

Retirement and “110” basics in BVSD

A task force was convened at the beginning of the 2010-11 school year to study benefits, retirement incentives and the “110” program and report their findings to the superintendent in late fall. As the Task Force members learned about and discussed the district’s current “110” plan, a consensus was reached that misconceptions, myths, and legends exist about the “110” program. It was agreed to provide more information to all employees about the “110” program in BVSD based on frequently asked questions about the “110”.

1. All public school districts in Colorado are PERA employers. PERA has an excellent website, www.copera.org. One of the best ways to learn about individual PERA benefits earned is to visit this website. Even if not near retirement, it is a good idea to go to the PERA website and request a PERA PIN number to see your own personal PERA account. The information below is not a substitute for PERA information. If for no other reason, visit to the PERA website, www.copera.org, request a PERA PIN number and then check your account at least two times per year. PERA representatives can also be reached at 303-832-9550. Anyone considering retirement should contact PERA well in advance of your anticipated retirement date.
2. Doing a “110” means retiring from the school district through PERA and then, after a break-in-service of one calendar month, being rehired by BVSD in essentially the same position for one school year. Under current PERA guidelines, a PERA retiree is allowed to work for a PERA employer up to 110 days in a calendar year without a reduction in PERA retirement benefits. For most school based positions, this means that a person can work most, if not all, of the regular contract days for one school year after retirement.
3. The main reason people elect the “110” option is to earn their BVSD salary for one year after retiring so that they receive both their BVSD salary and their PERA monthly benefit at the same time for one school year.
4. For many people, the most important decision about considering a “110” may be whether you are ready and able to retire, unrelated to the “110”. Each person’s situation is different, but you have to at least know what your PERA benefit will be. Contact PERA and ask for a benefit estimate and consult with your financial adviser.
5. Health coverage may be the number one issue for many people considering retirement. Retirees, including retirees working a “110”, are not eligible for district benefits, including health and dental coverage. PERA currently offers coverage with several different plans to PERA retirees through PERACare. The PERA website at www.copera.org has detailed information about PERACare. Another benefit option is coverage under COBRA through the district for up to 18 months. Either option is expensive.

If you are currently covering dependents, it is important to consider whether or not you want your premium contributions deducted pre-tax. Because these deductions reduce your PERA eligible salary, employees within four or five years of PERA retirement may want to opt out of this district benefit and, instead, have dependent premiums deducted post-tax. Consult with your financial adviser.

6. Many people retire from BVSD without doing a "110". One of the reasons that a person would chose to forgo the "110" is that, in almost all cases,* a person's monthly PERA retirement benefit will be greater if they do not do a "110" and just work the year as a regular employee. Retirees on a "110" do not earn PERA service credit while working after retirement.

In order to make an informed decision about whether to work the year as a regular employee or do a "110", it is important to know your PERA benefits for each scenario. Employees considering retirement at the end of this school year and then doing a "110" may consider requesting benefit estimates from PERA for two retirement dates. For most people, this means asking for a benefit estimate for the end of this school year and a benefit estimate for the end of the following school year. You can request a benefit estimate by calling PERA at 303-832-9550. If you have a PERA PIN number, you can also approximate these scenarios online. Consult with your financial adviser.

7. For many people, it is a good idea to save as much of your BVSD salary as possible during your "110" year and defer taxable income. BVSD offers excellent savings plans (401k, 457, 403b) that allow a person to save most of their BVSD salary. Consult with your financial adviser about the options available to you. Information about BVSD's savings plans is available at <http://bvsd.org/benefits/Pages/retirement.aspx>.
8. BVSD does not typically hire PERA retirees into regular positions beyond the "110" year. Many PERA retirees apply for and work in substitute positions, although a person completing a "110" year usually does not have many days available to work until January 1 following the "110" year.
9. The "110" program is part of three negotiated agreements. State laws governing PERA could change, and the district would have to adjust.
10. To apply for a "110", here are the requirements: submit a letter to Human Resources stating that you are retiring from BVSD and would like to do a "110". This letter needs to be signed by your principal or department head. The deadline for employees retiring at the end of the 2010-11 school year is no later than May 1, 2011. In addition, you need to complete the retirement forms with PERA.

*A person's PERA retirement benefit will be greater working an additional year unless that person has 40 years or more of PERA service credit.