

**DES MOINES INDEPENDENT COMMUNITY SCHOOL DISTRICT
UNUSED SICK LEAVE AND EARLY RETIREMENT BENEFITS PLAN**

The Des Moines Independent Community School District (the “Employer”) has determined that it will offer benefits to certain eligible employees who elect to retire under this Plan and upon the following terms and conditions:

**Article 1
Definitions**

When used in this **Plan**, the following words and phrases shall have the meaning set forth below.

- A. **Academic Year** means the term of a certified teacher’s contract.
- B. **Accumulated And Banked Sick Leave** means the value of the number of unused days of sick leave determined as of July 1, 2001 in accordance with Article 3, paragraph A (1) of this Plan and credited to a Participant’s Sick Leave Account.
- C. **Annual Period** means a period of twelve (12) consecutive months beginning the first day of the employee’s contract year.
- D. **Annual Sick Leave** means the value of a Participant’s unused Annual Sick Leave Allowance determined in accordance with the tables stated in Article 3, paragraphs A (2) and C of this Plan and credited to his or her Sick Leave Account.
- E. **Annual Sick Leave Allowance** means the number of 15 days of sick leave available to an Employee for each Contract Year beginning on or after July 1, 2001.
- F. **Annual Special Leave** means the value of a Participant’s unused Annual Special Leave Allowance determined in accordance with the tables stated in Article 3, paragraphs B and C of this Plan and credited to a Participant’s Special Leave Account.
- G. **Annual Special Leave Allowance** means the number of three days of emergency or special leave available to an Employee for each Contract Year beginning on or after July 1, 2001.
- H. **Applications** means an application provided by the Employer and signed by an Eligible Employee in order to elect to participate in this Plan.
- I. **Beneficiary** means the person or persons or a trust or an estate designated in writing by a Participant who shall be entitled to receive all or a portion of the Participant’s Benefits under this Plan in the event of the Participant’s death. If the Participant has failed to designate a beneficiary in writing, the Participant’s Beneficiary shall be his or her spouse, if any, or if none the legal representative of his or her estate.

- J. **Benefits** means both the Sick Leave Benefits and the Special Leave Benefit of a Participant.
- K. **Code** means the Internal Revenue Code of 1986, as amended from time to time.
- L. **Contract Year** means the 12 month period beginning the first day of the contract and ending 12 months thereafter.
- M. **Deferred Compensation Benefit** means the maximum amount that may be contributed to a Participant's account under the Employer's Deferred Compensation Plan for the Plan year during which the Participant retires under this Plan.
- N. **Deferred Compensation Plan** means a plan of deferred compensation established by the Employer in accordance with and subject to the terms and conditions of Code Section 457(b). The Employer shall not be required, by reason of this Plan, to sponsor an eligible plan of deferred compensation within the meaning of Code section 457(b).
- O. **Employee** means a contract certified teacher or administrator employed by the Employer.
- P. **Eligible Employee** means an Employee who (1) has attained age 55 prior to the beginning of the subsequent contract year; (2) has at least ten consecutive contract years of employment by the Employer; (3) has worked a minimum of 100 days during the Contract Year in which he or she elects to participate in this Plan; (4) has not received an official notice of lay off or termination; (5) is not subject to termination pursuant to Iowa Cod section 279.15 or section 279.27, whether such termination occurs before or after the acceptance of his or her Application; and (6) otherwise meets the requirements of this Plan.
- Q. **Excess Benefits** means the amount of a Participant's Benefits remaining after reduction for the Participant's Health Insurance Benefit, Tax-Sheltered Annuity Benefit and Deferred Compensation Benefit in accordance with Article 4 of this Plan.
- R. **Health Insurance Benefit** means that portion of a Participant's Benefits equal to the total amount of the Participant's Health Insurance Premiums, which shall be held and applied by the Employer in order to provide the Participant with the same health insurance coverage as was in effect for the Participant's benefit during his or her final Contract Year of employment by the Employer. In no event shall any Participant have any right to receive all or any portion of his or her Health Insurance Benefit in cash or any other form of benefit in lieu of such health insurance coverage, except as provided under Article 4, paragraph A of this Plan.
- S. **Health Insurance Cost** means the amount of premium due and payable for the health insurance coverage of a Participant under the Employer's Health Insurance Plan after retirement and until attaining age 65, as the amount of periodic premium for such coverage may be adjusted under the Health Insurance Plan in effect from time to time.

