

RETIREMENT

DFB

Utah State Law prohibits all arbitrary age limits on retirement. “...no person shall be subject to termination or retirement from employment on the basis of age, except where differentiation is based on reasonable factors other than age, or where age is a bona fide occupational qualification reasonably necessary to the normal operation of a particular business.” (Senate Bill 8,1979 Utah State Legislature)

The Board shall not require the retirement of any employee on the basis of age except pursuant to a valid district retirement program.

29 U.S.C. § 631

District retirement policy considers age 65 as normal retirement age, at which time employees who meet other requirements will be eligible for all retirement benefits. However, employees who wish to work beyond age 65 may do so as long as they are capable of satisfactory performance as determined by the Board.

According to the State Retirement Law, the retirement program covers the following employees:

TIER 1 AND TIER 2 PUBLIC EMPLOYEES' RETIREMENT SYSTEM:

MEMBERSHIP ELIGIBILITY REQUIREMENTS:

Employees qualify for membership and must be certified eligible if they meet **one** of the following:

1. Their employment, contemplated to continue during a fiscal or calendar year, normally requires an average of 20 hours or more per week and they receive at least one of the benefits normally provided as approved by the Retirement Board. (See the list of those “NORMALLY PROVIDED BENEFITS “on the following page) As of July 1, 2013, if there aren't any “NORMALLY” provided benefits involved, an employee will **ONLY** qualify for retirement by working 30 or more hours per week.
2. Employers must certify all employees' status in the URS system where the eligibility requirements are met, whether newly hired or transferring from one retirement system or employer to another. Employers must also follow the “Employer's Responsibility” guidelines in the URS manual, pages 11 thru pages 19 (Membership Section).
3. If an employee transfers from one unit covered by system to another, he/she continues as an active, participating member. Full-time members who have had their work reduced to part-time (20 hours or more per week), the employer must continue to make contributions on their earnings, if the employee was hired prior to July 1, 2013.
4. CLASSIFIED school employees who were hired prior to July 1, 2013, and who have met eligibility requirements with their current employer before that date, maintain their status until separation from their current employment. However, if the employee returns to work on or after July 1, 2013, with either the same or a different participating employer, or if the employee was previously certified as ineligible, both the 20 hour average work week and the receiving benefit(s) criteria must be met for eligibility. Remember, if an employee

returns to work for the same employer after 120 days, are treated as new hires to determine eligibility for retirement coverage.

5. They are teachers, who teach half time or more and receive benefits normally provided as approved by the Retirement Board.
6. They are Tier 1 elected or appointed officials who earn the minimum salary required by law beginning their first full month in office and continuing throughout their term of office. The minimum salary is increased yearly based on the Consumer Price Index. (See URS Retirement Manual for Price Index)
7. They are Tier 2 elected or appointed officials whose positions have been declared full time by the employers.
8. They are in a probationary status and meet eligibility requirements. (Probationary employees who meet eligibility requirements must be certified immediately.)
9. They perform services through an employee leasing or similar arrangement and they meet eligibility requirements, unless they are being paid through the leasing company rather than the employer's payroll.

New employees who meet any of the previously listed (1 through 9) eligibility requirements and are hired on or after July 1, 2011, **may** be covered under the Tier 2 Retirement System.

BENEFITS NORMALLY PROVIDED:

Benefits normally provided by the employer include, but are not limited to:

- Sick Leave
- Annual Leave
- Vacation Leave
- Holiday Pay
- Health Insurance
- Life Insurance
- Dental Insurance
- Accidental Death and Dismemberment Insurance
- Short-term Disability Insurance (other than insurance provided through Workers Compensation Fund)
- Long-term Disability Insurance
- Defined Benefit Contributions, or
- Employer-paid Contributions into a Defined Contribution Account

Benefits **do not** include:

- Social Security
- Employee Assistance Programs
- Worker's Compensation Insurance
- Unemployment Insurance
- Medicare, or
- Small awards, incentives or other similar remuneration where the aggregate annual total of all such remuneration does not exceed \$500

Elected or appointed officials who meet the minimum earnings requirements set by the Utah Retirement System will be eligible for the retirement plan. (See new guidelines below)

ELIGIBILITY REQUIREMENTS FOR APPOINTED OFFICIALS:

Appointed officials are employees appointed to a position for a definite and fixed term of office by a participating employer's official and duly recorded action, which is recorded in the employer's charter, creation document, or similar document.

