

A community committed to academic  
and personal success for every student



**MEMO TO: BOARD MEMBERS  
DR. SARAH RISS**

**FROM: DR. DIANE MOORE**

**DATE: OCTOBER 21, 2015**

**RE: EARLY RETIREMENT INCENTIVE SIMULATION**

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Please find attached a simulation showing possible cost savings related to an early retirement incentive. This simulation assumes the school district would provide 50% insurance premium payments for retirees for three years or a payment of \$5,000 each year for two years.

This simulation indicates a cost savings of \$162,929 - \$170,565 if five certified employees retire. If ten certified employees retire the cost savings would range between \$325,858 and \$341,130. Cost savings are also reflected for fifteen certified employees and twenty certified employees. Please read carefully the assumptions used to create this simulation.

Please do not hesitate to contact me should you have questions.

Early Retirement Incentive (50% Ins. Premium)  
2015-16 Simulations (Certified Staff)

	Avg. Retiree salary	3 Years 50% Ins. Benefits	Savings	Avg. replacement Salary	Annual cost to replace	Savings over three years	2 Years \$5,000 per year	Savings	Avg. replacement Salary	Annual cost to replace	Savings over two years
<b>Average Salary</b>	76,293	10,377		53,435	267,175	62,405	5,000				
<b>5 Employees</b>	381,465	51,885	329,580	55,038	275,190	54,390	25,000	356,465	53,435	267,175	89,290
				56,689	283,446	46,134	25,000		55,038	275,190	81,275
						<b>162,929</b>					<b>170,565</b>
<b>10 Employees</b>	762,930	103,770	659,160	53,435	534,350	124,810	50,000	712,930	53,435	534,350	178,580
				55,038	550,381	108,780	50,000		55,038	550,381	162,550
				56,689	566,892	92,268					<b>341,130</b>
						<b>325,858</b>					
<b>15 Employees</b>	1,144,395	155,655	988,740	53,435	801,525	187,215	75,000	1,069,395	53,435	801,525	267,870
				55,038	825,571	163,169	75,000		55,038	825,571	243,824
				56,689	850,338	138,402					<b>511,694</b>
						<b>488,786</b>					
<b>20 Employees</b>	1,525,860	207,540	1,318,320	53,435	1,068,700	249,620	100,000	1,425,860	53,435	1,068,700	357,160
				55,038	1,100,761	217,559	100,000		55,038	1,100,761	325,099
				56,689	1,133,784	184,536					<b>682,259</b>
						<b>651,715</b>					
Current		6% increase	6% increase	6% increase							
Medical	5681	\$6,022	\$ 6,383	\$ 6,766							
Dental	469	\$497	\$ 527	\$ 559							
Total	6150	\$6,519	\$ 6,910	\$ 7,325							
50%	3075	\$3,260	\$ 3,455	\$ 3,662	\$10,377						
<b>Assumptions:</b>											
Average certified salary for retiree would be \$76,293											
Annual increase in health insurance premium would be 6%											
Assumes district will pay 50% of health insurance premium											
Assumes the average replacement salary would be Masters Step 7 \$53,435 plus a 3% annual increase											