

WASHOE COUNTY SCHOOL DISTRICT
Office of Human Resources



EARLY SEPARATION INCENTIVE PLAN (ESIP) CHECKLIST
Certified
Teachers, Counselors, Nurses, Librarians, ROTC Instructors

- ___ Important names and telephone numbers are included with this packet.
- ___ Review Article 24.15 of the Negotiated Agreement included with this packet. Please be aware that the Negotiated Agreement supersedes the Administrative Regulation in any place where the two are not consistent.
- ___ Review the list of "Frequently Asked Questions and Answers" included with this packet.
- ___ If you decide to apply for **ESIP** you must submit the following to Human Resources no later than **5:00 p.m. on Tuesday, November 8, 2022. Mailed applications must be received by Tuesday, November 8, 2022.** Applications received after the deadline will not be included for consideration.
 - A completed ESIP Application (included in this packet)
 - A letter of resignation (sample attached)
 - A copy of your PERS statement to review years of PERS service credit
- ___ Request from the Public Employees Retirement System (PERS) a **Benefit for Retirement Estimate**. Please address your request to PERS Counseling Services at 687-4200. PERS will need to know that you are a Certified employee.

We will also take an online estimator that you can run from your account. Please [click here](#) for the instructions on how to print an estimator online.

If you decide **not to retire** after submitting a retirement application to PERS, you must contact PERS immediately.
- ___ If you are interested in purchasing service credit, you will need to request the appropriate documents from PERS (775-687-4200).
- ___ Contact the Risk Management office to review all issues related to your medical and life insurance (775-348-0343).

Human Resources will contact individuals if additional information or clarification of application materials is needed. We anticipate the Board of Trustees will meet in December 2022 to review ESIP applications. Human Resources will send out written notification to you that the Board of Trustees has either denied or approved your ESIP application and accepted your resignation.

WASHOE COUNTY SCHOOL DISTRICT
Office of Human Resources

IMPORTANT NAMES AND PHONE NUMBERS
Certified
Teachers, Counselors, Nurses, Librarians, ROTC Instructors

WASHOE COUNTY SCHOOL DISTRICT

Office of Human Resources
P.O. Box 30425
Reno, NV 89520-3425

Human Resources 775-348-0321

Risk Management Office 775-348-0343
(Questions regarding insurance)

PUBLIC EMPLOYEES RETIREMENT SYSTEM

693 W. Nye Lane
Carson City, NV 89701

Counseling Services 775-687-4200
<http://www.nvpers.org/>

WASHOE EDUCATION ASSOCIATION (WEA)

1890 Donald
Reno, NV 89502

Phil Kaiser, President, WEA 775-828-9282
Robert Munson, Executive
Director, WEA

SOCIAL SECURITY ADMINISTRATION OFFICE

www.ssa.gov

800-772-1213

BENCOR

<https://bencorplans.usretirementpartners.com/>

866-296-9712

The Negotiated Agreement between Washoe County School District and Washoe Education Association (2019-2021)

24.15 EARLY SEPARATION INCENTIVE PLAN (ESIP)

24.15.1 Commencing July 1, 2006, bargaining unit members desiring to participate in the ESIP must satisfy the following conditions in order to be considered as a participant of the ESIP: (1) The bargaining unit member must have attained the age of 50 and completed 20 years of continuous service with the District before September 1 of the year in which they participate in the ESIP, and (2) the bargaining unit member must submit to the Human Resource Division of the District a completed ESIP Application Form and Letter of Resignation (effective before September 1 of the year in which they resign) prior to the deadline announced by the District. Following the receipt by the District of a completed ESIP Application Form and Letter of Resignation, the bargaining unit member's ESIP Application Form and Letter of Resignation will be either approved or disapproved by the District no earlier than January of the year the bargaining unit member is to retire and the bargaining unit member will be notified in writing of the decision. If a bargaining unit member's ESIP Application is approved by the District, the District will accept the bargaining unit member's Letter of Resignation and determine the amount of the benefit to be paid to the bargaining unit member (the "ESIP Amount") as follows:

