Requirements:

You qualify to apply for a monthly URS retirement (pension) benefit if you are:

- **Age 65** or over with a minimum of 4 years of service
- **Age 62** with 10 years of service (9% reduction in benefit*)
- **Age 60** with 20 years of service (15% reduction in benefit*)
- **Any age** with 25 years of service (with a full actuarial age deduction*)
- **Any age** with 30 years of service

***Early Age Reduction:** If you have fewer than 30 years of service and retire before age 65 your benefit will be reduced by 3% for every year between age 60 and 65 and by 7% for every year below age 60.

☐ Compute an estimate of your monthly pension benefit by going to www.urs.org and using the *Retirement Benefit Estimate Calculator* (under the “Calculators” tab).



Davis School District Retirement Eligibility Requirements:

In order to qualify for the Davis School District Early Retirement Incentives (*see Pages 4, 5 and 6*) you must:

- ☐ Have **10 years** of eligible DSD service, including **5 years of current** eligible service.
- ☐ Meet the Utah Retirement Systems eligibility requirements (*described above*).
- ☐ Must be **retiring with URS** within **90** calendar days following your Davis School District retirement date, which will be your last day worked.
 - Employees will not be eligible for DSD Retirement Benefits if they have previously received retirement incentive benefits from the District OR are currently receiving a Utah State Retirement Systems monthly retirement (pension) benefit.



Note: If you have at least 5 current but fewer than 10 years of total DSD service credit AND you meet the eligibility requirements and other criteria above, you can apply for District Retirement Benefits on a pro rata basis (50% of the benefit for 5 years, 60% of the benefit for 6 years, etc.). Early Retirement Stipends, Sick Leave Payout and Insurance Coverage (months) will be prorated.



UTAH RETIREMENT SYSTEMS PRE-RETIREMENT CHECKLIST FOR MEMBERS

URS Steps to Retirement Timeline:

3 Years Before Retirement

- ☐ Request a retirement estimate from URS.

12 Months Before Retirement

- ☐ Request an updated retirement estimate from URS.
- ☐ If you plan on purchasing Service Credit other than Future Service Credit, contact URS for the necessary forms. (See the URS “*Purchasing Service Credit*” brochure.) All purchases must be completed before your retirement date with URS.

6 Months Before Retirement

- ☐ Locate proof-of-age documents (Birth Certificates) for you and your spouse.
- ☐ If you are married locate your Marriage License/Marriage Certificate.
- ☐ Check with your employer regarding health insurance coverage after retirement.
(See Page 6)

3 Months Before Retirement

- ☐ If you are planning on purchasing Future Service Credit contact URS. (See the URS “*Purchasing Future Service Credit*” brochure.) Future Purchases must be completed before you file a retirement application with URS.
- ☐ **Contact URS for a retirement application packet.** You can apply **90 days** before your URS retirement date, which will be either the 1st or the 16th day of the month following your last day of work. (You cannot work on your **URS** retirement date.)

Retirement Application Process:

- Complete an *Application for Service Retirement*.
- Complete a *Notice of Post-Retirement Employment Restrictions*.
- Complete a *Substitute W-4P Authorization*.
- Complete a *Notice of Termination*.
- Complete a *Direct Deposit Authorization*.
- Complete a *Partial Lump-Sum Application (PLSO)* packet if choosing this option.
- Provide proof-of-age documents and marriage certificate (if married).
- To begin the retirement process return all completed documents to URS.

1 Month Before Retirement

- ☐ Call URS if you mailed your retirement application and haven’t been notified that they have received it.

Davis School District Steps to Retirement:

☐ Write a “*Letter of Intent to Retire*” to Suzi Jensen in Human Resources:

- Include your name and Employee ID #.
- State that you are retiring, otherwise it will be treated as a resignation letter.
- Include your DSD Retirement Date, which will be your last day **worked**.
 - This is not the same as your URS Retirement Date, which will be on the 1st or 16th of the month (*see Page 2*) and must be after your last contract day.
 - **You must work on your DSD Retirement Date**. You cannot use leave on your last day **unless you are on a District-approved medical Leave of Absence**.

☐ Submit your letter to Human Resources by the following deadlines to apply for Early Retirement Benefits:

Teachers/Licensed Employees*:

- No later than December 1st for a retirement at the end of the 1st semester;
- No later than March 1st for a retirement at the end of the regular school year.

Classified Employees and Administrators*:

- At least 30 days prior to your planned DSD retirement.

Please Note: If you have reached your full Social Security age you will not qualify for the Early Retirement Benefits (*see Page 4 and 6*). However, you would still qualify for the “Sick Leave Payout” (*see Page 5*) if you submit your “*Letter of Intent to Retire*” at least 30 days prior to your retirement.