T. **Health Insurance Plan** means the plan of health insurance that is sponsored during any Contract Year by the Employer for the Employees. The Employer shall not be required, by reason of this Plan, to offer the same terms and conditions of the health insurance plan in effect upon a Participant's retirement for any subsequent coverage period.

U. **Health Insurance Premiums** means (1) the monthly cost of the Participant's health insurance coverage, if any, under the Employer's Health Insurance Plan during his or her final Contract Year of employment by the Employer adjusted by the amount of the Health Insurance Premiums Adjustment, multiplied by (2) the number of whole or partial months that, beginning with July 1 of the year during which the Participant retires, remain until the Participant attains age 65.

V. **Health Insurance Premiums Adjustment** means the amount of adjustment for the anticipated cost of health insurance coverage under the Health Insurance Plan during the period after a Participant retires and before he or she attains age 65 as the Employer may determine and apply in its discretion for the purpose of computing a Participant's Health Insurance Benefit.

W. **Participant** means any Eligible Employee whose Application to retire under this Plan is accepted by the Employer.

X. **Plan** means this Des Moines Independent Community School District Unused Leave and Early Retirement Benefits Plan as set for in this instrument, as amended from time to time.

Y. **Sick Leave Account** means the bookkeeping record that shall be maintained by the Employer for all Contract Years beginning on or after July 1, 2001 for each Employee in order to account for the value of the Employee's Accumulated And Banked Sick Leave and Annual Sick Leave, as determined in accordance with Article 3, paragraphs A and C of this Plan.

Z. **Sick Leave Benefits** means the total value of the Participant's Accumulated AND Banked Sick Leave and Annual Sick Leave credited to his or her Sick Leave Account in accordance with Article 3, paragraphs A and C of this Plan.

AA. **Special Leave Account** means the bookkeeping record that shall be maintained by the Employer for all Contract Years beginning on or after July 1, 2001 for each Employee in order to account for the value of the Employee's Annual Special Leave, as determined in accordance with Article 3, paragraphs B and C of this Plan.

BB. **Special Leave Benefit** means the total value of the Participant's Annual Special Leave credited to his or her Special Leave Account in accordance with Article 3, paragraph B or C of this Plan.

CC. **Tax-Sheltered Annuity Benefit** means the total amount the Employer may contribute to a tax-sheltered annuity (as defined under Code section 403(b)), as non-elective employer contributions, for each of the five calendar years immediately following the calendar year in which a Participant retires under this Plan, subject only to applicable limitations under Code sections 403(b) and 415 and any other applicable provision of the Code.

DD. **Unpaid Leave** means leave used by an Employee without pay for any reason permitted by the Employer.

EE. **Unpaid Leave Adjustment** means the amount of the reduction, if any, in an Employee's Annual Sick Leave and Annual Special Leave because of the Employee's use of Unpaid Leave during a Contract Year, as determined in accordance with the table stated in Article 3, paragraph C of this Plan.

FF. **Unused Sick Leave** means, for the current Contract Year, the cumulative number of days of an Employee's Annual Sick Leave Allowance for all prior Contract Years beginning on or after July 1, 2001.

Article 2 Eligibility and Participation

A. **Eligibility.** To be eligible to participate in this **Plan**, an **Eligible Employee** must (1) have attained age 55 prior to the beginning of the subsequent **Contract Year**; (2) have at least ten consecutive contract years of employment by the Employer; (3) have worked a minimum of 100 days during the **Contract Year** in which he or she elects to participate in this **Plan**; (4) have not received an official notice of lay off or termination; (5) not be subject to termination pursuant to Iowa Code section 279.15 or section 279.27, whether such termination occurs before or after the acceptance of his or her **Application**; and (6) other wise meet the requirements of this **Plan**.