For bargaining unit members who are classified as "year round employees" of the District, the ESIP amount will be paid to such employees by June 30th of the year that such employees retire. For bargaining unit members who are classified as "traditional employees" of the District, the ESIP Amount will be paid by July 31 of the year that such employees retire. The ESIP Amount awarded to a bargaining unit member will be paid by the District to the bargaining unit member in a lump sum amount, and unless the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and the corresponding Treasury Regulations provide otherwise, the ESIP Amount paid to a bargaining unit member shall be treated as severance pay taxable to the bargaining unit member under applicable federal and state laws. The bargaining unit acknowledges that because the ESIP Amounts are treated as taxable severance pay to its members, the District is authorized to withhold from the ESIP Amount paid to a bargaining unit member, all federal, state and local income, payroll, and other taxes required to be withheld under applicable federal and state laws. The bargaining unit further acknowledges that the payment of ESIP Amounts may not be (i) deferred beyond the date the ESIP amount is payable, or (ii) transferred by the District on a pre-tax basis to a tax-exempt plan sponsored by the District, including without limitation, the "Special Pay Plan" and any plan described in Code Section 403(b) or Code Section 457. However, a bargaining unit member is authorized, if permitted by the laws governing the Nevada PERS Program, to utilize the after-tax ESIP Amounts to voluntarily purchase PERS service credits. Any bargaining unit member who elects to utilize his or her after-tax ESIP Amount to purchase PERS service credits shall be solely responsible for obtaining from and submitting to PERS the necessary documentation to purchase the PERS service credits prior to separating from service from the District. The bargaining unit and the District hereby agree that the ESIP described herein shall be memorialized in a Plan set forth in the Administrative Regulations adopted by the District, which Plan shall contain language necessary comply with Code Section 409A. (2015)

24.15.1.1 Employees hired prior to July 1, 1985, with up to thirty-six (36) years of service will be eligible for ESIP.

24.15.1.2 Employees hired after June 30, 1985, will be eligible for ESIP for up to thirty (30) years of service.

24.15.1.3 Should the employee become deceased prior to receiving the total ESIP entitlement, the balance shall be paid to the designated employee's beneficiary or the employee's estate. (2000)

24.15.2 THE CAP

24.15.2.1 The total amount to be funded for incentives in each year of the agreement shall be no more than \$1,038,000.00. The maximum incentive will be 30% of the salary at TG Step 20. The Superintendent and Association may agree to expend an amount over this limit in a particular year. The cost in any year of previous awarded stipends shall be included under the CAP. (2005)

24.15.2.2 Should the number of employees and the calculated ESIP entitlement exceed the CAP, the benefit will be distributed to those employees with the greatest number of years of continuous service to the District.

24.15.2.3 All other matters related to this program will be governed by Administrative Regulation 4148 (updated to Administrative Regulation 4120) which shall not be incorporated into this Agreement by reference and thus not be subject to the grievance procedure.

WASHOE COUNTY SCHOOL DISTRICT
Office of Human Resources

ESIP FREQUENTLY ASKED QUESTIONS AND ANSWERS
Certified
Teachers, Counselors, Nurses, Librarians, ROTC Instructors

Question: Am I eligible to apply for ESIP?

Answer: You are eligible if you will reach the age of 50 and will have completed 20 years of continuous service with the District prior to September 1, 2023. And if hired prior to July 1, 1985, you must have less than 36 years of PERS credited service, or if hired after June 30, 1985, you must have less than 30 years of PERS credited service. All service years you have received in NVPERS eligible positions will be counted (this includes years of service that were purchased by the employee).

Question: Is ESIP different from my retirement?

Answer: ESIP is an early separation incentive plan for those employees who are close to retirement or who plan to separate from the District. It is completely separate from your retirement calculations through PERS. PERS can explain your retirement benefits in detail.

Question: How do I know what my ESIP incentive will be?

Answer: The incentive will be determined by multiplying 30% time the amount of your annual contracted salary, not to exceed the maximum incentive amount of \$21,754. Human Resources can provide you with your "annual contracted salary." *Please refer to article 24.15.2 of the negotiated agreement for maximum incentives that can be paid out annually.*

Question: If I am on an unpaid leave of absence, am I still eligible to apply for ESIP?

Answer: Yes. The incentive amount would be based on your last "paid" annual contracted salary figure.

Question: I am on a half-time teaching contract, how will that affect my ESIP incentive?

Answer: The incentive would be based on your contracted annual salary, which in this case would be half the contracted salary.

Question: Is there a difference between my years of service with the District and my years of service with PERS?

Answer: **There can be a difference.** You must call PERS to verify your years of service with PERS (775-687-4200).

Question: I heard there might be a Social Security penalty if I was hired before 1986?

Answer: It is highly recommended that you call the Social Security Administration to determine if there is a penalty and/or what paperwork might be needed to avoid a potential penalty. See the list of "Important Names and Phone Numbers" provided with this packet for the number to the Social Security office.