*Licensed Educators and Administrators: Please see the Administrative Memo from Superintendent Reid P Newey dated October 25, 2017 for licensed educators and November 7, 2017 for Administrators regarding Early Notice Incentives for those planning to retire or resign at the end of first semester or the end of the 2017-2018 school year.

➤ Human Resources will mail you a letter acknowledging receipt of your “*Letter of Intent to Retire*”, along with the following forms:

- *Application for Retirement Agreement and Waiver*
- *Employee Benefits Notification*

☐ Send your completed forms to Payroll via District mail or mail them to:

Davis School District
Attn: Leslie Rice/Payroll Department
P.O. Box 588
Farmington, Utah 84025-0588

➤ Contact **Leslie Rice (801-402-5176)** or **Cindy Chambers (801-402-5324)** in the Payroll Department if you:

- Have questions regarding District retirement benefits (explained below)
- Would like to set up an appointment to discuss your specific retirement questions or concerns

Davis School District Early Retirement/Regular Retirement Benefits:

➤ **Early Retirement Stipends/Social Security Bridge Payments (if applicable):**

Stipends/Bridge Payments are intended to partially offset the reduction in Social Security benefits due to early retirement. *Eligible* retirees will receive a contribution of **16%** of their earnings from their **last 12 months** of employment into a qualified *Special Pay Plan* 403(b) account or a District sponsored *Health Reimbursement Account* for **up to 3 years**.*

- The first stipend and any *applicable* leave payouts (see Page 5) will be issued quarterly, no more than 90 to 180 calendar days from your District retirement date (last day worked). For example:
 - If you retire at the end of the contract year your first stipend will be issued by the end of September.
(You will be notified by mail when this and any subsequent stipends have been issued.)
 - If you retire at the end of the calendar year or at the end of the 1st semester your first stipend will be issued by the end of February.
- The second stipend will be issued in February of the first year following a complete calendar year where no earnings were reported for the position you retired from.
- The third stipend will be issued the following February.

*The number of Stipends (if any) you will be eligible to receive (maximum of 3) will depend on your **Age at Retirement** and your **FULL Social Security Retirement Age**.

- Your *Age at Retirement* will be based on your age as of your last day **worked**.
- You can find your *Full Social Security Retirement Age* on the Social Security Administration website at: <http://www.ssa.gov/pubs/ageincrease.htm>
 - If you were born between 1943 and 1954 your *Full Social Security Retirement Age* is **66** and you would qualify for Stipends as follows:
 - Age 63 or younger = 3 Stipends
 - Age 64 = 2 Stipends
 - Age 65 = 1 Stipend
 - Age 66+ = 0 Stipends

Note: Receipt of stipends as described above is contingent on eligibility (see Page 1) and the completion of all necessary paperwork with Davis School District and Utah Retirement Systems. Delays in submitting paperwork may result in a delayed benefit.

You can calculate an *estimate* of your "Stipend" amount by multiplying your fiscal salary or your GROSS earnings from your last 12 paychecks by 16% (.16).

Estimated Stipend Amount: \$ _____

Your final stipend amount may be more or less than the estimate due to extra duty pay, Leave Without Pay (LWOP), etc.

➤ **Leave Payouts (if applicable):** Any unused leave you have **earned** (not necessarily *accrued*) at the time of your retirement will be converted and contributed into either a *Special Pay Plan* or a *Health Reimbursement Account* along with your first stipend (if applicable).

A. **Personal Leave Payout (if applicable):** Unused Personal Leave balances will be compensated at the substitute rate of pay for your position.

- Substitute Rates for the 2018-2019 School Year:

- Sub Teacher: \$92 per day (for every 8 hours)
- Sub Secretary: \$13.01
- Sub Bus Driver: \$16.69
- Sub Bus Assistant: \$11.29
- Sub T.A./Office Assistant: \$10.27
- Sub Custodian: \$9.41
- Sub Cook: \$10.20

B. **Vacation Payout (if applicable):** Unused Vacation balances will be compensated at your regular hourly rate of pay.

- **Table 9 Employees:** A maximum of 20 days plus any leave accrued in the current fiscal year will be paid out.
- **Administrators:** A maximum of 50 days will be paid out.

C. **Sick Leave Payout (if applicable):** Upon retirement you will be compensated for 21.5% of the value of your unused Sick Leave balance based on your hourly rate.

You can calculate your *estimated* Sick Leave payout:

- Multiply your current sick leave balance (from your most recent check stub) by 21.5% (.215) = _____
- Multiply that figure by your hourly rate of pay = \$ _____

□ **Employee “Exit Interview”:** If your *estimated* District Retirement payout (*applicable Early Retirement Stipend(s) and/or leave payouts*) exceeds \$1,000 your payout will be contributed to either a tax-deferred **“Special Pay Plan”** 403(b) account with VALIC Retirement or a **Health Reimbursement Account (HRA)** with Pelion Financial Group. No exceptions! You **will be contacted** for an “Exit Interview” to help determine which plan your District Retirement Package will be sent to. (Payouts of less than \$1,000 will be paid via a regular payroll check.)

