

**PROVO SCHOOL DISTRICT
RETIREMENT BENEFIT
AS AGREED UPON BY THE PROVO EDUCATION ASSOCIATION
& DISTRICT ADMINISTRATION
May 10, 2007**

Effective July 1, 2007, retirement benefits will be provided by Provo School District to employees, who retire from the Utah State Retirement System (URS) and the Provo School District concurrently, according to one of the following options.

- “Modified Career Grandfather Option” benefit is provided for those employees with 20 years of cumulative service (as determined by the Utah Retirement System guidelines) in the Provo School District before September 1, 2007, and qualifies them for payments of 54% of the difference between the base salary and the Lane 5 Step 1 position on the Licensed Educators Salary Schedule for a five year period. During the eight-year period of insurance coverage, the District will pay \$438.00 per month of medical benefit. The District’s portion of the premium is frozen at this amount regardless of employee’s benefit status (single, couple, family). Additional cost of medical insurance will be borne by the retired employee. If the employee chooses to opt out of the insurance plan the \$438.00 per month will be distributed annually into a medical account.

Rules for this benefit include:

- Years purchased from Utah State Retirement Systems do not apply towards district experience.
 - Employees may opt not to take the “Modified Grandfather Career Option” benefit and instead opt to take the District Pro-Rated Retirement Benefit. The benefit will be calculated at the 19th year level paid out annually for five years rather than a lump sum.
 - Prior to September 1, 2007, an employee must be eligible for medical benefits for a minimum of 12 years of District employment.
 - Grandfathered employees (those employees with 20 years of cumulative service, as determined by the Utah Retirement system guidelines, in Provo School District before September 1, 2007) are defaulted to the “Grandfathered Salary Schedule” but may choose the “Enhanced Salary Schedule” and the “Pro-Rated Retirement Benefit” at the 19-year level. An employee must make this decision by September 30, 2007, in writing to the district personnel director. This is an irrevocable decision. The salary will be adjusted on the next pay period after signing.
- “District Pro-Rated Retirement Benefit” is provided for those employees that have less than 20 years of experience in Provo District as of September 1, 2007 and retire from URS and PSD concurrently after Dec 15th, 2006. This benefit is a lump sum payment to the employee upon retirement.

Rules for this benefit include:

- An employee must have at least twelve years of experience that have been credited towards retirement with the Utah Retirement System in

the Provo School District as of September 1, 2007. Years purchased from Utah State Retirement Systems do not apply towards district experience.

- The lump sum calculation is based on the standard of 30 years of URS experience or at the age of 62, which ever comes first, regardless of actual years of experience or age of the employee.
- The Present Value rate factor will be set at 5%
- The District “Pro-Rated Retirement Benefit” will be calculated based on the 2006-2007 salary schedule, and will be available to the employees as negotiated when they retire from the Provo School District. Severing from Provo District without URS retirement disqualifies the employee from receiving the termination benefits at retirement.
- Employees and the HR director will need to sign a buyout agreement letter prior to December 1, 2007.
- The multiplying factor will be graduated according to the years of experience as stated in the following chart:

Years of PSD experience (as of Sept. 1, 2007)	Multiplying factor
18 to 19	70%
16 to 17	60%
14 to 15	50%
12 to 13	40%
0 to 11	0%

- Severance Pay will be provided to retiring employees as previously negotiated and presently existing in the Licensed Policy Manual located at www.provo.edu/.

Initials of Board President _____

Initials of President of Provo Education Professionals Association _____