



Nebo School District Early Retirement Incentive Plan Option 1 Employee Agreement

(Complete and Return to HR Department on or before 5 p.m. April 1st of the Year of Retirement.)

Name (Please Print)	Home Phone Number	
Street Address, City, State, and Zip Code	Mobile Phone Number	
District Email	Personal Email	
Date of Retirement	Years of Service in URS	Years of Service in NSD

In regards to the Nebo School District Early Retirement Incentive Plan Option 1, dated effective July 1, 2015 (Plan Option 1), I certify that (please check applicable box(es) below):

I am eligible to receive the **base compensation component** of Plan Option 1 because: (a) I am an employee in “good standing” as described in Section 1(D) of Plan Option 1; (b) I was initially employed by the District prior to June 30, 2006, as more particularly described in Section 1(F) of Plan Option 1; (c) I have completed at least fifteen (15) consecutive years of service in the District (see Section 1(D) of Plan Option 1); (d) I have been employed by the District for each of the five (5) years immediately preceding my retirement; AND (e) I am eligible to and, have or will in fact, retire from District service and the Utah Retirement System (URS) on or before July 1st of the year of retirement.

I am eligible to receive some or all of the **Social Security bridge component** of Plan Option 1 because: (a) I am an employee in “good standing” as described in Section 1(D) of Plan Option 1; (b) I was initially employed by the District prior to June 30, 2006, as more particularly described in Section 1(F) of Plan Option 1; (c) I have completed at least fifteen (15) consecutive years of service in the District (see Section 1(D) of Plan Option 1); (d) I have been employed by the District for each of the five (5) years immediately preceding my retirement; (e) I am eligible to and, have or will in fact, retire from District service and the Utah Retirement System (URS) on or before July 1st of the year of retirement; AND (f) I am not eligible for full Social Security benefits.

I am eligible to receive some or all of the **Medicare bridge component** of Plan Option 1 because: (a) I am an employee in “good standing” as described in Section 1(D) of Plan Option 1; (b) I was initially employed by the District prior to June 30, 2006, as more particularly described in Section 1(F) of Plan Option 1; (c) I have completed at least fifteen (15) consecutive years of service in the District (see Section 1(D) of Plan Option 1); (d) I have been employed by the District for each of the five (5) years immediately preceding my retirement; (e) I am eligible to and, have or will in fact, retire from District service and the Utah Retirement System (URS) on or before July 1st of the year of retirement; (f) I am eligible for medical insurance benefits with the District at the time of my retirement; (g) I have been eligible for medical insurance benefits with the District during each of the five (5) years immediately preceding retirement; AND (f) I am not eligible for Medicare benefits.

HRA Election*

Please initial one (1) Option below:

- Option No. 1A:** \$0.00 – No funds will be deposited into an HRA Account.
- Option No. 1B:** \$2,000.00 – Will be deposited into an HRA Account as per Plan Option 1.
- Option No. 2A:** \$5,000.00 – Will be deposited into an HRA Account as per Plan Option 1.

- _____ **Option No. 2B:** \$7,000.00 – Will be deposited into an HRA Account as per Plan Option 1.
- _____ **Option No. 3A:** \$10,000.00 – Will be deposited into an HRA Account as per Plan Option 1.
- _____ **Option No. 3B:** \$12,000.00 – Will be deposited into an HRA Account as per Plan Option 1.
- _____ **Option No. 4A:** \$14,000.00 – Will be deposited into an HRA Account as per Plan Option 1.
- _____ **Option No. 4B:** \$16,000.00 – Will be deposited into an HRA Account as per Plan Option 1.

* See Section 11 below.

I have received a copy of the Nebo School District Early Retirement Incentive Plan Option 1, dated effective July 1, 2015 (“Plan Option 1”) and have reviewed it carefully. I have been given the opportunity to ask any questions about Plan Option 1 to my satisfaction and to seek independent legal and professional advice about Plan Option 1.

