

Special Revenue Funds

# EARLY RETIREMENT FUND

Fund 701 (200)

	05-06 Actual	06-07 Actual	07-08 Adopted Budget	08-09 Recommended Budget
<b>Resources:</b>				
5400 Beginning Fund Balance	\$1,829,178	\$1,983,935	\$2,000,000	\$2,450,000
1500 Earnings on Investments	87,163	134,415	80,000	72,000
1990 Supplemental Retirement Program	<u>1,895,000</u>	<u>2,417,267</u>	<u>2,000,000</u>	<u>1,378,000</u>
<b>Total Resources</b>	\$3,811,341	\$4,535,617	\$4,080,000	\$3,900,000
<b>Requirements:</b>				
2700 Supplemental Retirement Program				
116 Supplemental Retirement Stipends	\$888,269	\$894,146	\$1,000,000	\$1,500,000
200 Associated Payroll Costs	<u>939,137</u>	<u>912,069</u>	<u>1,000,000</u>	<u>800,000</u>
	1,827,406	1,806,214	2,000,000	2,300,000
6000 Unappropriated Ending Fund Balance			<u>2,080,000</u>	<u>1,600,000</u>
<b>Total Requirements</b>	\$1,827,406	\$1,806,214	\$4,080,000	\$3,900,000
Ending Fund Balance	\$1,983,935	\$2,729,402	\$0	\$0

## Fund Highlights

- \* The Early Retirement Trust Fund accounts for the accumulation of resources to be used for payments to employees who receive early retirement benefits.
- \* The District provides a defined benefit early retirement program for qualifying employees that includes both a monthly payment and medical insurance coverage for up to seven years following retirement.
- \* The program is funded with transfers from the General Fund as monies are needed through revenue Function 1990 per state accounting requirements. It shows as Function 2700 in the General Fund expenditures.
- \* Prior to 1994-95, only the cost of the monthly payments was tracked in the Early Retirement Fund. Since that time, the full cost of the program is included, including post-retirement insurance benefits.
- \* In July 1996, the Board moved to sunset the supplemental retirement plan for non-represented staff. Final payments will be made June 30, 2008 and benefits decline from July 1, 2001 until the end of the program.
- \* In October 1997, the classified employees agreed to end the early retirement program with no new participant receiving benefits after June 30, 1998. The final payments made for this plan will be made on June 30, 2008.
- \* The certified employees' plan was modified in 1998 and again in 2005:
  - No teachers hired after July 1, 1998 qualify for the program.
  - No teachers retiring after March 31, 2005 will receive district paid insurance benefits.
  - Teachers hired after August 31, 1988 and before June 30, 1998 received in April, 2005 a lump sum of \$1,000 for each year of continuous 509J service in lieu of future benefits.
  - Teachers hired before August 31, 1988 received a \$5,000 lump sum payment in April, 2005, and
    - those who retire before July 1, 2008 will receive a stipend of \$650 per month for 5 years up to age 65, plus \$5,000 on date of retirement.
    - those who retire between July 1, 2008 and June 30, 2013 will receive a stipend of \$650 per month for 4 years up to age 65, plus \$1,250 for each continuous 509J service as of 6/30/05 on their date of retirement;
    - those who retire after June 30, 2013 will receive \$1,250 for each year of continuous 509J service as of June 30, 2005 on their date of retirement.
  - Eligible teacher retirees who retired by March 31, 2005 will continue to receive benefits described under previous contracts for up to 7 years or age 65, whichever is earlier.