G-37 RETIREMENT OF PROFESSIONAL STAFF MEMBERS ADMINISTRATORS

EFFECTIVE DATE

It is intended that Administrators will generally receive the same severance and retirement benefits as provided to teachers in the negotiated master agreement with the Plainfield Professional Educators Association (the “master contract”), subject to any differences specifically described herein. Therefore, the general policy regarding administrators’ entitlement to severance and retirement is amended with respect to any administrator retiring on or after July 1, 2003 (the “Effective Date”). Any administrator who has retired before the Effective Date will only be entitled to those benefits contained in the prior policy, if any, in effect as of the time of his or her retirement.

SEVERANCE

An individual who is employed as an administrator by the Plainfield Community School Corporation at the time of retirement or severance from employment will be eligible for the following severance benefits provided the administrator has otherwise satisfied the requirements and conditions described below.

1. Group Health Insurance

   Immediately following severance, the administrator and his/her spouse, if any, shall have the option of remaining in the Corporation’s current group health insurance plan if all of the following conditions are met as of the date of severance and thereafter:

   a. The administrator is at least fifty-five (55) years of age or older and is not eligible for Medicare;

   b. While the retired administrator and spouse, if any, remain enrolled in the health insurance plan, the retired administrator and spouse pay the entire insurance premium applicable to the insurance coverage, with monthly payments to be made on or before the first day of each month for which group health insurance coverage is to continue; and

   c. Within ninety (90) days after the severance date, the administrator has provided a written request to the School Corporation for continuing insurance coverage for the administrator and spouse, if any.

   When a retired administrator first becomes eligible for Medicare, the administrator’s eligibility to continue to participate in the Corporation’s group health insurance plan shall terminate, if not earlier terminated according to applicable law. (A similar termination of eligibility shall also apply when a retired administrator’s spouse first becomes eligible for Medicare.) These provisions are intended to comply with applicable federal and state laws that establish an eligible administrator’s right to continue health insurance for the administrator and spouse, including if otherwise applicable, Indiana Code 5-10-8-2.6. Therefore, this right to extended coverage shall not override any rights to continuing health care coverage as required by COBRA.

2. Term Life Insurance

Provided a retiring administrator otherwise qualifies under the terms and conditions of the School Corporation's term life insurance policy, the retired administrator may continue to participate in the School Corporation's term life insurance coverage program. To continue this coverage, the retired administrator must pay the entire insurance premium applicable to the term life insurance coverage at such times as reasonably determined by the School Corporation.

403(b)

1. Salary Reduction Elections.

Each administrator may elect to make tax deferred contributions, i.e., salary reduction contributions, to plans described in section 403(b) of the Internal Revenue Code (the "Code") to the maximum limits allowed by the Code. Furthermore, subject to future approval of the Board and an administrator's timely election, an administrator may have additional "employer pick-up" contributions made to the Indiana State Teachers' Retirement Fund.

2. Matching Annuity Plan

Administrators shall be entitled to receive the same 401(a) matching annuity plan benefit as provided to teachers under the master contract.

RETIREMENT BENEFITS

1. Elimination Of Prior Agreement's Retirement Bridge And Severance Benefit

Similar to the changes made to the teachers' prior master contract, the administrators' Retirement Bridge and Severance Benefits, including the separate Severance benefit provided under the prior policy of the administrators, (collectively, the "Retirement Benefits") are terminated and shall not apply to any administrator retiring or severing employment with the School Corporation on or after the effective date. Furthermore, the Retirement Benefits of the administrators employed by the School Corporation as of the Effective Date shall be bought out and contributed to the 401(a) Plan and VEBA, as described below.

2. Entitlement to Retirement Benefits, Vesting Requirements

Except as otherwise specifically provided herein, upon retirement from the Plainfield Community School Corporation, an administrator shall be vested in the buyout of Retirement Benefits described hereinafter in accordance with the following schedule:

ADMINISTRATIVE EXPERIENCE	VESTED BENEFIT %
Less than 1 Year	0%
1 Year	10%
2 Years	20%
3 Years	30%
4 Years	40%
5 Years	50%
6 Years	60%
7 Years	70%
8 Years	80%
9 Years	90%
10 Years or More	100%

Administrative experience is defined as employment in Plainfield Community School Corporation in one or more of the following positions: principal, assistant principal, superintendent, assistant superintendent, director of elementary and secondary education, business manager, special education director, technology director, treasurer, and middle school athletic director.

