

CSBA Sample Board Policy Early Retirement Option

CSBA Sample with Revisions
Not currently a PSD Policy

BP 4317.13 - Administration and Management Personnel

When it is beneficial to the district, the Governing Board may offer certificated employees the option to retire early in accordance with law.

Two Years of Service Credit Retirement Incentive

Note: Education Code 44929 allows districts to offer an additional two years of service credit as an incentive for early retirement.

As an incentive to early retirement for certificated employees participating in the State Teachers' Retirement System (STRS), the Board may offer such employees an additional two years of service credit. (Education Code 22714, 44929)

Note: Prior to adopting this incentive, Education Code 22714 requires the Board to determine that encouraging early retirement would be in the best interest of the district and result in net savings, as specified below. In addition, Education Code 22714 requires that the County Superintendent certify to the Superintendent of Public Instruction, who then must certify to STRS, that net savings can be demonstrated.

Before taking formal action to approve this service incentive, the Board shall determine that encouraging early retirement would be in the best interest of the district due to the curtailment of services or changes in the manner in which services are performed and that the retirement will result in a net savings to the district. The Board shall demonstrate and certify to the County Superintendent of Schools that the formal action taken would result in a net savings to the district. (Education Code 22714, 44929)

The Board may also consider the impact of the early retirement option on the staffing needs of district schools.

To be eligible for the two years of service credit option, the employee must have five or more years of service credit and must retire during a period of 60 to 120 days after the Board takes formal action to implement the option. (Education Code 22714)

Note: In addition to reimbursing related administrative costs to the STRS and the County Superintendent, the district must transmit to STRS amounts specified in Education Code 22714 and 44929.

In providing the early retirement option, the district shall meet all conditions as specified in

Education Code 22714 and 44929.

Two + Two Retirement Incentive: 2 Years of Service Credit + 2 Years of Age Credit

~~***Note: The following section is for use by districts that, prior to January 1, 2005, entered into a Memorandum of Understanding (MOU) with the district's employee organization or took Board action to grant an additional two years of age credit and two years of service credit (2+2) as an early retirement incentive. According to STRS, the MOU may have established one or more "window periods" that specify the dates by which an employee must retire in order to be eligible for the incentive. These "window periods" may allow for the 2+2 incentive option to be offered to employees after January 1, 2005, but only if the MOU or official Board action to establish the "window period" occurred prior to January 1, 2005, the date at which Education Code 22714.5 was repealed by its own terms. The following section should be deleted by districts that (1) did not take action to establish a "window period" prior to January 1, 2005 or (2) when such action was taken, did not establish a "window period" to allow this retirement incentive to apply to employees retiring after January 1, 2005 and established window periods in the future.***~~

~~As an incentive to early retirement for certificated employees participating in the State Teachers' Retirement System, the Board may offer an additional two years of service credit and two years of age credit to employees who retire within the "window period" established by the Board in a Memorandum of Understanding or by Board action prior to January 1, 2005 pursuant to repealed Education Code 22714.5.~~

Cash Incentive Payment for Early Retirement

As an incentive to early retirement for the District's Administrative and Management employees, the Board may, in appropriate cases, offer a cash incentive payment to certificated employees who the Board seeks to have retire early and who agree to do so. Such cash incentive payments shall be in the amounts, and payable in such a manner, as determined by the Board.

Comment [mg1]: This is not a PSD practice.

Legal Reference:

EDUCATION CODE

22714 Service credit under STRS; additional two years

44929 Service credit under STRS; additional two years

COURT DECISIONS

United Teacher of Los Angeles v. Los Angeles Unified School District (1994) 24 Cal.App. 4th 1510

Management Resources:

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM PUBLICATIONS

Retirement Incentive Program, Frequently Asked Questions

WEB SITES

California State Teachers' Retirement System: <http://www.calstrs.com>

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