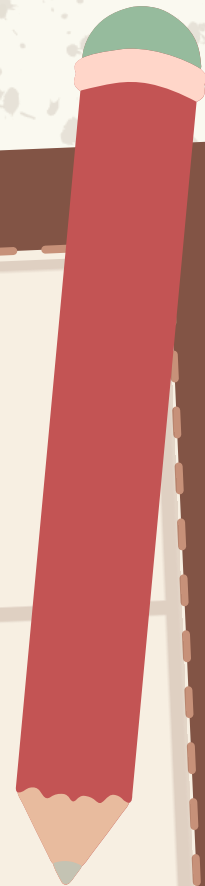


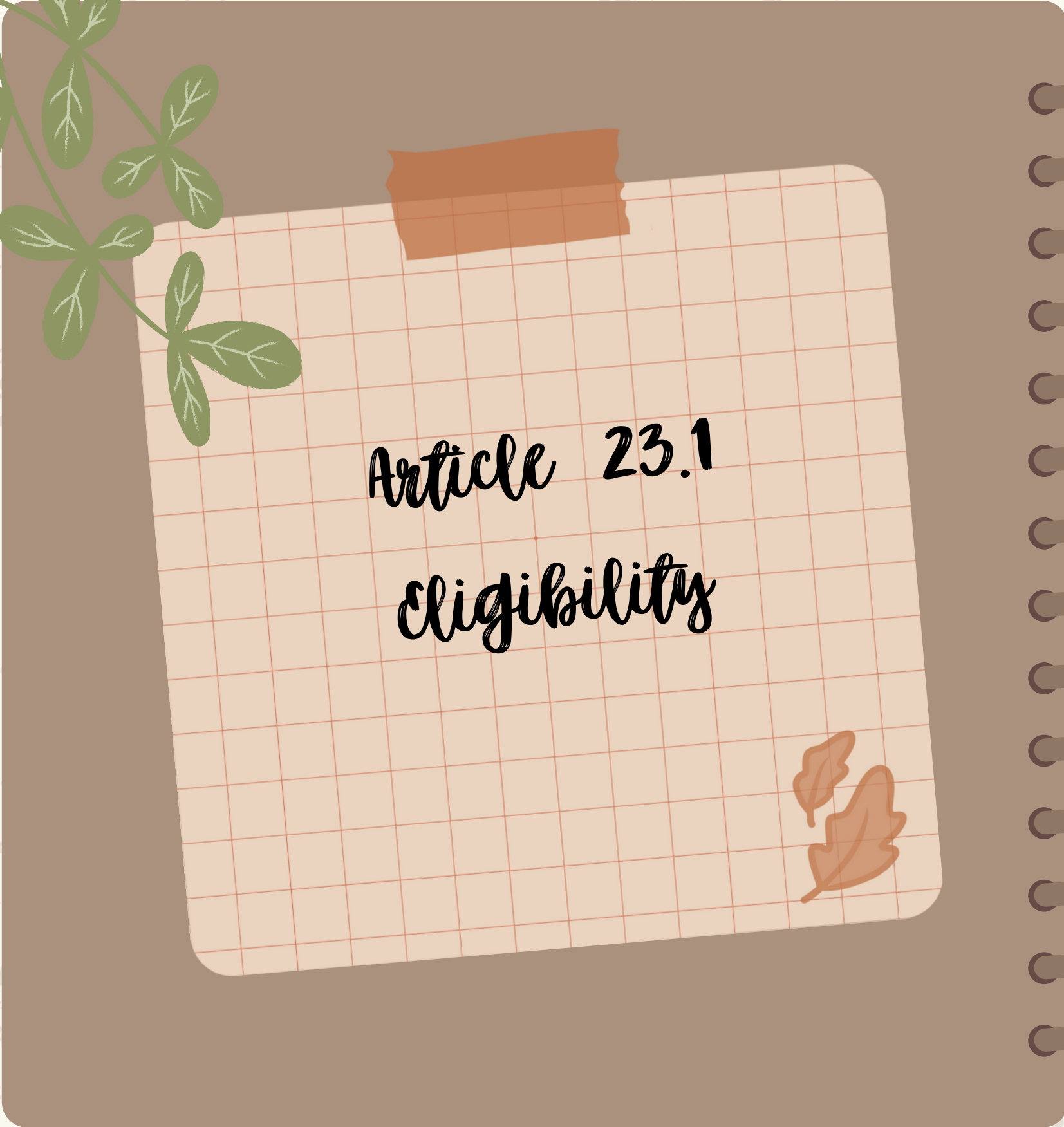
Professional Agreement

Article 23

District Retirement Benefit

Bonus Info:  
URS Tier 1 & Tier 2

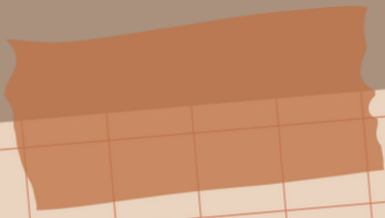
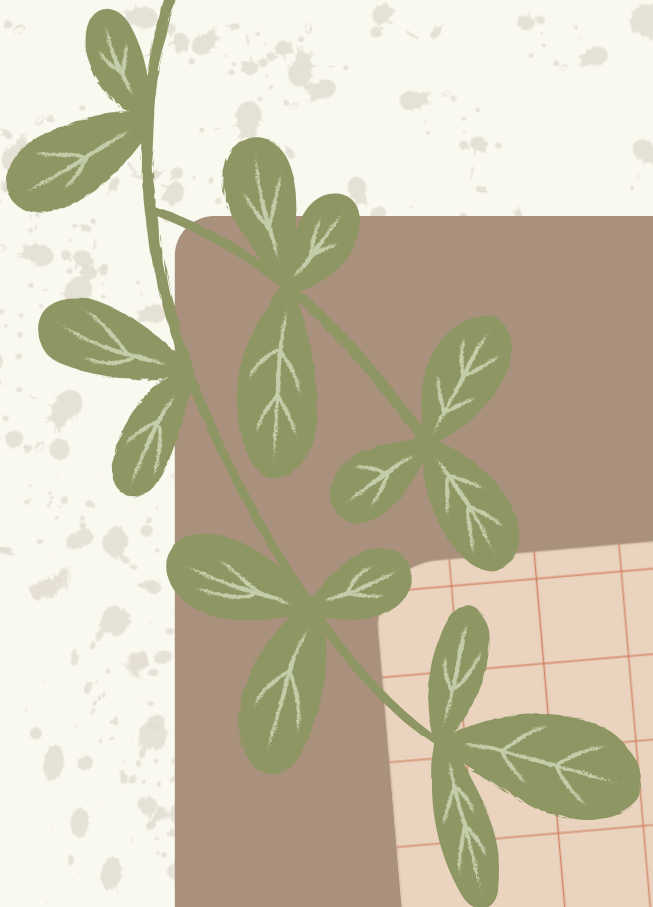





Article 23.1  
Eligibility

Current teachers who have at least 10 years with GSD and retire with URS may be eligible for district retirement benefits. Notice of intent to retire must be submitted by:

- Feb 1 to retire at the end of the school year
- Oct 1 to retire at the of the first semester




Article 23.1.1  
The District  
Retirement Benefit



One-time stipend equal to one-half of one percent (0.005) of the final contract base salary times the number of years of service in GSD in a contract position.

Will be deposited into a 403(b) within 30 days of the last paycheck date.