- Brent Hill’s *Financial Educational Systems, Inc.* (FES) office has been contracted to conduct the “Exit Interviews” for DSD retirees. When the Payroll Department receives notification of your retirement we will notify Brent’s office and someone from FES **will contact you** to schedule an appointment for your interview – which will be with Brent Hill, Drew Hill, or one of their FES associates.
- For detailed information on the *Special Pay Plan* and the *Health Reimbursement Account* please see the DSD “*Retirement Incentive Package Payment Options*” handout and “*Employee Exit Interview*” Flow Chart on the Payroll Department webpage.

- **Insurance:** Employees who retire under the Early Retirement incentive program can continue enrollment in group medical and dental programs until they become eligible for Medicare (age 65), or for the ten consecutive years following retirement, whichever occurs first.
- ☐ **Re-enroll in Insurance:** In order for your insurance coverage to continue you must re-enroll as a retiree. An insurance enrollment packet will be mailed to eligible retirees by the District Insurance office.
- Retirees will pay the same premium as active employees for the first 3 years and the full premium, plus an administrative fee, for the following 7 years or until they reach Medicare eligibility (age 65), whichever occurs first.
 - Unless you sign and return the election form requesting no insurance as a retiree the District will automatically deduct approximately one year's worth of insurance premiums (medical, dental and vision only) from each stipend.
 - If you are eligible to continue your supplemental Life Insurance, you will need to arrange automatic monthly payments through Jenny Manning in the District Accounting Department.
- ☐ **Medicare:** If you are nearing age 65 or if you are already 65 and will need to add to your basic Medicare coverage, contact Medicare at least 3 months before your District insurance coverage will end.

Please see the current *Davis Educators' Agreement* or *Classified Agreement* for further clarification regarding continued eligibility/coverage for your spouse and/or dependents and for detailed information regarding the out-of-area plan.

- If you have additional questions regarding continued insurance coverage, please contact Rose Bassett (801-402-5636) in the Human Resources/Insurance Department between 8:00 a.m. and 12:00 p.m.
- **Flexible Spending:** If you are enrolled in Flexible Spending at the time of your retirement you will have 30 days following your final Davis School District paycheck to incur any additional expenses. After the 30 days, any expenses incurred will be considered ineligible and will not be covered.
- If you use the NBS Flex Card, the card will be inactivated after the 30 days.
 - You will have until the last business day in the plan year (last business day in December) to claim reimbursement for eligible expenses. After that date, any unclaimed funds will be lost.
- ☐ Do you know when you will receive your final paycheck? _____
- When we receive notice of your retirement we will send you an e-mail with important information you will need to know, including the date of your final Davis School District paycheck.

SENATE BILL 127 – Effective with the 2011 General Legislative Session

49-11-505: Reemployment of a Retiree – Restrictions

- (1) For purposes of this section, "retiree":
 - (a) means a person who:
 - (i) retired from a participating [Utah Retirement Systems] employer; and
 - (ii) begins reemployment on or after July 1, 2010 with a participating employer;
 - (2) A retiree **may not** for the same period of reemployment:
 - (a) (i) **earn additional service credit**; or
 - (ii) **receive any retirement related contribution from a participating employer**; &
 - (b) **receive a retirement allowance**.
 - (3) (a) *Except as provided under Subsection (3)(b)*, the office shall **cancel the retirement allowance** of a retiree if the reemployment with a participating employer begins **within one year** of the retiree's [URS] retirement date.
 - (b) The office **may not cancel** the retirement allowance of a retiree who is reemployed with a participating employer within one year of the retiree's retirement date if:
 - (i) the retiree is not reemployed by a participating employer for a period of at least **60 days** from the retiree's [URS] retirement date;
 - (ii) upon reemployment after the break in service under Subsection (3)(b)(i), the retiree **does not receive any employer provided benefits**, including:
 - (A) medical benefits;
 - (B) dental benefits;
 - (C) other insurance benefits of any kind; or
 - (D) paid time off, including sick, annual, or other type of leave; and
 - (iii) the retiree does not earn in any calendar year of reemployment an amount **in excess of the lesser of:**
 - (A) \$16,000.00; or
 - (B) one-half of the retiree's final average salary [3 highest years] upon which the retiree's retirement allowance is based.
- If, after retiring from any URS participating employer, a retiree returns to work for Davis School District (or any other URS participating employer) in **ANY capacity** – including work as a substitute – the retiree **must complete a "Post-Retirement Employment Form"**. (These forms are available from the Payroll Department or from the URS website at www.urs.org.)
- Failure to comply with this regulation will result in **cancellation** of your retirement benefits through URS.

Revised January 27, 2017