MSD: Employee Incentive and Retirement Benefit

To recognize long-term service and support recruitment and retention, the Board maintains a local employee incentive and retirement benefit separate from Utah Retirement Systems benefits and separate from leave-balance payout provisions. A qualified employee may receive a one-time retirement benefit consisting of $5,000.00 plus twenty-five percent (25%) of the contracted amount for the year of employment when application is made, subject to IRS limits and District procedures.

The benefit shall be paid into a Prime Trust Health Reimbursement Account, 401(k) account, or 403(b) account as determined through the employee's exit interview and as allowed by applicable law, plan requirements, and IRS rules. An employee may use the benefit to purchase future service years or previously earned service years from Utah Retirement Systems when permitted by law and by Utah Retirement Systems procedures.

To qualify for the local retirement benefit, the employee must be eligible to draw Utah Retirement Systems benefits at the time of separation from employment and must have completed a minimum of fifteen (15) years of service with Millard School District. The local source policy identifies the following Utah Retirement Systems qualification guide: 30 years at any age, 20 years at age 60, 10 years at age 62, or 4 years at age 65, subject to current URS law and individual URS determination.

An employee who resigns during the contract year or is terminated for cause is not eligible for this local retirement benefit. To receive the full local benefit, application must be made to the Superintendent by January 15 of the year of retirement. If application is received after January 15 of the current school year, the benefit is limited to $2,500 plus fifteen percent (15%) of the contracted amount for the year of employment when application is made. No application shall be accepted after April 15.

Upon the death of a qualified employee and all dependents who are eligible to withdraw funds from the defined medical benefit trust, remaining funds shall be returned to the District, which shall, as far as possible, issue the funds to the estate of the deceased employee as defined by beneficiary designation. Dependents or heirs are responsible for all tax consequences from District distributions.

Reemployment of retirees remains governed by Policy DBG and by Utah Retirement Systems requirements.

Source: MSD Policy 4020, approved 2025.