1. I understand that in order to receive the **base compensation component** of Plan Option 1, I must: (a) be in “good standing” as described in Section 1(D) of Plan Option 1; (b) have been initially employed by the District prior to June 30, 2006, as more particularly described in Section 1(F) of Plan Option 1; (c) complete at least fifteen (15) consecutive years of service in the District (see Section 1(D) of Plan Option 1); (d) have been employed by the District for each of the five (5) years immediately preceding my retirement; (e) be eligible to retire from District service and the Utah Retirement System (URS); (f) complete, sign, accept, and submit an Application and this Employee Agreement to Nebo School District, Department of Human Resources (the “Human Resources Department”) on or before April 1st of the year of my retirement at 5:00 p.m.; (g) obtain specific approval by the Board of Education of Nebo School District (the “Board”); AND (h) actually retire from District service and the URS on or before July 1st.
2. I understand that in order to receive some or all of the **Social Security bridge component** of Plan Option 1, I must: (a) be in “good standing” as described in Section 1(D) of Plan Option 1; (b) have been initially employed by the District prior to June 30, 2006, as more particularly described in Section 1(F) of Plan Option 1; (c) complete at least fifteen (15) consecutive years of service in the District (see Section 1(D) of Plan Option 1); (d) have been employed by the District for each of the five (5) years immediately preceding my retirement; (e) be eligible to retire from District service and URS; (f) not be eligible for full Social Security benefits; (g) complete, sign, accept, and submit an Application and this Employee Agreement to the Human Resources Department on or before April 1st of the year of my retirement at 5:00 p.m.; (h) obtain specific approval by the Board; AND (i) actually retire from District service and the URS on or before July 1st.
3. I understand that in order to receive some or all of the **Medicare bridge component** of Plan Option 1, I must: (a) be in “good standing” as described in Section 1(D) of Plan Option 1; (b) have been initially employed by the District prior to June 30, 2006, as more particularly described in Section 1(F) of Plan Option 1; (c) complete at least fifteen (15) consecutive years of service in the District (see Section 1(D) of Plan Option 1); (d) have been employed by the District for each of the five (5) years immediately preceding my retirement; (e) be eligible to retire from District service and URS; (f) be eligible for medical insurance benefits with the District at the time of my retirement; (g) have been eligible for medical insurance benefits with the District during each of the five (5) years immediately preceding my retirement; (h) not be eligible for Medicare benefits; (i) complete, sign, accept, and submit an Application and this Employee Agreement to the Human Resources Department on or before April 1st of the year of my retirement at 5:00 p.m.; (j) obtain specific approval by the Board; AND (k) actually retire from District service and the URS on or before July 1st.
4. I understand that the Board may, at any time and without notice, amend or terminate Plan Option 1.
5. I understand that when I have met all the eligibility requirements and retire, the amount of my Plan Option 1 base compensation will be calculated according to the provisions of Section 3(A) of Plan Option 1.