Question: I have taken an unpaid leave of absence during my employment with WCSD. Will that affect how many years of service I have with the District?

Answer: No.

Question: Will the District purchase PERS credit for me with my ESIP incentive?

Answer: The District cannot purchase PERS service credit on behalf of ESIP participants. Any employee wanting to purchase PERS service credit is encouraged to contact PERS as soon as possible so that arrangements may be made for you to purchase such credit, utilizing after-tax money.

ESIP FREQUENTLY ASKED QUESTIONS AND ANSWERS
(CONTINUED)
Certified
Teachers, Counselors, Nurses, Librarians, ROTC Instructors

Question: Are there tax consequences I should think about with ESIP?

Answer: Yes. All lump sum ESIP payments will have 22% Federal flat rate income tax withheld as well as 1.45% Medicare (if applicable). You should speak to a tax advisor regarding any questions you may have about tax consequences. If you choose to apply the ESIP incentive towards the purchase of service, the tax reporting would occur with the PERS payment of retirement. Again, you should always seek the advice of a tax advisor.

Question: Would I receive payment for my unused sick leave? If so, when would I receive payment?

Answer: Yes – Certified employees approved for ESIP who have a sick leave balance and are eligible will have a Sick Leave Pay-Out in July 2023. Employees who will be 55 years or older by December 31, 2022 and have a pay-out of over \$1,000 will have their sick leave payout transferred to a tax advantageous account ([Bencor](#)), based on current laws and limits, to be paid in July 2023. Employees who are under 55 will receive a lump sum payout (the district is required to withhold 22% of the amount in Federal flat rate income tax as well as 1.45% Medicare if applicable). Please note: this pertains to your sick leave pay-out only. ESIP is paid in a lump-sum as discussed previously.

Question: How do I know if I am “Retiring” or “Separating/Resigning” from the District?

Answer: “Retiring” would mean beginning to receive a monthly pension from PERS. “Separating or Resigning” would mean you are leaving the District but you are not going to receive a monthly pension from PERS at this time.

Question: When do I need to turn in my paperwork?

Answer: All paperwork must be completed and received in the Human Resources main office in Building B no later than **5:00 p.m. on Tuesday, November 8, 2022**. Applications received after the deadline will not be included for consideration. This would include the ESIP Application, a copy of your PERS statement (click [here](#) for instructions on how to download your estimate online) and your Letter of Resignation to be effective no later than June 30, 2023 (grandfathered Year Round Teachers) or July 31, 2023 (Balanced Schedule).

Question: What if I change my mind after I have turned in an ESIP application?

Answer: If, due to unforeseen circumstances, an employee wishes to withdraw his/her application from ESIP, such request shall be considered by the Superintendent or his/her designee upon written request from the applicant if such request is received prior to retirement date.

Question: Will the WEA be holding informational meetings regarding ESIP?

Answer: Yes. These meetings are for members only. Please call the WEA office at 775-828-9282 for additional information.

Question: When will I know if I have been approved for ESIP?

Answer: We anticipate the Board of Trustees will meet in December 2022 to review ESIP applications. Human Resources will send out written notification to you that the Board of Trustees has either denied or approved your ESIP application and accepted your resignation.

Question: Can I be re-employed by the District again after I have received ESIP?

Answer: An employee who has received incentive pay under ESIP may not be re-employed by the District in any PERS-eligible position until such time as the employee has agreed, in writing, to reimburse the District for the full amount of the Early Separation Incentive Program payment previously awarded to the employee, plus applicable interest, unless the employee is rehired under the critical need provisions as prescribed by the State of Nevada. An employee who has received incentive pay under ESIP may not be employed with the District within a year of their separation date, even in a critical needs position. The only exception is an employee may be re-employed as a substitute teacher within a year from their separation date without having to pay back their ESIP incentive. After a year, an employee may be re-employed into a non-PERS eligible position without having to pay back their ESIP incentive. An employee who has received incentive pay under ESIP may not

be an independent contractor with the District within a year of their separation date if the contractor if the contractor will be providing the same or similar services as when she/he was employed. No employee will be eligible for more than one ESIP incentive.