Tier 1 participant's eligibility requirements are not determined by the number of hours worked or the benefits provided, but rather on the minimum earnings requirement each month during the term of office. (see URS manual on earnings requirements page)

Tier 1 appointed officials of a city, town, county, or other political subdivision who meet the minimum earnings requirement for membership, and are not entitled to merit protection, may be certified online as either eligible for, or exempt from, retirement coverage.

Appointed officials "for the purposes of Utah Retirement Systems (URS) coverage, the school district classifies all appointed officials as part-time. Eligibility for retirement coverage under Utah Retirement Systems shall be administered in accordance with the statutory rules governing Utah Retirement Systems."

ELIGIBILITY REQUIREMENTS FOR ELECTED OFFICIALS:

Like appointed officials, Tier 1 participants' eligibility requirements are not determined by the number of hours worked or the benefits provided, but rather on the minimum earnings requirement each month during the term of office. These minimum earnings requirements are listed in the URS manual on earnings requirements page. Tier 1 elected officials of a city, town, county, or other political subdivision who meet the minimum earnings requirement for membership, and are not entitled to merit protection, may be certified online as either eligible for, or exempt from retirement coverage.

Elected officials "for the purposes of Utah Retirement Systems (URS) coverage, the school district classifies all elected official as part-time. Eligibility for retirement coverage under Utah Retirement Systems shall be administered in accordance with the statutory rules governing Utah Retirement Systems."

Eligible State Utah Tier 1 elected or appointed positions may exempt from coverage in accordance with Utah Code Ann. § 67-22-2.

EXEMPTING:

QUALIFYING:

Employees must first qualify for coverage and work in a position eligible for exemption, either from retirement coverage in Tier 1 or DC vesting requirements in Tier 2 (see Allowable Position Exemptions in the URS Manual)

Tier 1 elected and appointed officials must meet **monthly** minimum earnings requirements as listed in the URS manual in order to be eligible for retirement coverage and therefore eligibility

to exempt. Appointments must be recorded in meeting minutes. Employers are responsible for monitoring salary to comply with minimum earnings requirements. Each new term of office is considered a new hire and requires an online certification. Employees filling exempt administrative positions must meet hours worked and benefits provided eligibility requirements as listed in this policy.

Tier 2 elected or appointed officials “for the purposes of Utah Retirement Systems (URS) coverage, the school district classifies all appointed and elected officials as part-time. Eligibility for retirement coverage under Utah Retirement Systems shall be administered in accordance with the statutory rules governing Utah Retirement Systems.”

INELIGIBLE EMPLOYEES:

Seasonal, temporary, substitute, and part time ineligible employees are discussed in the URS Membership-Ineligibility for Retirement Coverage section.

EXCEPTIONS TO IMMEDIATE COVERAGE:

When the job is scheduled to be completed in six months or less, employers should initially certify these temporary and seasonal employees (not probationary) online as INELIGIBLE. If they are still employed by the beginning of the seventh month, and if they meet eligibility for retirement coverage, their status change must be certified ELIGIBLE online and contributions reported beginning the first period end date in the seventh month.

URS SAVINGS PLANS (401K, 457, IRAs):

Employers are no longer required to complete separate URS Savings Plans enrollments for their employees. Employees assign beneficiaries, investment allocations, and deferrals online through myURS.

Upon Retirement from North Summit School District an employee will receive \$30.00 per day for unused sick leave to a maximum of 120 accumulated days.

SOCIAL SECURITY:

Every district employee is covered by the federal social security system to the extent provided for by law.

