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MEMORANDUM OF AGREEMENT
BETWEEN THE
AUBURN SCHOOL COMMITTEE
AND
AUBURN EDUCATION ASSOCIATION

The Auburn School Committee recognizes that a proposed retirement incentive is a mandatory item of negotiations with the Auburn Education Association. The proposal is listed as follows:

A. Purpose:

This is a one-time incentive for teachers covered by the Association contract, who have reached normal retirement age (the Committee has identified the age of 62 as the one to qualify) and completed years of service as defined by statute during the 2019-2020 school year. This is not an early retirement incentive, and is not available to any employee retiring before normal retirement age.

B. Procedure:

The Committee will offer the following incentive program to employees who are presently eligible to retire, as set forth above:

- (a) Each eligible employee shall receive an annual payment of \$4,000 (not to exceed three annual payments per eligible employee), until the employee becomes eligible for health insurance coverage through "Medicare," or the year they turn sixty-five. Any eligible employee will receive a single annual payment of \$4,000 in the last payroll cycle in June. This incentive is in addition to the retirement or separation benefit contained in the applicable collective bargaining agreement, which will also be distributed in June of 2020, as applicable.
- (b) All retirement incentive payments are taxable income and subject to state and federal taxes. Retirement Incentive recipients will be issued a Tax Form W-2 for each applicable tax year.

C. Conditions:

1. To be eligible for this retirement incentive program, employees must be fully eligible for retirement in accordance with the provisions of the Maine Public Employee Retirement System. They must be at least 62 years old as of August 31, 2020, and meet the service requirements as defined by the Maine Public Employee Retirement System.
2. This incentive will only be offered if at least five (5) teachers opt to retire under this agreement. Eligible teachers who have submitted their retirement letter

previously shall receive a one time \$4,000 payment, but will not be considered as being one of the five (5).

3. The Committee will limit this incentive to the first twelve (12) teachers who apply. Teachers who have submitted their retirement letter previously shall receive a one time \$4,000 payment, but will not be considered as being one of the twelve (12).
4. Exceptions to the requirements of this program may be authorized by the Committee and the Association.
5. Notice of retirement must be made in writing by the applicant to the Superintendent by 3:30 p.m. on May 18, 2020.
6. Employees who submit a notice of retirement may rescind, without harm, their notice of retirement if the conditions and benefits of this agreement are modified.

NOTE: *The Maine Public Employee Retirement System will not treat this incentive as earnable compensation for the purpose of calculating retirement benefits.*

The Auburn School Committee and the Auburn Education Association agree to all terms specified above. Any change or modification to this memorandum shall be negotiated between the parties.

Signed and agreed to on this _____ of May, 2020.

For the Association

For the Committee