WASHOE COUNTY SCHOOL DISTRICT
Office of Human Resources
Risk Management Department
(775) 348-0343

FREQUENTLY ASKED QUESTIONS AND ANSWERS – BENEFITS
Certified Teachers, Counselors, Nurses, Librarians, ROTC Instructors

- Question:** Will my District-paid group insurance coverages continue into retirement?
Answer: Yes, so long as you request continuation with Risk Management, pay the monthly premium, and collect a PERS check at the time of retirement.
- Question:** Where can I get more information on continuing my coverages as a retiree?
Answer: Please contact Risk Management at 348-0343 and/or visit www.washoeschools.net/risk
- Question:** How much will my monthly premium be?
Answer: The premium varies by what plan you are on, whether or not you include dependents, have supplemental life insurance coverage, etc. For current premium rates, please visit www.washoeschools.net/risk
- Question:** I'm not sure I want to keep my District coverage. How soon do I need to make this decision and let Risk Management know?
Answer: You have 60 days from the date of your retirement to elect coverage, but in order to make sure there is not a lapse in coverage, it is recommended that you complete the required paperwork with Risk Management within 30 days prior to receipt of your final District paycheck.
- Question:** What if I decide NOT to continue my District-paid coverage and do not turn in the form?
Answer: Your coverage will end the last day of employment.
- Question:** If I do not keep my District coverage at retirement, will there ever be a time I can request reinstatement?
Answer: Yes, you can request reinstatement of your medical/dental and/or vision coverage during the Retiree Open Enrollment window (January of any even-numbered year, such as 2018, 2020, etc.) You must be receiving a PERS check and the Washoe County School District must be your last public employer that you worked for in order to be eligible to reinstate your coverage.
- Question:** What about reinstating my life insurance?
Answer: You CANNOT REINSTATE LIFE INSURANCE as a retiree once you let it lapse. So, you may wish to keep any District-sponsored group life insurance in place when you retire even though you may not be keeping medical/dental and/or vision coverage. You must be receiving a PERS check to be considered a retiree and eligible to keep your life insurance.
- Question:** What if I qualify for Medicare A and B?
Answer: Once eligible for Medicare, you must elect this coverage per the Plan Document. If you do not elect Medicare once you become eligible, the plan will only cover claims at 20%.
- Question:** Will my spouse's coverage continue if I pre-decease him/her?
Answer: If you are retired and your spouse is a covered dependent on your group insurance, he/she will be allowed to continue coverage under his/her social security number in case of your death. They must notify Risk Management within 60 days of the date of death if they wish to keep the insurance.
- Question:** Will my Vision coverage continue when I retire?
Answer: Yes, if you choose to keep it and pay the premium.
- Question:** Will I continue to be part of the District Wellness Program?
Answer: Yes, as long as you are covered with District medical/dental group insurance.

WASHOE COUNTY SCHOOL DISTRICT
Office of Human Resources
EARLY SEPARATION INCENTIVE PLAN (ESIP)
APPLICATION
Certified



Teachers, Counselors, Nurses, Librarians, ROTC Instructors

NAME _____ EMPLOYEE ID _____

SCHOOL _____ ASSIGNMENT _____

WORK PHONE _____ HOME PHONE _____

It is my plan to: ___RETIRE ___SEPARATE FROM DISTRICT

This application must be returned to the Washoe County School District Office of Human Resources no later than **5:00 p.m. on Tuesday, November 8, 2022.** **Mailed applications must be postmarked Tuesday, November 8, 2022.** Applications received after this deadline will not be considered. This application must be accompanied by a Letter of Resignation and your PERS Benefit for Retirement Estimate.

INCENTIVE PAY CALCULATIONS

Your Incentive Pay will be determined by multiplying 30% times the amount of your annual salary. Your maximum Incentive Pay under the ESIP Plan is 30% of the annual salary on the Teachers Salary Schedule at TG 20. The maximum incentive pay that you may receive for the 2022-23 school year is \$21,754.

Annual Salary:	\$	
	X30%	
Equals:	\$	Incentive Benefit (cannot exceed \$21,754)

RETIREMENT AND SEPARATION INFORMATION

Initial each section please.