B. **Election to Participate.** An **Eligible Employee** may elect to become a **Participant** by (1) preparing, signing, and filing with the Human Resources Office of the Employer, prior to November 1 of the school year in which the **Employee** intends to retire, an **Application** requesting approval by the Employer to retire as of the following June 30; (2) submitting his or her written resignation to the Employer on the same day as the submission of his or her **Application**; and (3) applying for retirement benefits under Iowa Code chapter 97B or Iowa Code chapter 294, as the case may be.

C. **Acceptance of Application.** On or before February 1 of each calendar year, the Board of Directors of the Employer, in its absolute discretion, may accept or reject the **Application** of any **Eligible Employee**. The Employer shall inform the **Eligible Employee** who has filed an **Application** for retirement under this **Plan** of its decision as soon as is reasonable practicable.

Article 3 Benefits

If an **Eligible Employee's Application** to retire under this **Plan** is accepted by the Employer, his or her **Benefits** under this **Plan**, as a **Participant**, shall be determined as follows;

A. **Unused Sick Leave Benefit.** A Participant shall be entitled to **Sick Leave Benefits** based on the total value of the **Participant's Accumulated And Banked Sick Leave** and **Annual Sick Leave** finally credited to his or her **Sick Leave Account** as of June 30 of the year in which the **Employee** retires. A **Participant's Accumulated And Banked Sick Leave** as of June 30 of the year in which the **Employee** retires shall be the amount credited to his or her **Sick Leave Account** in accordance with subparagraph (1) of this paragraph A. The **Participant's Annual Sick Leave** shall be the amount credited to his or her **Sick Leave Account** for a **Contract Year** in accordance with subparagraph (2) of this paragraph A.

- (1) **Accumulate Sick Leave benefit.** The Employer shall credit each **Employee's Sick Leave Account** with the value of his or her **Accumulated And Banked Sick Leave**. The value of a **Participant's Accumulated And Banked Sick Leave** shall equal (a) the **Participant's Accumulated And Banked Sick Leave**, less the number of such days of **Accumulated And Banked Sick Leave** that are used by the **Participant** after June 30, 2001, multiplied by (b) the amount of \$200.00.
- (2) **Annual Sick Leave.** For each **Contract Year** beginning on or after July 1, 2001, the Employer shall credit to each **Employee's Sick Leave Account** an amount to be determined as follows:
 - (a) First, the value of an **Employee's Annual Sick Leave** for a **Contract Year**, before adjustment for any **Unpaid Leave** pursuant to paragraph C below, shall be determined as follows:

<u>Annual Number of Unused Sick Leave Days</u>	<u>Annual Sick Leave Benefit</u>
15.0	\$3100
14.5	\$2600
14.0	\$2400
13.5	\$2300
13.0	\$2100
12.5	\$2000
12.0	\$1800
11.5	\$1700
11.0	\$1500
10.5	\$1400
10	\$1200
9.5 or less	0

- (b) The value of an **Employee's Annual Sick Leave** determined for a **Contract Year** pursuant to subparagraph (a) above shall then be reduced as a result of any **Unpaid Leave** taken by the **Employee** during the **Contract Year** by the **Unpaid Leave Adjustment**, if any, computed in accordance with paragraph C below.

- (c) Notwithstanding the amount credited to an **Employee's Sick Leave Account** for any **Contract Year**, the **Employee** shall be entitled to use during any **Contract Year** all or any portion of his or her **Unused Sick Leave**.

B. **Annual Special Leave.** For each **Contract Year** beginning on or after July 1, 2001, the Employer shall credit to each **Employee's Special Leave Account** an amount to be determined as follows:

- (1) First, the value of an **Employee's Annual Special Leave** for a **Contract Year**, before adjustment for any **Unpaid Leave** pursuant to paragraph C below, shall be determined as follows:

Annual Number of Unused Special Leave Days	Annual Special Leave Benefit
3.0	\$900
2.5	\$500
2.0	\$400
1.5	\$300
1.0 or less	0

- (2) The value of an **Employee's Annual Special Leave** determined for a **Contract Year** pursuant to subparagraph (1) above shall then be reduced as a result of any **Unpaid Leave** taken by the **Employee** during the **Contract Year** by the amount of the **Unpaid Leave Adjustment**, if any, computed in accordance with paragraph C below.