## Example of District Retirement Benefit Calculation

formula:

$1/2$  of  $1\%$  x base salary x years of contract employment with GSD

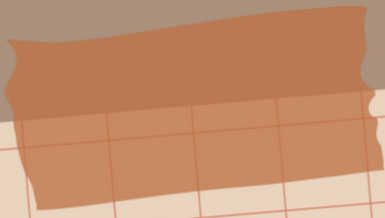
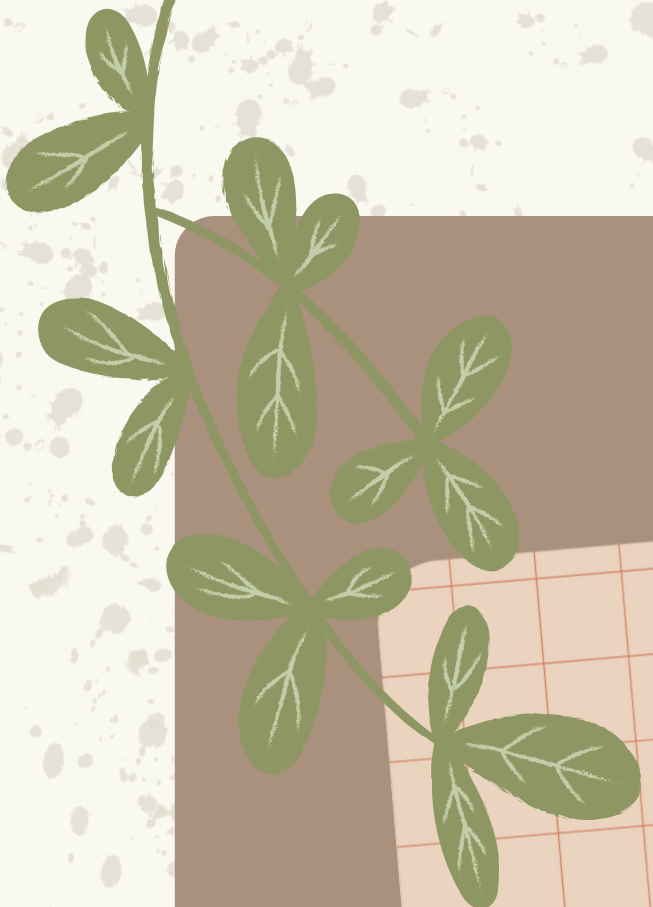
scenario:

a teacher that has worked 30 years and is retiring on step 20  
with a master's +40


calculation:

$$.005 \times \$97,047 \times 30 \text{ years} = \$14,557.05$$





Article 23.1.2  
Early Retirement  
stipend



A stipend equal to 12% of the final base contract salary each year for 5 years or until eligible for full Social Security benefits. Will be deposited into a 403(b) beginning the first Sept 15 following last date of employment and each Sept 15 until payments are complete.



## Example of District Early Retirement Benefit Calculation


scenario:

a teacher that has worked 30 years and is retiring on step 20  
with a master's +40

calculation:

- 12% of \$97,047 = \$11,645.64
- If eligible for all five years:  $\$11,645.64 \times 5 = \$58,228.20$





## Example of Total Benefit Calculation

\$14,557.05 (one-time District Retirement Benefit) +  
\$58,228.20 (all 5 stipends) =

