RTM

June 8, 2020

ATTACHMENTS

FOR

ITEM # 9
Board of Education Meeting Agenda Document Cover Sheet

Meeting Date: May 21, 2020

Information Only
First Read
Action Requested ✓
Consent
Written

Last Reported (if applicable) MM/DD/YYYY Format:

Agenda Item Title: District Voluntary Retirement Incentive Program

Submitted by:
   Name: Mr. Peter Bernstein
   Title: Chair, BOE Negotiations Committee

Document Purpose/Highlights: (Max 475 Characters)

Recommended Motion (if applicable): (Max 350 Characters)

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Greenwich Board of Education
District Voluntary Retirement Incentive Program – GEA

Background – The 2020-2023 contract with the Greenwich Education Association (“GEA”), the bargaining unit representing certified teachers, contains a Memorandum of Agreement that the GEA and Greenwich Board of Education (“BOE”) would form a committee to consider the efficacy of early retirement incentives. While that work started with an eye toward a possible program in a future year, recent world and local events motivated both parties to explore whether early retirement incentives would be effective and beneficial as we plan for the next school year. Ultimately, the BOE Negotiations Committee and GEA agreed in principle to the terms of a voluntary Retirement Incentive Plan for eligible employees of the GEA. The Negotiations Committee recommends that the BOE approve this program.

As constructed, the program is targeting at least 30 retirements. With the exception of contractual sick leave payouts, the initial costs for any payouts under this program will be covered by unexpended funds for the 2019-2020 school year and future year costs will come from the savings of salary differential.

Eligibility – All certified staff having completed twenty (20) or more years of Connecticut public school teaching service as recognized by the Connecticut Teachers Retirement Board as of June 30, 2020.

Timing – Eligible certified teachers must submit an election to participate in the District Retirement Incentive Program on or before June 1, 2020. The participant must also provide a letter of resignation effective June 30, 2020 at the time of his/her election. The participant may revoke their participation in the Program up until the June 1 date.

Payment Provisions – There are generally three categories of participants:

1) Participants who have submitted a separate notice of retirement prior to May 11, 2020 and are eligible for a payout of accrued sick leave under the contract, shall be paid the applicable accrued sick leave amount in the month of July 2020 (or earlier at the discretion of the Greenwich Board of Education). An incentive payment of $15,000 will be paid in July of 2021.

2) Participants who have submitted a separate notice of retirement prior to May 11, 2020 and are NOT eligible for a payout of accrued sick leave, shall be paid an incentive of $15,000 in the month of July 2021 (or earlier at the discretion of the Greenwich Board of Education).

3) Participants who will submit their notice of retirement after May 11, 2020 up until June 1, 2020 shall be paid an incentive in the amount of $15,000 in the month of July
2020 (or earlier at the discretion of the Greenwich Board of Education). A second incentive payment of $15,000 will be paid in July of 2021. Participants in this group who are eligible for a payout of accrued sick leave under the contract shall be paid the applicable accrued sick leave amount in the month of July 2022 (or earlier at the discretion of the Greenwich Board of Education).

**Medical Trust or Retirement Account** – Payments other than the payout of accrued sick leave will be made to a medical trust or to a retirement account of the participant’s choice.

**Savings** – The total savings to the 2020-21 budget and out years will be based on the difference between the retiree salary (less incentive payments) and the actual backfill salary. Hiring a replacement in a shortage area may not generate as much savings as in a non-shortage area. There may be additional savings if a participant is not replaced or the position is absorbed by the existing staff. There may also be insurance savings between the retiree insurance coverage and the backfill insurance coverage. Any insurance savings will be reflected in the Town’s budget.

The following represents potential savings and is for illustrative purposes only. Actual savings on the operating side can only be calculated upon a final list of the pool of participants, the replacement cost and a determination as to whether a position will not be filled or replaced by existing staff.

<table>
<thead>
<tr>
<th>Year</th>
<th>Participant Salary</th>
<th>Replacement Salary</th>
<th>Salary Differential</th>
<th>Incentive Payment</th>
<th>Net Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-21</td>
<td>$112,583</td>
<td>$74,996</td>
<td>$37,587</td>
<td>$15,000</td>
<td>$22,587</td>
</tr>
</tbody>
</table>

**Potential Range of Savings By Year**

<table>
<thead>
<tr>
<th>Year</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-21</td>
<td>$500K</td>
<td>$700K</td>
</tr>
<tr>
<td>2021-22</td>
<td>$400K</td>
<td>$600K</td>
</tr>
<tr>
<td>2022-23</td>
<td>$600K</td>
<td>$800K</td>
</tr>
</tbody>
</table>
Greenwich Board of Education  
District Retirement Incentive Program  
May 12, 2020 

The Greenwich Board of Education hereby offers a District Retirement Incentive Program ("the Program") to all certificated teachers employed by the Greenwich Board of Education under the following terms and conditions. 

