

ARTICLE 13

RETIREMENT

13.1 RETIREMENT PROGRAM

13.1.1 Effective October 1, 1988 and thereafter, bargaining unit members who retire after no less than fifteen (15) total years of full-time paid service in the Fontana Unified School District and have achieved fifty (50) years of age, according to District records, shall be eligible to participate in the District-sponsored health and welfare benefits programs, provided that the bargaining unit member has been covered under a plan for the five (5) years immediately preceding retirement, as follows:

- (A) Option 1 – The District shall pay the premiums for medical insurance only at the same rate that is provided for current full-time employees for a period of eight (8) years after retirement.
- (B) Option 2 – The District shall pay the premiums for the total health and welfare package (inclusive of medical, dental, vision and life insurance) at the same rate that is provided for current full-time employees for six (6) years after retirement.
- (C) Option 3 – The District shall pay the premium for fourteen (14) years of Dental and Vision insurance at the same rate that is provided for current full-time employees.
- (D) Option 4 – Bargaining unit members hired before July 1, 2015 and serving the Fontana Unified School District with thirty-three (33) or more years of service will be granted lifetime medical benefits for the employee and spouse during the lifetime of the employee.

Full retirement benefits shall be granted to the surviving spouse of an employee who qualified for lifetime benefits under Article 13 until said surviving spouse remarries, or is eligible for Medicare benefits, but under no condition longer than eight (8) years.

- (1) Lifetime Benefits are available for eligible employees beginning at age 55.
- (2) Deferral of lifetime benefits is only eligible to those employees who are leaving for service retirement or medical retirement. Employees who are not retiring from CALSTRS or CALPERS are not eligible for deferral of lifetime benefits.

13.1.2 Under no circumstances shall the District's maximum contribution for retired employees exceed that contributed by the District for current full-time employees.

13.1.3 For purposes of the foregoing, completion of seventy-five percent (75%) of the workdays within a school year shall constitute completion of a year of service. The Board may, at its sole discretion, modify retiree benefits stated herein when in its consideration the circumstances of an individual situation warrant such action.

- 13.1.4 Retirees who were working under less than a full-time contract shall be eligible for a pro-rata District contribution to the employee health and welfare benefits program in accordance with Article 25, Salaries and Fringe Benefits.
- 13.1.5 Retirees shall be responsible for payment for health and welfare benefit selections, which exceed the benefits provided herein. Any retiree with retirement benefit entitlement pursuant to Article 13 (Retirement) who moves to an area not covered by the District's medical, vision, or dental policy carrier(s) or for whom such carrier cannot provide convenient services may elect to find another coverage that meets their needs. Upon written request prior to May 31st of each fiscal year, the retired bargaining unit member shall be reimbursed in advance on a semi-annual basis for medical coverage so selected, provided that at no time shall the District be responsible to pay more than the dollar amount for which the retiree is eligible pursuant to Article 13. If the premium of the policy(s) selected exceeds the retired bargaining unit members' maximum dollar eligible pursuant to Article 13, individually or in combination with any other policies provided to said bargaining unit member pursuant to Article 13, the retired bargaining unit member shall be responsible to pay the excess balance.
- 13.1.6 The surviving spouse or other eligible dependents, if any, of retiree who dies prior to expiration of their retirement health and welfare program (which may include medical, dental and vision protection) shall be entitled to continued benefits for the remainder of the original six (6) or eight (8) year program, whichever is applicable. For retirees who selected the full health and welfare benefits plan for six (6) years, the survivor benefits shall be limited to medical, dental and vision. For retirees who selected medical protection only for a period of eight (8) years, the survivor benefits shall be limited to medical only. In neither case shall the benefits include life insurance protection for the surviving spouse. This benefit of continued coverage shall only apply to retirees who commence participation in the retirement health and welfare benefit and who die prior to termination of the program leaving a surviving spouse and other eligible dependents, if any.
- 13.1.7 For married couples both of whom are employed by the District, arrangements may be made at the time of retirement for the health and welfare benefits to be utilized in a consecutive manner rather than concurrently. In this way, the protection to be enjoyed by married retirees may be expanded to a maximum of twelve (12) years or sixteen (16) years depending upon the retirement option selected.
- (A) Under these circumstances wherein bargaining unit members would seek to defer the engagement of benefits for a period of time not to exceed six (6) or eight (8) years due to eligibility under these provisions due to marriage, the District's responsibility to pay for health and welfare benefits shall remain at the same dollar amount in effect at the time of retirement.
- (B) When benefits are subsequently engaged by the retired bargaining unit member, the retiree would be responsible for paying the difference in the rates from the date of retirement to the commencement of the benefits. Once the retiree's participation has commenced, the retiree's contribution shall remain constant and any subsequent increases in the costs of the benefit programs would be borne by the District. It shall be expressly understood that life insurance protection under the district's retirement plan shall not be included in this deferral program, and the

life insurance coverage may exist during a concurrent period of time after the retirement of the married couple and under no circumstances shall this protection exceed the seventieth (70th) birthday of any participant.

- 13.1.8 Any bargaining unit member who is not qualified under Article 13.1.7, who is singularly employed by the District and who will be under continuous coverage through another health and welfare plan, may make arrangements at the time of retirement for the health and welfare benefits to be deferred to a future date. This date cannot extend beyond ten (10) years after retirement. Once the date for beginning health and welfare coverage is made, it shall be used in a consecutive manner. The retiree would be responsible for paying the difference in the rates from the date of retirement to the commencement of the benefits. When benefits are subsequently engaged by the retired bargaining unit member, the District shall pay only the total dollar amount that the District would have been responsible for if the bargaining unit member had entered into the program at the time of retirement. It shall be expressly understood that life insurance protection under the District's retirement plan shall not be included in this deferral program. The District shall maintain a list of deferred retirees. Thus accurate information will be readily available and can be given to each retiree who chooses to defer said benefits. Said list will be conveyed to the Association at biannual intervals.

13.2 PRE-RETIREMENT REDUCED WORKLOAD PROGRAM

This Section is governed by Education Code Section 44922.

13.3 EARLY RETIREMENT INCENTIVE PROGRAM (GOLDEN HANDSHAKE)

13.3.1 General

The District will establish an Early Retirement Incentive Program (ERIP) in accordance with Education Code Section 44929. This program may be annually renewed at the discretion of the District. Bargaining unit members who retire under these provisions shall also receive health and welfare benefits in accordance with Section 13.1 of this Article.

13.3.2 Eligibility

Applicants shall be eligible to retire pursuant to State Teachers' Retirement System (STRS) rules and regulations.

- (A) Letter of Retirement – By a date specified by the District, applicants shall submit a letter of intent to retire under these provisions, contingent upon approval by the State, requesting retirement to be effective no later than June 30, as annually approved by the Board

(B) Benefits

Applicants retiring under the provisions of Education Code Sections 44929 shall be entitled to a maximum of two (2) years of service credit regardless of the credited service not to exceed the elapsed period of time intervening between the date of the member's retirement and the date the member attains normal retirement age

as determined by STRS Board. The benefit of up to an additional two (2) years service credit shall be provided.

13.3.3 Savings-Modification

It is the intent of the parties that this program be pursuant to and in compliance with current legislative provisions. In the event such provisions are modified by subsequent legislative action or that of a court of competent jurisdiction, the terms of the program shall be modified accordingly as provided in Article 26- Statutory or Judicial Changes.