**\$72,785.25**



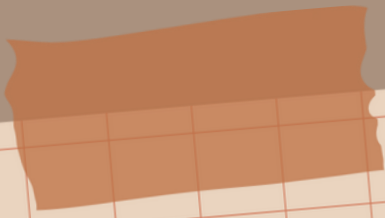
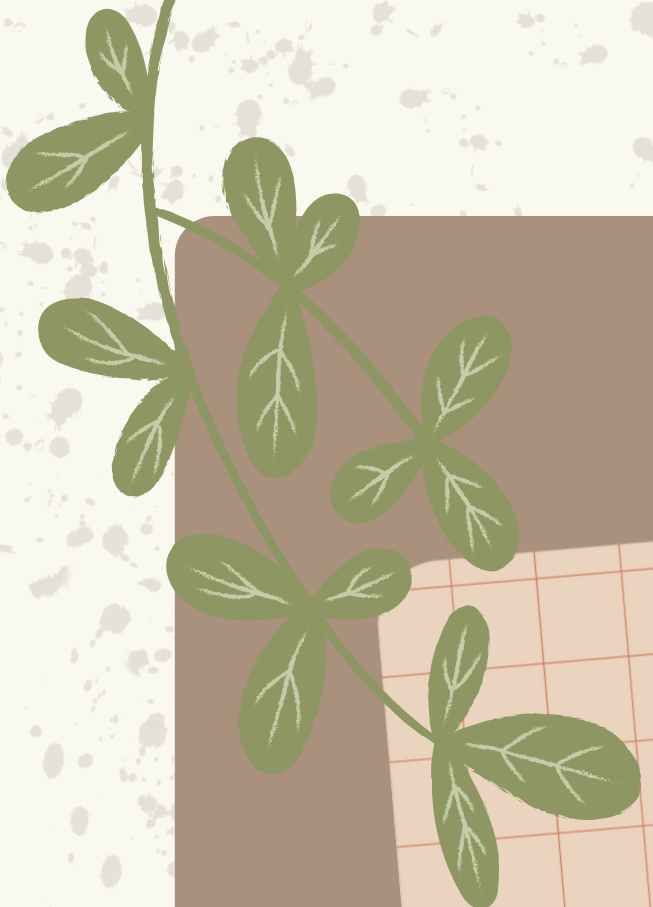


Article 23.1.3  
Insurance




Teachers who retire under these provisions may continue to enroll in the District's medical and dental programs for 5 years or until they are eligible for Medicare. They may also participate in the district-sponsored life insurance program for 5 years or until eligible for full Social Security benefits.





Article 23.1.4  
exclusion




Any teacher who has received a current written notice of suspension, termination, or non-renewal of contract in accordance with Article 19, is not eligible.





Bonus Info

Utah  
Retirement System  
(URS)



URS provides retirement and insurance benefits exclusively for Utah public employees, including the State of Utah, its local governments, school districts, higher education, and more.

Created by UEA.

Bonus Info

Tier 1

Employees hired BEFORE  
July 1, 2011 in ANY  
employment with URS  
benefits, are on Tier 1.

***Benefit Feature***      ***Tier 1  
Public Employees***

<b>Benefit Multiplier</b>	2.00%
<b>Final Average Salary</b>	Highest 3 Years
<b>Retirement Eligibility</b>	Age 65 & 4 Years of Service; or 30 Years of Service
<b>Annual COLA Limit</b>	4.00%





Bonus Info

Tier 2



Employees hired AFTER July 1, 2011 are on Tier 2. Employees must choose between two benefit options. They have one year from their hire date to finalize a choice and then are forever locked into that option. The hybrid option is the default.



***Benefit Feature***      ***Tier 2 Hybrid  
Public Employees***

<b>Benefit Multiplier</b>	1.50%
<b>Final Average Salary</b>	Highest 5 Years
<b>Retirement Eligibility</b>	Age 65 & 4 Years of Service; or 35 Years of Service
<b>Annual COLA Limit</b>	2.50%

