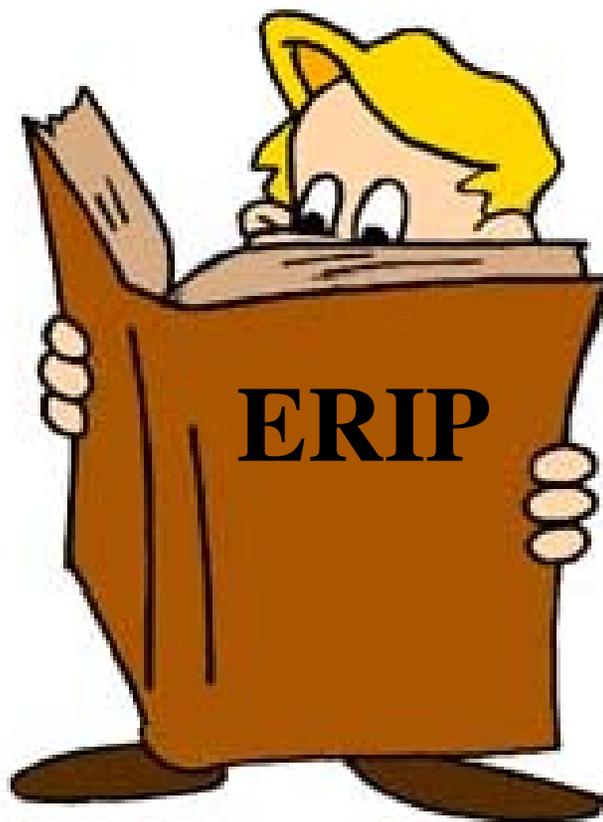


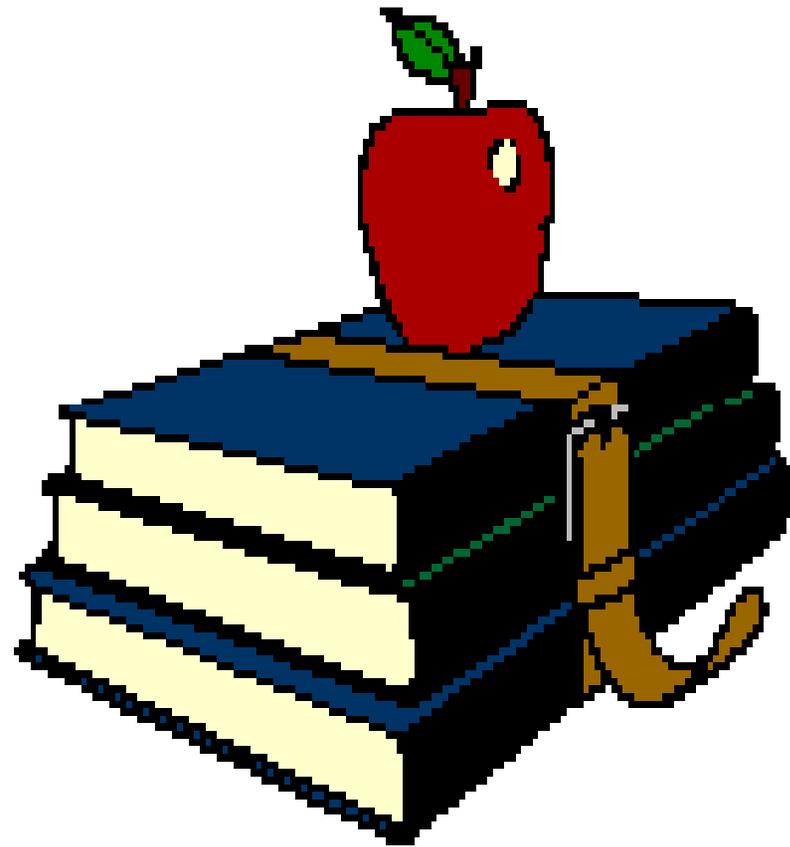
Fredericksburg City Public Schools ERIP* Plan



* Early Retirement Incentive Program

Eligibility for ERIP

- Any *certificated* employee may apply
- Participation is subject to approval by the Superintendent
- The applicant must be eligible for *full retirement* from the Virginia Retirement System (VRS)
- The applicant must be employed in good standing for the last fifteen (15) years and in VRS

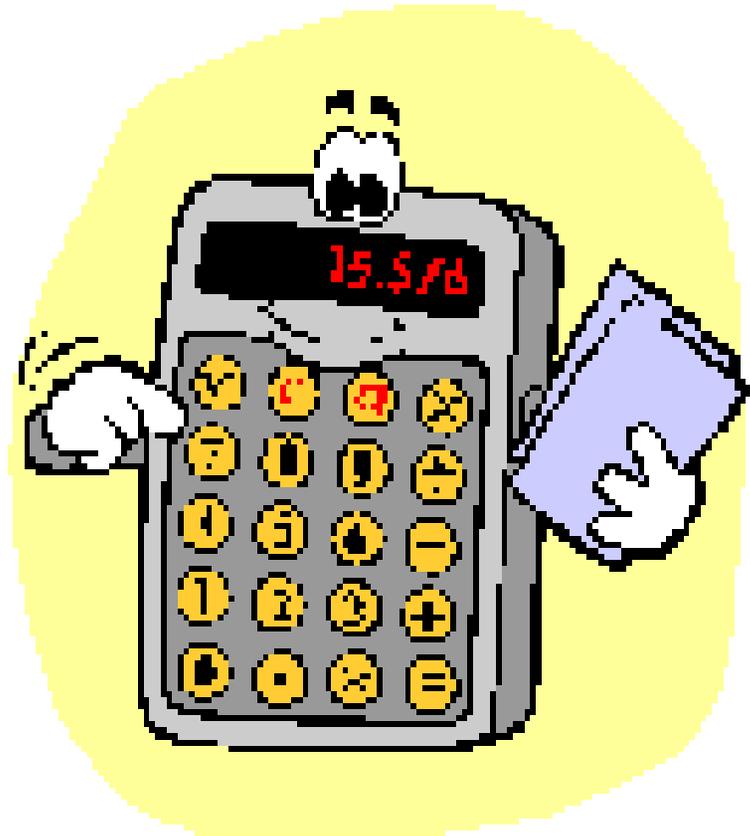


Employee ERIP Benefits

Participants annually receive twenty percent of their final contracted salary not to exceed \$15,000

The participation period extends up to five years

Participants are responsible for federal and state income tax reporting



Employer ERIP Benefits

Participants will be required to work twenty days per year

Projects/assignments will be determined by the Superintendent or their designee

Service as a substitute teacher may fulfill the twenty day requirement



Experience with ERIP

- Plan annual total cost has risen from @ \$75,000 to @ \$225,000 over 10 years
- Annual savings vary and are dependent on replacement and tenure
- Currently 14% of participants are guidance counselors, 14% administrators and 72% teachers
- Recent changes in ERIP plan increased service requirement from 10 to 15 years and decreased benefit term from 7 to 5 years as of July 1, 2009