

Smyth County Public Schools Retirement Incentive Plan (RIP)

Qualifications to Apply

Employees who are eligible to participate in the RIP must:

1. Be at least age 50;
2. Have at least twenty (20) years total in public education employment covered by the Virginia Retirement System Programs (VRS);
3. Have at least five (5) years VRS-covered employment by the Smyth County School Board (“School Board”);
4. Be a current School Board employee in good standing;
5. Be retiring from School Board employment under VRS, not utilizing the disability option; and
6. Agree to perform fifteen (15) days of employment with the School Board during each of the seven (7) school years following retirement (“RIP Employment Requirement”).

Process to Apply

1. A retiring employee should apply for the RIP at least ninety (90) days prior to his or her intended retirement date. Benefit payments may be delayed for participants applying later than this timeframe.
2. Eligible employees generally must retire at end of the school year through VRS.

Benefit Structure

1. Annual RIP payments to accepted retirees will equal ten (10) percent of the employee’s final annual base salary per year until the employee’s death or for seven (7) years, whichever occurs first. Notwithstanding the foregoing, RIP participation will cease immediately upon the failure of any RIP retiree to complete the RIP employment requirement in any year, the retiree’s resumption of full-time employment in a VRS-covered position, or the initiation of the end of the benefit by the retiree, whichever comes first.
2. Annual base salary for purposes of the RIP payment calculation includes base salary plus advanced degree supplements only.
3. The RIP benefit will be paid in twelve (12) equal monthly payments. All applicable tax withholdings and deductions will apply.
4. Any retiree approved to participate in the program that does not complete their annual contract will have their days and payment prorated for the remainder of the current contractual period.
5. RIP benefits are not transferable to any other person or to the estate or heirs of the retiree.

Limitations

1. Participating retired school employees who resume full-time employment with the School Board will have their RIP benefits suspended during the term of full-time employment, with payment of the remaining balance resuming following their retirement again. In no event will a participant receive more than seven (7) years of payments under this plan.
2. Participating retired school employees are not eligible for any fringe benefits, but may elect to remain enrolled in the School Board's group health plan at their own expense until they become Medicare eligible at age 65. The individual retired school employee will be responsible for payment of the entire health insurance premium applicable to his/her coverage each month.
3. Participating retired school employees who resume employment in positions covered by the Virginia Retirement System but not with the Smyth County School Board will forfeit any remaining benefits in the School Board's RIP.

Conditions

1. The School Board reserves the right to amend or terminate this Plan at any time.
2. Payments under the RIP are expressly contingent upon sufficient appropriations to cover the costs of the program. If the School Board does not receive adequate funding for payments from the Smyth County Board of Supervisors, all rights and obligations of the School Board and RIP participants shall be void and of no further effect.
3. The RIP Employment Requirement shall consist of employment pursuant to a plan submitted by the participant and approved by the Superintendent or the Superintendent's designee.
4. Failure to satisfy any requirement of the retirement incentive program will result in forfeiture and/or repayment to the School Board.
5. Participants may not apply any unused annual leave balance remaining at the time of retirement toward satisfaction of the RIP Employment Requirement.
6. The RIP Employment Requirement will be met by substituting for teachers and/or other personnel in positions similar to those held by the employee at retirement. The employee may perform other duties as agreed upon by the retiree and the Division Superintendent or his designee. The School Board will offer work based upon its actual need, and will offer work to RIP participants on an equal basis as it offers work to other potential substitutes and/or part-time or temporary workers. Participation in the RIP does not guarantee any hiring preference or an offer or guarantee of employment for at least fifteen (15) days per year. It is the RIP participant's responsibility to make him/herself available for at least fifteen (15) days of service if and when such work is offered.
7. If any clause, sentence, paragraph, subdivision, section or part of this plan shall be adjudged by any court of competent jurisdiction to be invalid, the judgment shall not affect, impair, or invalidate the remainder hereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section, or part hereof directly involved in the controversy in which the judgment shall have been rendered.
8. The Internal Revenue Service has determined that all personnel utilizing this plan must have a mandatory 30 day break in employment with Smyth County Public Schools before they may receive retirement payments.