



BOOK: Employee Handbook Administrative Guideline

PART: II – Professional Exempt Salary Teachers

SECTION: 8.00

TITLE: Application of Payment of Benefits

D. Payment of Benefit

1a) For Staff hired prior to July 1, 1986

Upon Board approval of the retirement date, a monthly benefit is determined by dividing the total benefit credit by the number of months until the employee becomes entitled to Medicare eligibility.

1b) For Staff hired prior to July 1, 2009.

Upon Board approval of the retirement date, an annual benefit is determined by dividing the total benefit credit by 5.

2) Retired employees may use the HRA credit for premium only health reimbursement account from a third party vendor selected by the district.

3) Retired employees who return to work in any position which offers health insurance shall have their benefit suspended until they no longer work in a position that is eligible for health insurance, subject to the terms for participation eligibility. Upon termination of any health insurance qualifying post retirement employment, monthly benefits with the Colby School District will be recalculated as described in Part II, Section 8, D(1a) and D(1b).

4) Decisions made by the District in the interpretation and operation of this benefit offering shall be in its sole discretion and are final and binding. In the event of any review of a decision by a court of law, the reviewing tribunal shall give deference to the District's decision, confirming such decision, unless it is shown that the District acted in an arbitrary and capricious manner. The decision of the District on all issues under this offering shall be final.

APPLICATION of Part II, Section 8D

1a) For Staff hired prior to July 1, 1986

1. The total dollar benefit is calculated. (Years of service x \$3,000)
2. The total months until the retiree reaches Medicare eligibility is determined.
3. The total benefit is divided by the months until Medicare eligibility.
4. The District will deposit the monthly benefit to the employee's HRA account.
5. The District reserves the right to "pre-pay" towards this contribution.

1b) For Staff hired prior to July 1, 2009.

1. The total dollar benefit is calculated. (Years of service x \$3,000)
2. The total dollar benefit is divided by 5
3. The first installment (1/3) will be paid in July of the year of retirement (covers Sept. – December)
4. Installments two, three four and five are equal payment paid in January.
5. The final (sixth / final) payment is the remaining two-thirds (2/3) of the prepayment for the year of retirement.
6. Once a retiree has reached Medicare eligibility, payments will cease.