6. I understand that if I am an eligible and approved employee entitled to the Social Security bridge payments, as per Section 1(B) of Plan Option 1 (see also Section 2 of this Agreement), when I have met all the eligibility requirements and retire, the amount of my Plan Option 1 Social Security bridge compensation will be calculated according to the provisions of Section 3(B) of Plan Option 1.
7. I understand that any Plan Option 1 payments will be paid out in five (5) equal installments over a period of five (5) years, beginning in July following the fiscal year in which I have met all the requirements for such payments under Plan Option 1.
8. I understand that I only vest in the first installment of the Plan Option 1 payments when I have met all the eligibility requirements described in Plan Option 1, and that I only vest in any subsequent installment of such payments if I am alive on July 1 of the year in which I am entitled to an installment payment under Plan Option 1.
9. I understand that if I am an eligible and approved employee entitled to the Medicare bridge insurance benefits, as per Section 1(C) of Plan Option 1 (see also Section 3 of this Agreement), I will be entitled to either single or couple coverage under the District's then in effect medical insurance plan for each of up to five (5) years or until I become eligible for Medicare benefits, whichever comes first.
10. Subject to my eligibility for the Medicare bridge insurance benefits, as per Section 1(C) of Plan Option 1 (see also Section 3 of this Agreement), I understand that I may continue to purchase, at my own expense and at the rate set by the Board of Education, medical insurance coverage through the District after the Medicare bridge insurance benefits ceases up until I become eligible for Medicare. I understand that when I become eligible for Medicare I can no longer purchase medical insurance coverage through the District.
11. I understand that I will not receive any cash payments directly from the District under Plan Option 1. Depending upon the HRA Election selected above (Option No. 1A, 1B, 2A, 2B, 3A, 3B, 4A, or 4B), the District will deposit all, none, or a portion of the installment payment for that year into a District approved Health Reimbursement Account ("HRA") in my name and will deposit the remaining balance, if any, into an employer funded Special Pay 403(b) Tax-Deferred Retirement Savings Account in my name. The HRA may be used for the payment of medical insurance coverage premiums (whether or not purchased through the District) and other approved health care expenses (i.e., medical, dental, and vision) on a tax-free basis, subject to legal limitations and restrictions. The amounts to be deposited into each account will be determined by the District. I understand that the Option selected in the HRA Election will be the annual amount that will be deposited into the HRA so long as Plan Option 1 is in effect and I still meet all eligibility criteria. I further understand that in the event my medical expense needs change, I have the opportunity on an annual basis to consult with the Human Resources Department which may warrant the selection of a different Option to change the amount being deposited into the HRA. In such event, I need to complete and sign the HRA Election Change Form at the Human Resources Department on or before June 15th in order to be in effect for the following fiscal year beginning July 1st. I understand that I must **enroll** in and list the names of my spouse and/or dependents for purposes of the HRA and designate beneficiaries for the Special Pay 403(b) Retirement Savings Account so that I can access and manage my funds.
12. I understand that I must submit this Employee Agreement and an Application for Benefits under Plan Option 1 to the Human Resources Department no later than April 1st of the year of retirement at 5:00 p.m. The Board must approve my Application for Benefits under Plan Option 1 at a regular meeting of the Board, prior to providing any benefits.
13. I understand that I may continue to purchase life, dental, and vision insurance, **directly** from the District's insurance carriers, subject to their restrictions, and at my own expense. Insurance information and forms may be obtained from the Human Resources Department.
14. In exchange for the benefits and considerations described in this Employee Agreement and Plan Option 1, I, in my own behalf, and in behalf of my heirs, successors, and assigns, hereby release and discharge the District, and its Board members, employees, and agents, from any and all liabilities, claims, demands, and damages (including costs and attorneys' fees) that I may have under contract, policy, or applicable state and federal laws, rules, and regulations arising out of my employment and

separation of employment with the District. Among other things, this Employee Agreement waives, releases, and discharges any rights or claims I may have for or on account of age discrimination under the Age Discrimination in Employment Act of 1967. Accordingly, I am hereby advised to seek the advice of independent legal counsel to review this Employee Agreement, and have had ample opportunity to seek the advice of independent legal counsel. I am knowingly and voluntarily waiving the opportunity to have twenty-one (21) days in which to review and consider this Employee Agreement before affixing my signature. After signing this Employee Agreement, I shall have the right to revoke this Agreement so long as such revocation is in writing and received by the Nebo School District Legal Counsel at 350 South Main, Spanish Fork, Utah, 84660, no later than the close of business on the seventh (7th) day after the date hereof. If revoked, my Application for Benefits under Plan Option 1 shall be deemed withdrawn and this Employee Agreement shall have no effect and I will not receive any benefits described in Plan Option 1. If not revoked, the terms and conditions of the Application for Benefits, this Employee Agreement, and Plan Option 1 will be binding upon myself.

Signature

Date

Witness Signature

Date

Witness Name (Please Print)

Reviewed and Recommended to the Board

Date