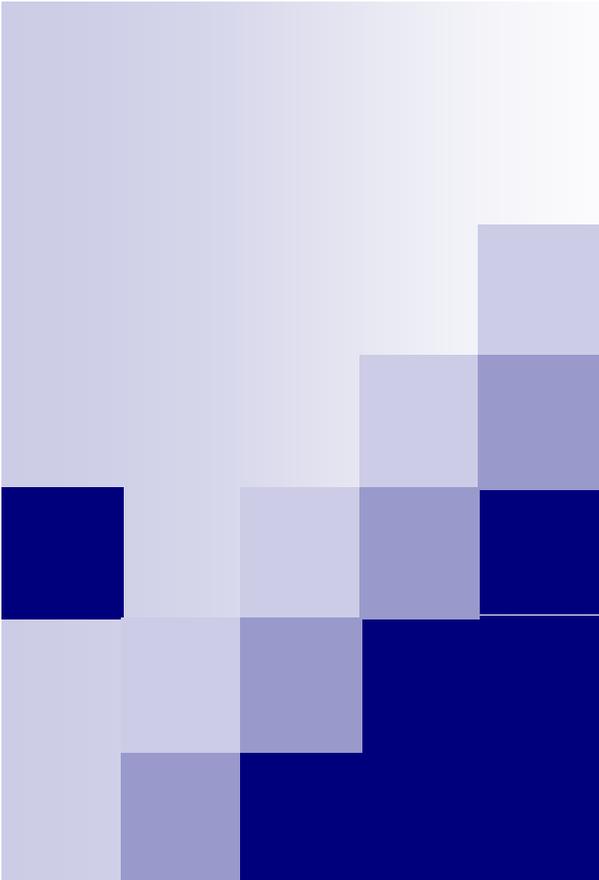
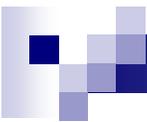


Brief Summary of Early Retirement Incentive Plans

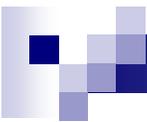


Highlights of the Early Out Program from 2009 Session



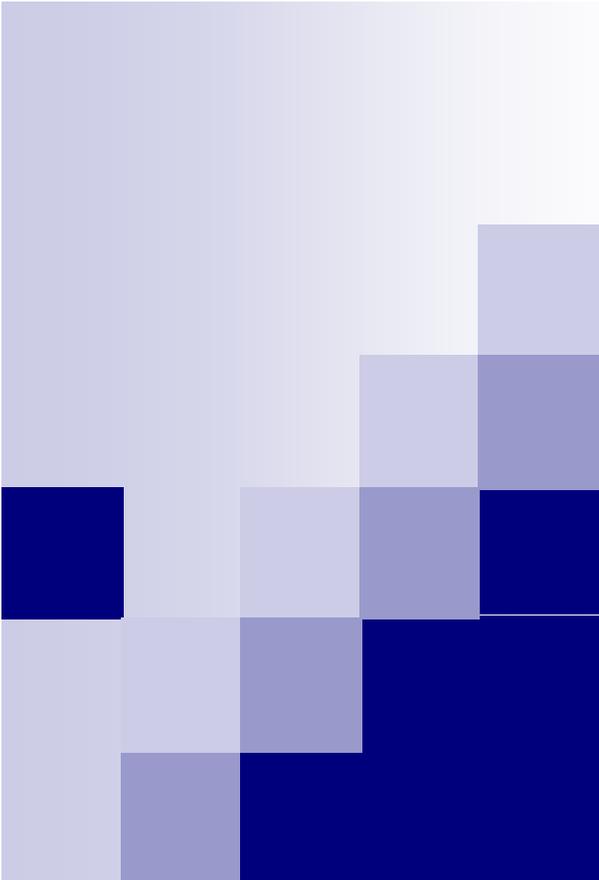
Early Out Incentive Plan

- House adopted a budget amendment to offer an “early-out” incentive plan to school divisions
- Under the plan, school divisions could have chosen to purchase up to 5 years of additional VRS service credit for eligible employees
- Two windows of time for school divisions to participate:
 - July 1, 2009 - June 30, 2010; and / or
 - July 1, 2010 - June 30, 2011
- Local school boards would have had authority to establish their own individual eligibility restrictions based on specific personnel business needs
- School divisions would have selected and approved participants from an initial list of eligible employees that was provided by VRS



Eligibility & Benefits

- Eligible employees were at least age 50; and had at least 25 years of VRS service credit, by June 30th prior to beginning of the fiscal year of participation
 - Could retire with no reduction applied for early retirement if they have not attained 30 years by 6/30/09 or 6/30/10
 - Granted additional credit by their school division effective with their retirement date
 - Voluntary participation
 - No additional days of work required under this plan
- Employees who accepted the offer had to select a retirement date during the window(s) selected by local school board



**Highlights of the Early
Retirement Incentive
Plans (ERIP) Offered by
School Divisions**



Highlights of Selected Local ERIPs

- Some school divisions offer a local early retirement incentive plan (ERIP) for employees
- The various local plans are provided in addition to the current retirement benefit plan administered by the Virginia Retirement System (VRS)
- Majority of local ERIP plans are tailored to fit an individual division's needs



Highlights of Local ERIPs

- Overall, local plans have several common features:
 - Employee eligibility:
 - At least age 50 - 55
 - Have a minimum number of years of VRS service credit
 - Range from 10 to 30 years
 - Some localities further require a minimum number of the VRS service credit years to be served within school division
 - Range from 5 to 20 years



Requirements & Benefits

- Local ERIP plans' general structure:
 - Retired employee returns to work for a set number of days in exchange for a percent of their salary at retirement
 - The percentage of salary would be paid out over a defined number of years to the retiree
 - Some school divisions also provide an additional supplement toward health care costs



Requirements & Benefits

- **Example A: Hundred Day ERIP Plan:**
 - A retiree would return to work for 20 days per school year over five years and receive one percent of their salary at retirement for every day they work in the ERIP plan. Retiree would be paid accordingly each month that days are worked
- **Example B: Hundred-Seventy-Five Day ERIP Plan:**
 - A retiree would return to work during the school year immediately following their retirement date to work for 175 consecutive days and receive 175 percent of their salary at retirement. The 175% of salary would be paid out equally over 5 or 7 years
- **Example C: Hundred-and-Five Day ERIP Plan:**
 - A retiree would return to work during the school year immediately following their retirement date to work for 105 consecutive days and receive 105 percent of their salary at retirement. The 105% of salary would be paid out equally over 3 years