

## **P4-04-005 Post-Retirement Earnings Plan (PREP)**

(Revised ~~February, 2016~~ **June, 2018**)

The County School Board of Henrico County, Virginia provides eligible employees a Plan of post-retirement earnings. The Plan is not a retirement benefit plan.

The Plan only exists on a year by year basis per inclusion and approval as part of the annual budget. If the Plan is not funded in a particular year's budget, then the Plan does not exist for such year, no participants are accepted, and no Plan earnings are payable. Since the Plan exists on a year by year basis, any changes in the components of the Plan will apply to incumbent and new participants, and will be communicated to participants preceding the new fiscal year.

The Plan consists of the following components:

### 1. Eligibility

Participation in PREP is subject to approval of the School Board upon the recommendation of the Superintendent of Schools based upon the following conditions:

- a. Funding of the Plan is available;
- b. The employee's last ten years employment immediately preceding retirement must be full-time with Henrico County Public Schools;
- c. The employee must have a minimum of sixteen years coverage under Virginia Retirement System (VRS);
- d. The attainment of age between 50 and not having attained the age for full, unreduced Social Security benefits;
- e. The employee is currently employed in good standing by Henrico County Public Schools and covered by VRS. For the duration of participation in the PREP Plan, the participant must be covered as a retiree under VRS;
- f. Payments will not be paid concurrently with disability retirement pay;
- g. The applicant's performance with Henrico County Public Schools remains in good standing during participation in PREP;
- h. The deadline to request permission to enter the program is ~~January 15~~ **February 1** of the current fiscal year. Entrance into the program is effective July 1. Any exceptions must be approved by the Superintendent; and
- i. Retirees may not enter the program retroactively.

### 2. Formula

The formula for PREP will reflect the following:

- a. The annual earnings (12 months) for participants in the Plan will not exceed 20% of their final annual VRS creditable compensation, based upon availability of funds **The earnings will be paid**, payable in ~~42~~ equal monthly installments **beginning in October following entrance into the program**. Annual earnings are subject to proration based on the number of months the participant is eligible for the Plan in any fiscal year. Annual earnings in subsequent years are subject to elimination or adjustment based on the availability of funds provided in the annual budget and the continuation of the PREP Plan.
- b. Based on the availability of funds, participation is limited up to 84 months, or to the age of full, unreduced Social Security benefits, whichever occurs first.
- c. Early retirees will not receive across the board cost-of-living increases.

### 3. Work Days

Participants are required to work twenty-eight days per fiscal year. The work requirement will be prorated

for any fiscal year in which the participant is not eligible for 12 months. The proration will be based on 2.33 days of work for each month of eligibility. A break in service of three full calendar months from the retiree's retirement date is required before he or she may return to any employment with Henrico County Public Schools. Additionally, VRS requires a break in service of at least 30 days. Summer breaks do not count toward satisfying the VRS 30-day break in service requirement, but summer breaks do count toward satisfying the Henrico County Public Schools three-calendar-month break in service requirement.

Plan payments will be withheld if evidence of work performed is not submitted in a timely manner. Participants will be liable for payments made that exceed work performed at the end of any fiscal year or at the end of participation in the Plan. Failure to complete the assigned work days will result in the inability to continue participation in the Post Retirement Earnings Plan.

Participants will be given work assignments that are based on the needs of the school division. The priority for work assignments will be substitute teaching for those individuals who meet the minimum requirements for substitute teaching.

#### 4. Revocability

Participants in PREP may voluntarily withdraw from the Plan. Participants who withdraw from or complete the Plan are not eligible for further participation in PREP.

#### 5. Limitations

Participants in the Plan can continue until they reach the age of full, unreduced Social Security benefits, or they have been in the program seven years (84 months), whichever occurs first.

The Superintendent of Schools is not eligible to participate in the Post-Retirement Earnings Plan.

Refer to Regulation [4-04-005](#), "Regulations Pertaining to the Post-Retirement Earnings Plan (PREP)."