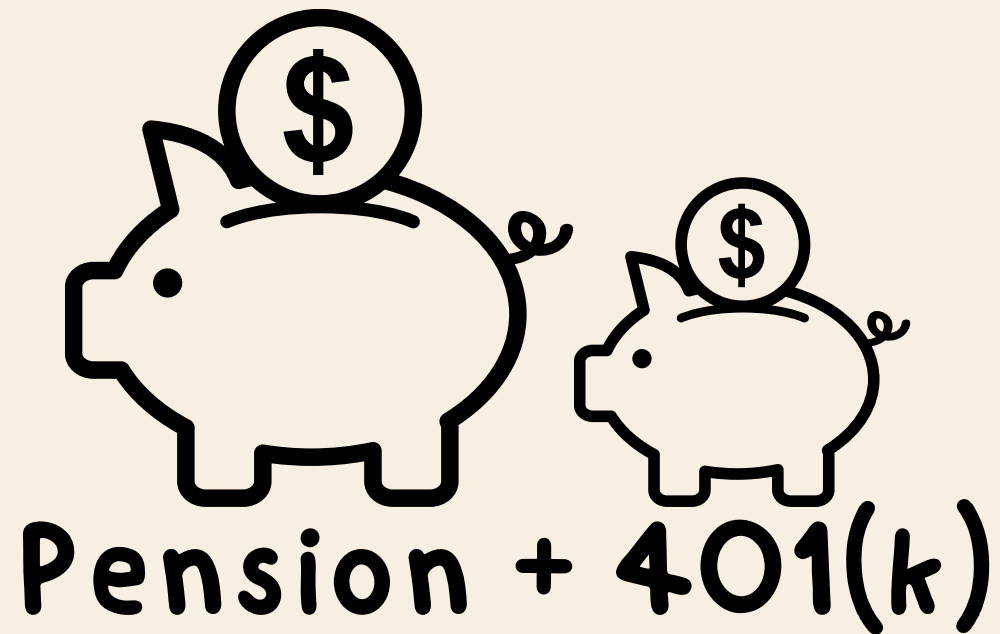


# Tier 2 Options

← 10% →

Hybrid

401(k) Only



## Tier 2 Hybrid Option Example #1



Pension

9%

10%



401(k)

1%

Employers are required to pay 10% to URS for all public employees. URS determines the yearly pension contribution rate (what must be paid to the pension) and the difference between the 10% and that amount is placed into the 401(k).



## Tier 2 Hybrid Option Example #2



Pension

10%

10%



401(k)

0%

401(k) is dormant for Tier 2 Hybrid when the cost of the pension exceeds 10% (all 10% goes to fund the pension).

# Tier 2 Hybrid Option FY 2023-2024 Rates



**Pension**

**9.82%**



**401(k)**

**0.18%**

## Tier 2 Hybrid Option FY 2024-2025 Rates



Pension

10.7%

10.7%



401(k)

0%

The total cost of the Hybrid Option benefit varies based on the yearly pension contribution rate. For 24-25, the amount required to fund it is 10.7% of an employee's salary. Employers are required to pay 10%. This means, effective July 2024, an employee must pay 0.7% of their salary to fund this benefit. In the history of the system, since 2011, this will be the first time that costs exceed 10%. If the pension contribution rate drops below 10% in the future, an employee may get a 401(k) contribution.

# Tier 2 Hybrid Option FY 2024-2025 Rates What does this mean?



Pension

10.7%



~~401(k)~~

0%



1. At least for the 2024-2025 year there will not be a 401(k) contribution.
2. There will be a 0.70% of salary contribution from the employee to help pay for the full normal cost of the benefit. This will be withheld from the employee's paycheck each pay period on an after-tax basis in the pay period ending on or after July 1, 2024.

# Tier 2 Hybrid Option FY 2024-2025 Rates Example of Monthly Rates



Pension

10.7%



~~401(k)~~

0%



\$40,000	=	\$23.33/month
\$50,000	=	\$29.17/month
\$60,000	=	\$35.00/month
\$70,000	=	\$40.83/month
\$80,000	=	\$46.67/month



Pension

10.7%



~~401(k)~~

0%

## Tier 2 Hybrid Option FY 2024-2025 Rates What's next?

The law states that employers may not pay the contribution on behalf of the employee. During the legislative session, there was a proposal that would have allowed employers to pick-up the employee cost to the contribution rates. UEA and other public workers groups advocated for that bill however, it did not pass out of committee. So, that option is still prohibited. This could change in future years if the legislature opts to allow for it.