C. **Adjustment for Unpaid Leave.** The amount of an **Employee's Annual Sick Leave** and **Annual Special Leave** as determined in accordance with paragraphs A(2)(a) and B(1) above, respectively, shall be reduced by the amount of the **Employee's Unpaid Leave Adjustment** for the **Contract Year** determined as follows:

Days of Unpaid Leave Taken During Contract Year	Unpaid Leave Adjustment
.5	(-\$500)
1.0	(-\$700)
1.5	(-\$800)
2.0	(-\$1000)
2.5	(-\$1100)
3.0	(-\$1300)
3.5	(-\$1400)
4.0	(-\$1600)
4.5	(-\$1700)
5.0	(-\$1900)
5.5	(-\$2000)

6.0	(-\$2200)
6.5	(-\$2300)
7.0	(-\$2500)
7.5	(-\$2600)
8.0	(-\$2800)
8.5	(-\$2900)
9.0	(-\$3100)
10.0	(-\$3200)
10.5	(-\$3500)
11.0	(-\$3700)
11.5	(-\$3800)
12.0	(-\$4000)

The amount of the **Employee's Unpaid Leave Adjustment** shall first be applied to reduce the **Employee's Annual Special Leave** amount, if any, and then to reduce the **Employee's Annual Sick Leave amount**.

Article 4 **Application of Benefits**

Upon retirement under this **Plan**, A **Participant's Benefits** shall be allocated and applied as follows:

A. Payment for **Health Insurance Benefit**. The amount of the **Participant's Health Insurance Benefit** shall be applied by the Employer toward the periodic payment of the **Participant's Health Insurance Premiums**, as the cost of health insurance coverage for the **Participant** under the **Health Insurance Plan**, as in effect from time to time, until the **Participant** attains age 65. If the unused portion of the **Participant's Health Insurance Benefit** is less than the **Participant's Health Insurance Cost** due and payable for any period of coverage, then the **Participant** shall pay to the Employer (or, at the Employer's direction, to any plan administrator or insurer) at least 15 business days before the due date of any premium the **Participant's Health Insurance Cost** for such period of coverage. If the **Participant** fails to timely pay the amount of his or her **Health Insurance Cost** after the **Participant's Health Insurance Benefit** has been reduced to zero, the **Participant's** coverage under the **Health Insurance Plan** shall lapse and cease to be in effect.

In no event may the **Participant** (or the **Participant's** Beneficiary) receive all or any portion of his or her **Health Insurance Benefit** in cash or any other form of benefit in lieu of the payment for the cost of his or her health insurance coverage under the **Health Insurance Plan** in accordance with this paragraph A, except as follows:

- (1) if the **Participant's** death occurs before the **Participant** attains age 65, the balance of the **Participant's Health Insurance Benefit** shall be promptly paid to the **Participant's Beneficiary**, subject to the withholding of applicable federal and state income taxes, social security taxes and other payroll taxes; or

- (2) if any portion of the **Participant's Health Insurance Benefit** remains when the **Participant** attains age 65, because the **Health Insurance Cost** for the **Participant's** coverage under the **Health Insurance Plan** was less than the **Participant's Health Insurance Benefit**, the balance of the **Participant's Health Insurance Benefit** shall be promptly paid to the **Participant**, subject to the withholding of applicable federal and state income taxes, social security taxes and other payroll taxes.

B. Payment of **Tax-Sheltered Annuity Benefit**. Subject to applicable restrictions and limitations under Code sections 403b and 415, the **Participant's Tax-Sheltered Annuity Benefit**, if any, shall be contributed by the Employer directly to a tax-sheltered annuity qualifying under Code section 403(b) that is owned by the **Participant** in five equal annual installments. The amount equal to one-fifth of the **Participant's Tax-Sheltered Annuity Benefit** shall be contributed on the January 15 immediately following the employee's retirement date, and on January 15 of each of the following four calendar years.