Eligibility 

1. Eligible certified staff members: will have completed or will (by June 30, 2020) complete twenty (20) or more years of Connecticut public school teaching service as recognized by the Connecticut Teachers’ Retirement Board ("CTRB"). Participants will not be required to retire from teaching. 

2. Eligible certified teachers must submit an election to participate in writing to the Superintendent of Schools of the Greenwich Board of Education of his/her intention to participate in the District Retirement Incentive Program ("the Program") on or before June 1, 2020, at 4:00 P.M. At the time of the election to participate in the Program, (and no later than June 1, 2020, at 4:00 P.M.), the participant must provide a letter of resignation effective June 30, 2020, which letter shall be revocable only as set forth below. Participants will not be permitted to return to the employment of the Greenwich School District without the specific written permission of the Superintendent. The election to participate in the Program, and the letter of resignation, must be completed on the attached form, and must be received by the Superintendent’s office no later than June 1, 2020, at 4:00 P.M. 

Payment Provisions 

3. Each participant in the Program who did not submit a separate notice of retirement before May 11, 2020, shall be paid incentive compensation in the amount of $15,000 no later than during the month of July, 2020 and in the amount of $15,000 no later than during the month of July 2021 (collectively “the Payment”). For such participants who also meet the eligibility requirements for a payout of accrued sick leave in accordance with Article 12, the Payment shall also include such payout, deferred to no later than the month of July, 2022. 

Each participant who has already submitted a separate notice of retirement prior to May 11, 2020, shall be paid incentive compensation in the amount of $15,000 no later than during the month of July 2021 (“the Payment”). Such participants who also meet the eligibility requirements for a payout of accrued sick leave in accordance with Article 12 will receive such payout this year in accordance with Article 12. 

4. The Payment will be made by the Greenwich Board of Education to a medical
insurance trust for participants to pay for future medical expenses or to an annuity plan as a Board-paid non-elective employer contribution in accordance with the participant’s prior written election pursuant to the Program.

5. As to participants electing payment to a medical insurance trust, should the Payment be insufficient to fully cover the applicable premiums for medical coverage, participants who participate in the health insurance plan offered to active employees shall be responsible for remitting the full cost of any premium due to the Greenwich Board of Education.

6. In determining the net premium cost to the participant, the Greenwich Board of Education will recognize any subsidy paid by CTRB toward the cost of health insurance paid to the Greenwich Board of Education on behalf of the participant and/or his/her spouse.

7. Neither the Greenwich Board of Education nor the Greenwich Education Association make any representations as to the taxability of payments made under this Plan, and any taxes due shall be the sole responsibility of the participant.

Other Provisions

8. In the event of the death of the participant prior to receiving the Payment due under Program, the Greenwich Board of Education agrees to make the Payment to the participant’s spouse for the balance of the payments due. In the absence of a surviving spouse, the Payment shall be paid to the participant’s Estate.

9. The election to participate in the Program, and the letter of resignation, may be revoked, provided such written notice is received by the Superintendent of Schools prior to June 1, 2020 at 4 P.M. Such election and resignation shall be irrevocable after that date and time. Revocation of the election or resignation must be made on the attached form.

10. The Greenwich Board of Education may elect to revoke the Program if it determines, in its sole discretion, that the offering of the Program is not in the best interest of the Greenwich Public Schools or if the appropriate Town bodies have not given their approval. (By way of example only: the Board may require at least thirty (30) participants in the Program.) The Greenwich Board of Education may revoke the Program at any time before June 15, 2020 at 4 P.M. With the written agreement of the Greenwich Education Association, the Greenwich Board of Education may also amend the Program at any time before June 15, 2020, at 4 P.M. In the event that Board revokes the Program, letters of resignation provided to the Superintendent pursuant to paragraph 2 will be null and void and will be returned to the teachers, and the Board will have no obligation to make the Payment described above.

11. If any eligible employee is rendered ineligible as a result of an amendment to the
Program made as described above, those formerly eligible employees’ letters of resignation provided pursuant to paragraph 2 will be null and void and will be returned to the teacher, and the Board will have no obligation to make the Payment described above to those formerly eligible employees.
Greenwich Board of Education District Retirement Incentive Program

ELECTION AND RESIGNATION FORM

Election Form

I, ________________________, hereby elect to participate in the Greenwich Board of Education Retirement Incentive Program. I understand that this form must be received by the Greenwich Superintendent’s office by 4 P.M. on June 1, 2020. I further understand that following June 1, 2020, at 4 P.M., this election will be IRREVOCABLE.

Name:
Date:

Resignation Form

I, ________________________, hereby resign my employment with the Greenwich Public Schools effective June 30, 2020. I am submitting this irrevocable resignation in order to comply with the terms of the Greenwich Retirement Incentive Program, and I understand that this resignation must be received by the Greenwich Superintendent’s office by 4 P.M. on June 1, 2020. I further understand that after June 1, 2020, at 4 P.M., this resignation will be IRREVOCABLE.

