



## **POLICY 18: EARLY RETIREMENT ALLOWANCE FOR TEACHERS**

### **Purpose**

1. The Board of the Red Deer Catholic Regional Division No. 39 (“Division”) has instituted a voluntary Early Retirement Allowance (“ERA”) for eligible teachers for reasons which include any one or more of the following:
  - a. To honour our Principles of Practice as it relates to staff;
  - b. To allow teachers to retire at an earlier age than might be the case;
  - c. For recognition of years of service with the Division;
  - d. To facilitate earlier planning; and
  - e. For possible financial considerations.

### **Continuance of ERA**

2. Continuance of the ERA shall be at the sole discretion of the Division and may be discontinued at any time by the Division.

### **Eligibility**

3. Any continuous contract teacher who is employed by the Division and who is covered by the collective agreement between the Division and the Alberta Teachers’ Association, may voluntarily apply for the ERA, provided the following criteria are met in the year in which the teacher is to commence retirement in accordance with the *Teachers’ Pension Plans Act*, R.S.A. 2000, T-1 (as amended) and the *Teachers’ and Private School Teachers’ Pension Plans Regulation*, Reg. 203/1995 (as amended) [“Pension Plan”]:
  - a. The teacher has a valid teaching certificate at the time an application for the ERA is made and when the teacher retires;
  - b. The teacher is vested and has reached the 85 factor for retirement with an unreduced pension according to the Pension Plan. The 85 factor is attained when the teacher is at least 55 years of age and has at least 30 years of pensionable service;
  - c. The teacher is vested and is entitled to a reduced pension according to the Pension Plan. Such is attained when the teacher is at least 55 years of age, his or her pension has vested and the teacher has not attained the 85 factor for an unreduced pension;

- d. The teacher has, or will have, at least 10 consecutive years of service with the Division as of August 31 in the year the ERA is applied for;
  - e. The teacher is not more than 57 years of age on the date of retirement;
  - f. The teacher is at the top step in the pay grid in the collective agreement which corresponds to the teacher's teaching experience; and
  - g. The teacher retires from employment with the Division by June 30 of the year in which the application for the ERA is made and the last teaching day of the teacher is on or about June 30 in the year of retirement.
- 4. All teachers actively at work and all teachers not actively at work may apply for the ERA. Teachers not actively at work include those who are on sick leave, or disability or deferred leave.
  - 5. Principals and Vice-Principals are considered teachers for the purposes of this Policy and may apply for the ERA.
  - 6. The teacher must retire and commence drawing Pension Plan benefits when the teacher retires.
  - 7. There is no obligation on any teacher to participate in the ERA. Participation in the ERA is voluntary.
  - 8. The Division, at its discretion, may permit a mid-year retirement before June 30 of a school year for an eligible teacher who is at least 55 years of age at the time of retirement and who meets the eligibility criteria for the ERA.

### **Procedure**

- 9. By February 15 of the school year in which retirement is to occur, an eligible teacher must submit a written application for the ERA, in the prescribed form, to the Division's Superintendent or designated representative.
- 10. As part of the application for ERA, an eligible teacher must submit his or her written resignation to the Division's Superintendent or designated representative. The effective date of resignation will be the date of retirement. Such retirement and resignation is conditional upon the Division granting the teacher the ERA. If the Division does not accept the teacher's application for ERA, the teacher's resignation will be deemed rescinded.

11. In writing, the Division will inform each applicant teacher of the Division's decision on his or her application for the ERA by April 1 of the school year in which retirement is to begin. The Division's decision is final and there is no appeal.
12. The Division reserves the right to allow any teacher to participate in the ERA when not all eligibility criteria are met or when there are justifiable reasons for doing so.
13. The Division may limit the number of eligible teachers who can participate in the ERA in any year.

### **Payment**

14. If a teacher's application for the ERA has been approved by the Division, the ERA payment to such teacher will be as follows:
  - a. For those teachers in full-time service who have achieved the 85 factor in the Pension Plan and have met the other criteria in this Policy, the ERA shall consist of annual payments chosen by the teacher, less deductions and withholdings as may be required by law, as follows:
    - i. \$30,000 paid by the Division in three installments of \$10,000 by January 15 in the year following the retirement date of the teacher and on January 15 of each subsequent year until the ERA is paid in full; or
    - ii. \$30,000 paid by the Division in five installments of \$6,000 by January 15 in the year following the retirement date of the teacher and on January 15 of each subsequent year until the ERA is paid in full.
  - b. For eligible teachers in full-time service who have not achieved the 85 factor in the Pension Plan but are eligible for a reduced pension and have met the other criteria in this Policy, the ERA shall consist of annual payments chosen by the teacher, less deductions and withholdings as may be required by law, as follows:
    - i. \$15,000 paid by the Division in three installments of \$5,000 by January 15 in the year following the retirement date of the teacher and on January 15 of each subsequent year until the ERA is paid in full; or
    - ii. \$15,000 paid by the Division in five installments of \$3,000 by January 15 in the year following the retirement date of the teacher

and on January 15 of each subsequent year until the ERA is paid in full.

15. For eligible teachers in part-time service who are approved for the ERA, the ERA payment will be prorated to the full-time equivalency based on the average percentage of service with the Division during the past ten consecutive years before retirement.
16. The *Income Tax* and Canada Revenue Agency's rules will apply to the ERA.

### **Benefits**

17. The Division will facilitate the enrollment of teachers granted the ERA in the Alberta School Employee Benefit Plan ("ASEBP") retirement package group benefits from the date of retirement until the teacher's sixty-fifth birthday. Such teachers shall pay all costs of the ASEBP retirement package group benefits. At all times, the rules and procedures of ASEBP shall apply.