

VIRGINIA RETIREMENT SYSTEM

All eligible employees must be members of the Virginia Retirement System. Employee retirement benefits are governed by the rules and regulations established by the Virginia Retirement System and applicable local policies and regulations.

Adopted: August 13, 2012

Amended by School Board: June 12, 2006

Legal Ref.: Code of Virginia, 1950 as amended, §§ 22.1-78, 51.1-135.

Cross Ref.: GBR Voluntary Retirement Savings Program

Early Retirement Incentive ProgramI. Eligibility

- A. Full-time, salaried employees of the Tazewell County School Board
- B. At least 10 years full-time employment with the Tazewell County School Board. For those retiring after June 30, 2018, at least 15 years of full-time employment with Tazewell County Public Schools. For those retiring after June 30, 2020, at least 20 years of full-time service with Tazewell County Public Schools.
- C. Eligibility shall be limited to the minimum age of fifty (50) which is acceptable under the provisions of VRS, up to the point at which the employee becomes eligible for Medicare. Effective with early retirees on or after June 30, 2018, eligibility shall be limited to the minimum age of fifty-five (55) years of age.
- D. Employees retiring under the disability provisions of VRS and/or Social Security shall not be eligible.
- E. To be eligible for early retiree medical benefits, the employee who is retiring and any covered dependents must have been covered under the active health insurance plan in the preceding plan year prior to retirement. Additional dependent coverage for early retirees cannot be added after retirement.
- F. For early retirees of Tazewell County Public Schools, retiring after June 30, 2017, who gain employment after early retirement, who have access to affordable health care through their new employer that provides minimum value (as defined by the Affordable Care Act) shall no longer be eligible for early retiree medical benefits or pay a premium addition of \$300 per premium month for single coverage, \$500 per premium month for employee plus one coverage, and \$700 per premium month for family coverage. Should an early retiree lose their employment, which provided a means for alternate health care coverage, they may be allowed to return to Early Retiree Incentive Program as specified in the program for future health care coverage after appropriate notification is made to Tazewell County Public Schools.

II. Application

Application for ERIP should be made to the Division Superintendent prior to June 30 of the year preceding the school year the ERIP takes effect.

III. Options Available

- A. Employees may select one of the following options. Once a selection is made, it cannot be changed.
 - 1. Hospitalization
 - a. The employee may continue in the group hospitalization plan.
 - b. The Tazewell County School Board will pay the cost of health insurance at the same percentage rate as paid for active employees.

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- c. In the event that the Tazewell County School Board discontinues paying the cost of health insurance for active employees or the ERIP participant is not eligible for the group, then the board would continue to pay the ERIP participant at the last percentage rate paid at or since retirement.
 - d. Upon expiration of the limitations set forth in Section IV - A, continuation of coverage shall be offered consistent with COBRA federal regulations.
2. One time lump-sum
- a. The Tazewell County School Board will make a lump-sum payment equal to \$400 for each year of service credited toward retirement by VRS, up to a maximum of thirty years. To be eligible for the lump sum payout, the active employee must meet the policy requirements for the Early Retirement Incentive Program and have elected active health insurance coverage for at least one full health insurance plan year prior to retirement on or after June 30, 2017.
 - b. This option shall be available only to those employees below age 65, and have elected active health insurance coverage for the plan year of their retirement. Additionally, there will be a 4% reduction in total lump sum benefits provided under this option for each year of age of the early retiree effective June 30, 2017.
 - c. Participants in this ERIP will not be eligible for any fringe benefits but may elect to remain enrolled in the group hospitalization plan for the duration of the employee's eligibility in the plan as defined by the insurance carrier. The participant will be responsible for the total cost of insurance premiums applicable to his/her coverage. This provision is applicable only to the one time lump-sum option and in no manner relates to the hospitalization option selection.

IV. Limitations

- A. Benefits under this plan will be available to those approved for the program until the earlier of any of the following for Section III of Option I, Hospitalization:
 - 1. the death of the retired employee
 - 2. receipt of the retired employee of ERIP benefits until employee is eligible for Medicare benefits
 - 3. the acceptance of disability retirement benefits by the retired employee
- B. If the number of applications for any contractual year exceeds the funds budgeted for the program, applicants with the highest total of age plus years of service with Tazewell County Schools will be selected.
- C. If any clause, sentence, paragraph, subdivision, section or part of this plan shall be adjudged by any court of competent jurisdiction to be invalid, the judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which the judgment shall have been rendered.

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V. Revokability

- A. Participants in the ERIP may withdraw from the program. Participants who have elected the ERIP option may only have one ERIP election.
- B. The Tazewell County School Board reserves the right to amend or terminate the program by June 1 of each year.
- C. In the event the Tazewell County School Board does not continue or changes the ERIP, the employees that retired under Option 1, Hospitalization, will continue to participate in accordance with the policy in effect at the time that the option was selected.

Adopted by School Board: January 14, 1991
Amended by School Board: July 11, 1994
Amended by School Board: December 8, 1997
Amended by School Board: August 14, 2000
Amended by School Board: June 12, 2006
Amended by School Board: April 11, 2016
Amended by School Board: June 19, 2017