

Unused Paid Leave Pay-Out:

General Eligibility – To be eligible for this Post-Employment Benefit, the staff member must be at least fifty-five (55) years of age on June 30 of their last year of employment (July 1 to June 30). Teachers are only eligible to receive this accrued Paid Leave contribution if they have at least fifteen (15) years of continuous, “qualified service” in the District and are at least fifty-five (55) years of age.

For the purpose of this benefit, teachers having a minimum of five (5) years of service in this District may receive one year of “qualified service” for every five (5) years of service in another district. For service in another district to be counted, it must be of the same type counted in the School District of Holmen as determined by District Administrator or Designee.

Amount - The total Post-Employment Benefit shall be calculated as 0.15% of the retirees last working contract rate for each day of accrued Paid Leave (ex. Annual salary of \$45,000 x 100 days x 0.15% = \$6,750)

Distribution - When the total Post-Employment Benefit due to the employee is less than \$2,000, the contribution shall be paid as a lump sum directly to the eligible teacher, subject to all applicable taxes and adjustments to employee wages. The employer contribution shall be made by the next regularly scheduled payroll date following the date of the eligible teacher’s termination of employment.

When the contribution amount is equal to or greater than \$2,000, the District shall deposit the contribution amount to the eligible teacher’s District-approved TSA account.

This non-elective contribution to the TSA account shall be made by September 1 following the date of the eligible teacher’s termination of employment, unless the total contribution would exceed IRS Section 415 annual contribution limits. In the case of accrued contributions in excess of the IRS Section 415 limit, the excess amount will be deferred to the next tax year and shall be made up to the maximum IRS Section 415 contribution limits, by each subsequent September 1 until the total Post-Retirement Benefit is paid, subject to IRS rules regarding the timing of post-employment benefit payments.

Benefits Upon Death - For purposes of the benefits described in this section, if an employee dies during active employment with the District at a time when the employee has met all eligibility criteria except that the employee had not yet retired or terminated employment with the District, the benefits described in this section will vest upon the employee’s death in the same manner as if the employee had retired. No benefit described in this section may vest prior to an employee’s death or separation of employment.

Upon the receipt of notice by the District of the death of an eligible teacher vested in and receiving a Post-Employment Benefit prior to the full payment of the Post-Employment Benefit under this section, one final payment in the amount of the remaining Post-Employment Benefit obligation will be made by the District to the deceased employee’s TSA account (subject to IRS Section 415 contribution limits). If any Post-Employment Benefit in excess of the IRS Section 415 contribution limits remains after this payment, the excess amount shall be paid to the employee’s estate as a lump-sum cash benefit.