Such contributions by the Employer shall be made in manner so as to qualify as non-elective employer contributions to a **Tax-Sheltered Annuity Benefit** for purposes of Code sections 403(b) and 415. In no event may the **Participant** (or the **Participant's Beneficiary**) receive all or any portion of his or her **Tax-Sheltered Annuity Benefit** in cash or any other form of benefit in lieu of the annual contributions to the **Participant's Tax-Sheltered Annuity** in accordance with this paragraph B.

C. Payment of **Deferred Compensation Benefit**. Subject to any applicable restrictions or limitations under Code section 457, the **Participant's Deferred Compensation Benefit**, if any, shall be contributed to the **Participant's** account under the Employer's **Deferred Compensation Plan** on or before August 1, subsequent to **Participant's** retirement date. In no event may the **Participant** (or the **Participant's Beneficiary**) receive all or any portion of his or her **Deferred Compensation Benefit** in cash or any other form of benefit in lieu of the contribution to the **Participant's** account under the **Deferred Compensation Plan** in accordance with this paragraph C.

D. Payment of Excess Benefits. The **Participant's Excess Benefits**, if any, shall be paid to the **Participant** on January 31 in the year immediately following employee's retirement date.

Article 5 Miscellaneous

A. **Term**. This **Plan** is approved and offered up to and including the **Contract Year** ending June 30, 2009. The Employer may, however, in its sole and absolute discretion, offer this **Plan** for any subsequent **Contract Year**.

B. **Funding**. This **Plan** is intended as an unfunded plan. All expenses of administration and benefits under this **Plan** shall be paid by the Employer as they become due and payable.

C. **Administration**. This **Plan** shall be administered by the Employer's Human Resources Office.

D. **Maintenance of Accounts**. The Employer shall maintain for each **Employee** a **Sick Leave Account** and **Special Leave Account** in the manner described in this Plan.

E. **Withholding on Payments.** The Employer shall withhold from any benefits payable under this **Plan** that are determined to be “wages” for purposes of customary employment taxes all federal and state withholding taxes, social security taxes, and other payroll taxes.

F. **Employment.** This **Plan** shall not entitle any **Employee** to continuing employment with the Employer, and a **Participant** shall not be entitled to rehire, reemployment, or recall by the Employer by reason of this **Plan**.

G. **Rights to Benefits.** No **Employee** shall have any right to **Benefits** under this **Plan** except such **Benefits** that have been determined in accordance with the terms of this **Plan**, and then such rights shall be no greater than the rights of any unsecured general creditor of the Employer.

H. **Alienation of Benefit Prohibited.** No **Benefit** payable at any time under this **Plan** shall be subject in any manner to alienation, anticipation, sale, transfer, assignment, pledge, attachment, or encumbrance of any kind; and no **Benefit** payable at any time under this **Plan** shall be subject in any manner to the debts or liabilities of any person entitled to such **Benefit**, nor shall the Employer be required to make any payment toward such debts or liabilities.

I. **Elective Contributions to Cafeteria Plan.** To the extent permitted under applicable federal and state laws and regulations, it is intended that a **Participant** may use all of any portion of his or her **Excess Benefits** to make elective contributions to a plan of the Employer qualifying under Code section 125.

J. **Qualifications of Plan.** This **Plan** shall become effective upon a determination by the Internal Revenue Service that the **Health Insurance Benefit, Tax-Sheltered Annuity Benefit and Deferred Compensation Benefit** of a **Participant** will not be includible in the gross income of a **Participant** (or the Participant’s Beneficiary, as the case may be) and that any **Excess Benefits** will be includible in the gross income of a **Participant** only for the tax year in which the payment thereof is made available to the **Participant** (or the Participant’s Beneficiary, as the case may be). Despite any other provision of this **Plan** to the contrary, this **Plan** shall be effective subject to, and administered in accordance with, all applicable provisions of the Code, as amended from time to time.

Des Moines Independent Community
School District

By: _____
Thomas M. Ahart, Superintendent

Dated: month/date, 2012

By: _____
Teree Caldwell-Johnson, Board President

Dated: month/date, 2012