- _____ 1. I certify that as of September 1, 2023, I will have attained 50 years of age.
- _____ 2. I will have completed 20 years of continuous service with the Washoe County School District.
- _____ 3. I understand that if I was hired prior to July 1, 1985 I must have less than 36 credited service years with PERS or if I was hired after June 30, 1985 I must have less than 30 credited service years with PERS. All service years I have received in NVPERS eligible positions will be counted (this includes years of service that were purchased by the employee).
- _____ 4. I understand that if I am treated as a "balanced calendar employee" of the WCSD that I must retire/separate from service no later than July 31, 2023. *****When considering a separation date, please remember to consider your contract end date and how it affects your PERS if you are going to start receiving PERS retirement income.*****
- _____ 5. I understand that if I am treated as a "grandfathered year round employee" of the WCSD that I must retire/separate from service not later than June 30, 2023. *****When considering a separation date, please remember to consider your contract end date and how it affects your PERS if you are going to start receiving PERS retirement income.*****
- _____ 6. I understand that if I am approved to participate in the ESIP Plan, my Incentive Pay will be determined by multiplying 30% times the amount of my annual salary. I further understand that my Incentive Pay under the ESIP Plan is 30% of the annual salary on the Teachers Salary Schedule at TG 20. The maximum incentive pay that I may receive for the 2022-23 school year is \$21,754.
- _____ 7. I understand that I may not be re-employed by the District in any PERS-eligible position until such time that I have agreed, in writing, to reimburse the District for the full amount of the Early Separation Incentive Program payment previously awarded to me, plus applicable interest, unless I am rehired under the critical need provisions as prescribed by the State of Nevada. If I received incentive pay under ESIP I may not be re-employed with the District within a year of my

separation date, even in a critical needs position. The only exception is I may be re-employed as a substitute teacher within a year from their separation date without having to pay back my ESIP incentive.

- _____ 8. I understand that if I receive an incentive pay under ESIP I may not be contracted as an independent contractor with the District within a year of my separation date if I (the contractor) will be providing the same or similar services as when I was employed.
- _____ 9. I understand that I will not be eligible for more than one ESIP incentive.
- _____ 10. I understand that if I am approved for ESIP, and which to rescind my ESIP application, my request must be approved by the Superintendent or his/her designee upon written request from the applicant if such request is received prior to retirement date. There is no guarantee that my request to withdraw my application will be approved.
- _____ 11. I further understand that (i) the Incentive Pay will be received in a one-time (1) lump sum payment, (ii) that the Incentive Pay will be treated as taxable compensation, and that no portion of the Incentive Pay may be deferred or transferred by the WCSD on a pre-tax basis to a tax-exempt plan sponsored by the WCSD, including without limitation, the "Special Pay Plan" and any plan described in Internal Revenue Code Sections 403(b) or 457, (iii) that the WCSD is authorized to withhold from the Incentive Pay all federal, state, and local income, payroll, and other taxes required to be withheld under applicable law, and (iv) that if I desire to apply any portion of my Incentive Pay towards the purchase of PERS Service Credits, I will be responsible for obtaining from and submitting to PERS the necessary documentation to purchase the PERS Service Credits, and that all PERS Service Credits purchased by me with Incentive Pay will be purchased with after-tax dollars.

Date of Birth: _____ (month) _____ (day) _____ (year)

Years of Service with WCSD as of *September 1, 2023*: _____

Employment Date of Hire with WCSD: _____ (month) _____ (day) _____ (year)

Please check this box if you were previously an ESP/classified employee

BENEFICIARY DESIGNATION

In the event of my death, the person listed below is to be the beneficiary of and receive my Incentive Pay:

Beneficiary's Name: _____

Street Address: _____

City/State/Zip: _____

Phone Number: _____

In the event that I fail to name a person as the beneficiary of my Incentive Pay, I understand that my incentive pay is to be paid to my estate upon my death.

EMPLOYEE SIGNATURE: _____

DATE: _____

HOME MAILING ADDRESS:

Street Address: _____

City/State/Zip: _____

Phone Number: _____

OFFICE OF HUMAN RESOURCES ONLY

Reviewed by Human Resources: _____ Date: _____

Employee Retirement/Separation Date: _____ Current PERS Years: _____

Date Approved by Board of Trustees: _____

LETTER OF RESIGNATION (SAMPLE)

Date: _____

Board of Trustees
Washoe County School District
P.O. Box 30425
425 E. Ninth Street
Reno, NV 89520-3425

TO WHOM IT MAY CONCERN:

This is to advise you of my *resignation from employment with the Washoe County School District will take effect on: _____.

This resignation is contingent upon approval by the Board of Trustees of my participation in the Early Separation Incentive Program (ESIP).

Sincerely,

Employee Name

** When considering a resignation date, please remember to consider your contract end date and how it affects your PERS if you are going to start receiving PERS retirement income.*

Contract End Dates:

Grandfathered Year Round Teachers: June 30, 2023
Balanced Calendar Teachers: July 31, 2023