Name:
Date:

Pursuant to the terms of the Greenwich Retirement Incentive Program (“the Program”), the above election to participate in the Program, and resignation of your employment will be IRREVOCABLE after June 1, 2020. If you choose to revoke your election and resignation, you must do so by that time on the form provided.
Greenwich Board of Education District Retirement Incentive Program

REVOCATION OF ELECTION AND RESIGNATION FORM

I, ____________________________, hereby revoke my election to participate in the Greenwich Board of Education Retirement Incentive Program. In addition, I revoke my resignation of employment. I understand that this form must be received by the Greenwich Superintendent’s office by 4 P.M. on June 1, 2020. I understand that if this revocation is not received by the Superintendent’s office by June 1, 2020, at 4 P.M., this revocation will NOT be accepted.

__________________________
Name:

__________________________
Date:

Pursuant to the terms of the Greenwich Retirement Incentive Program ("the Program"), your election to participate in the Program, and resignation of your employment will be IRREVOCABLE after June 1, 2020, at 4 P.M. If you choose to revoke your election and resignation, you must do so by that time on this form.
## Proposed District Voluntary Retirement Incentive Program - May 2020 (GEA)

<table>
<thead>
<tr>
<th>Per Proposed Offer</th>
<th>Retiree</th>
<th># Retirees</th>
<th>Retiree Avg Sal</th>
<th>Backfill</th>
<th># Backfills</th>
<th>Backfill Avg Sal</th>
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<td>2019-20 No Impact</td>
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<tr>
<td>2020-21 Backfill Savings (MA-14 to MA-5)</td>
<td>30</td>
<td>$112,583</td>
<td>30</td>
<td>$74,996</td>
<td></td>
<td></td>
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<tr>
<td>Incentive Payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Net Savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2021-22 Backfill Savings</td>
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<td>30</td>
<td>$78,776</td>
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<tr>
<td>Total Net Savings</td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2022-23 Backfill Savings</td>
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<td>$116,214</td>
<td>30</td>
<td>$83,181</td>
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<tr>
<td>Total Net Savings</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

### Low & High Range

<table>
<thead>
<tr>
<th></th>
<th>Low Range</th>
<th>High Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-20</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2020-21</td>
<td>$500,000</td>
<td>$700,000</td>
</tr>
<tr>
<td>2021-22</td>
<td>$400,000</td>
<td>$600,000</td>
</tr>
<tr>
<td>2022-23</td>
<td>$600,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>Program Savings (3 Years)</td>
<td>$1,500,000</td>
<td>$2,100,000</td>
</tr>
</tbody>
</table>

### Other Savings Opportunities & Considerations:
- Higher Participation Level
- If a retiree is not replaced or the position is absorbed by existing staff, higher savings
- If the average salary of retirees is more than MA/Step 14, the savings will be more; if avg is less then less savings
- If retiree is in shortage area, backfill cost could be higher, resulting in lower savings
- Pre-pay some incentives from 2019-20 (if funds available) will increase savings in 2020-21
- Health Benefits - a person with family coverage retires; backfill has one person coverage, two person coverage or no coverage (Town gets the savings)
Dear Tom (Byrne):

I am responding to the following question you have asked the Law Department – whether the RTM has a legal right under all applicable provisions of the Teacher Negotiation Act and Town Charter to review the early retirement program approved by the Board of Education and to reject it, where the significance of a rejection is that the plan may not go forward.

The short answer to your question is Yes. As you know, the Teacher Negotiation Act, General Statutes sections 10-153a through 10-153t (TNA) governs negotiation and approval of teacher contracts. Section 10-153d(b) specifically addresses the process by which teacher contracts are negotiated and requires that any contract be filed with the town clerk. This provision goes on to state that the “terms of such contract shall be binding on the legislative body of the local or regional school district, unless such body rejects such contract at a regular or special meeting . . . “Another provision in the TNA, section 10-153f(e), deals with mid-term bargaining and negotiations. It provides for mediation and arbitration of mid-term issues, triggering certain timelines once parties agree to negotiate. While there is no express requirement in this provision requiring submission to the town and its legislative body similar to the requirement in section 10-153d(b), we believe that all provisions of the TNA must be read in concert so as to give the Town’s legislative body, the RTM, the right to review and reject, if it so chooses, the mid-term agreement that has been reached between the Board of Education and the GEA concerning the Teacher Retirement Incentive Program. A rejection of the agreement would mean that the Program may not go forward. Conversely, if the agreement is not rejected, it may go forward.

Additionally, to the extent there are financial implications arising out of the agreement requiring additional/future appropriations, the RTM has the authority to review the agreement for such financial implications and if necessary, vote on such appropriations pursuant to Town Charter.

Sincerely,
Aamina Ahmad

Aamina Ahmad
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Email: Aamina.Ahmad@greenwichct.org