3. Actuarial Determination of Value of Current Retirement Bridge and Severance Benefits

Educational Services Company, Inc. ("ESC") will determine the present value of the administrators' unfunded Retirement Benefits, using the following assumptions:

a. MORTALITY

For discounted values, no mortality factor shall be considered.

b. INTEREST RATE

The assumed interest rate for purposes of determining the present value is 4.5% for the first three years of the calculations and then 7.0% for each subsequent year thereafter. However, for post-retirement cash flow purposes, a 0% interest rate shall be used.

c. RETIREMENT AGE

It is assumed that an administrator terminates employment at the end of the school year in which the employee attains age 58 or at the end of the current year, if the individual is already 58 or older. (If an administrator continues employment after the attainment of age 58, this does not preclude the administrator from sharing in any future forfeiture. Such deemed age of retirement shall be referred to as Retirement Age.)

d. HEALTH INSURANCE

The annual post-retirement single or family health insurance premiums will be $4,500, subject to annual inflation of 8%. Furthermore, payments will be deemed to terminate when the individual would otherwise be eligible for Medicare.

e. RETIREMENT PAY

The anticipated amount of an administrator's Retirement Benefits shall be calculated using the applicable Retirement Bridge Benefit and the greater of the Severance Benefit under the prior master contract for the teachers or prior policy for administrators. It is assumed that administrators do not retire until the later of: (i) the attainment of Retirement Age or (ii) qualification for retirement under applicable rules of the Indiana State Teachers' Retirement Fund ("ISTRF").

f. ADJUSTMENTS

Unused accumulated sick leave days and accumulated years of service shall be considered in the determination of the present value of the future Retirement Benefits, but subject to the following adjustments:

i) Solely, for purposes of these calculations, there shall be no additional accumulation of sick leave days after June 30, 2003.

ii) The employee's base daily rate will be increased by assumed years of service, and a 0 % salary inflation rate will be used.

g. FICA

The present value of the future Retirement Benefits will be reduced by the Social Security and Medicare taxes (FICA) that would have been payable if the Retirement Benefits had been paid directly to the employee.

h. TERM LIFE INSURANCE

In determining the present value of the future term life insurance benefit under the Prior Agreement, the annual premium shall be assumed to be and remain $104 per year, and such coverage shall end when the retired administrator is age sixty-five (65).

i. EXCLUSIONS

For administrators hired after July 1, 2003, they shall not be entitled to any payment for the eliminated Retirement Benefits. In other words, no contribution shall be made for administrators hired or rehired on or after July 1, 2003.

j. REHIRED

Administrators - Amounts forfeited upon termination of employment shall not be reinstated or re-credited if an individual is subsequently rehired or re-employed by the School Corporation. However, if the Board shall have approved a leave of absence of not more than one (1) fiscal year for an administrator, such period of leave shall not result in forfeiture provided the administrator shall promptly return to employment following the expiration of the period of leave.

k. CALCULATION DATE

The present value of the Severance Benefits and Retirement Bridge under the Prior Agreement shall be calculated, effective as of July 1, 2003.

Using the above assumptions and the other assumptions contained on ESC's Data Input form, ESC shall prepare the present value calculations for each administrator and the contributions described hereinafter will be made.

4. <u>Contributions</u>

a. VEBA

The School Corporation shall contribute to a voluntary employees' beneficiary association ("VEBA") as described in section 501(c)(9) of the Code that amount representing the present <u>value</u> of the group health insurance benefits and term life insurance as calculated for all administrators under Subsection C. The remaining terms and conditions for the administration and operations of the VEBA shall be the same as those described in the teachers' master contract.

b. 401(a) PLAN

The School Corporation shall establish a qualified retirement plan as described in section 401(a) of the Code (the "401(a) Plan"). The total sum of the amount calculated by ESC as the present value for the Retirement Benefits, exclusive of amounts contributed to the VEBA, shall then be contributed by the School Corporation to the 401(a) Plan. The remaining terms and conditions for the administration and operations of the 401(a) Plan shall be the same as those described in the teachers' master contract.

Notwithstanding the foregoing, if the amount contributable to the 401(a) Plan exceeds applicable limits on contributions contained in the Internal Revenue Code, the School Corporation may place the excess amount in a separate plan described in section 403(b) of the Internal Revenue Code or split the contribution between two plan years, as such manner as deemed appropriate by the School Corporation.

5. Short Term Benefit and Special Exceptions

The Short Term Benefit and Special Exceptions described in the teachers' master contract shall not have any application to an administrator.

6. Future Adjustments

The foregoing provisions of this policy may be adjusted in the future, and it is currently anticipated that the buyout of Retirement Benefits described herein will not again occur.

SOURCE: Plainfield Community School Corporation
Plainfield, IN
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