

## **Alvin ISD**

# **Introduces An Exciting New Benefit Plan for Employees**

## **Attendance Incentive, Recruitment and Retention Plan**

→ District will match your employee salary deferrals to

- The District's New 457 Plan  
or
- The current 403(b) ("TSA") Plan
- Up to a **cap** on District contributions (see detailed explanation)

▶ **Three levels** of match based on **Employee Attendance**

- ❖ **100% Match for Perfect Attendance**
- ❖ **75% Match for Excellent Attendance**
  - (Miss 3 or fewer days in a year)
- ❖ **50% Match if no Attendance Award is met**

→ **Plus a Campus Student Attendance Incentive**

- ❖ District will contribute up to **\$240** to the account of **campus-based staff under principal's direct supervision** who meet the District's **student attendance goals**
- ❖ Campuses that achieve an ADA\* rate of **97%** or **improve their current ADA by 1.5%** will qualify for the bonus.

\*ADA is Average Daily Attendance

▶ **Three levels** of contribution based on **Employee Attendance**

- ❖ **100% Match for Perfect Attendance** - **\$240**
- ❖ **75% Match for Excellent Attendance** - **\$180**
  - (Miss 3 or fewer days in a year)
- ❖ **50% Match if no Attendance Award is met** - **\$120**

→ **Plus a Recruit Incentive**

- District will contribute **\$2,500** to the account of **newly hired employees** who are deemed "hard-to-retain or recruit" by the Board of Trustees

→ **Your District Paid Account is "vested" over 5 Years**

- *You must be employed in AISD 4 years to keep all funds in your District paid account (see detailed explanation)*

**District Contributions from any of the above will grow tax deferred, held in a trust account, managed by professional money managers.**

**>>>>> For More Information See Detailed Explanation Attached <<<<<**

# Alvin ISD Attendance Incentive, Recruitment and Retention Plan

The Alvin Independent School District Board of Trustees has approved a new benefits plan for employees of the District. The **Attendance Incentive, Recruitment and Retention Plan for Employees** is designed to reward employees for reaching certain attendance and campus goals, enhance employees' retirement savings and provide an incentive to recruit and retain employees. This is a "401(a)" plan as defined under the Internal Revenue Code.

The Plan will be funded with District contributions. Money will be invested in a Trust set up exclusively for the benefit of employees who participate in the Plan. A summary is provided below.

1. **Matching Contributions:** Beginning September 2002, the District will make *matching contributions* for all eligible full time employees who contribute part of their salary to a 403(b) Tax Sheltered Annuity ("TSA") plan or the District's 457 Voluntary Retirement Savings Plan. A full time employee is further defined as follows:

Employee Contribution Period – 457 (b) and 403(b) reduction from salary must be made from July 1<sup>st</sup> to June 30<sup>th</sup> of the year prior to the District's September match.

The District will match employee contributions according to the schedule listed below:

<u>Sick and/or Personal Leave Days Used</u>	<u>Percent of District Match</u>
Perfect Attendance (0 days missed)	100% Match up to 2.0% of Pay
Excellent Attendance (1 to 3 days missed)	75% Match up to 1.5% of Pay
Regular Attendance (more than 3 days missed)	50% Match up to 1.0% of Pay

Employee Attendance Period: Absents will accumulate from July 1<sup>st</sup> to June 30<sup>th</sup> of the year prior to the District's September match.

2. **Vesting:** The employee's trust account would be vested on a gradual basis over four years. This means that the employee will "own" an increasing share of the account as the employee remains with the District longer. The employee's vested account balance includes the applicable percentage of the District's contributions plus the vested percentage of earnings in the account. Current qualified employees will be given credit for existing experience in the district. Creditable years of experience must be consecutive from the most recent year of employment. The vesting schedule is as follows:

<u>Number of Years Employed with AISD</u>	<u>Percentage Vested</u>
One Year	0% Vested
Two Years	25% Vested
Three Years	50% Vested
Four Years and Beyond	100% Vested

In order to earn a Year of Service for vesting, an employee must be employed at least 90 days during his or her contract year, which must include May 31<sup>st</sup> of the year to receive a year of vesting credit. If an employee retires with an unreduced benefit under TRS, dies or becomes permanently disabled he or she will become 100% vested in the account balance immediately. Employees are always 100% vested in their own 403(b) or 457(b) account(s).

3. **Eligibility:** A full time employee is defined as an active Teacher Retirement System of Texas participant (20 hours per week or more), and will be eligible to participate in the Plan on September 1, 2002. Participation is automatic if the individual is currently making payroll deduction contributions to a 403(b) Tax Sheltered Annuity (“TSA”) plan or the District’s 457 Voluntary Retirement Savings Plan. Employees may enroll in these plans at any time by obtaining forms from the Administration Building. Employees who wish to contribute to a 403(b) account can go to the Texas Teachers Retirement System website to see a list of companies from whom they may purchase a product.
4. **Other Plan Features:** Employees must also be *actively employed* with the District on August 31 of each year to receive that year’s Attendance Incentive contributions. This rule applies each year, whether or not the employee is “vested” in his or her Plan account. If an employee retires with an unreduced benefit under TRS, dies or becomes permanently disabled, this rule is waived.

Contributions to the Attendance Incentive Plan will be made at the end of each Plan year after attendance records have been reviewed to determine who has earned what amount of award.

**Campus Student Attendance Incentive:** The District will also make an additional contribution of \$240 to campus-based professionals and para-professionals under the principal’s direct supervision on campuses that achieve certain student attendance goals. Campuses that achieve an average daily attendance (ADA) rate of 97% or improve their attendance by 1.5% will qualify for the bonus. These contributions are tied to the same eligibility and vesting rules. The District will make contributions according to the schedule listed below:

<u>Sick and/or Personal Leave Days Used</u>	<u>Percent of District Match</u>
Perfect Attendance (0 days missed)	100% Contribution up to \$240
Excellent Attendance (1 to 3 days missed)	75% Contribution up to \$180
Regular Attendance (more than 3 days missed)	50% Contribution up to \$120

**Recruitment Incentive:** As a one time hiring bonus, the District will contribute \$2,500 in the form of a lump sum payment to the trust for critical needs areas of Junior High Math, Foreign Language (Jr./HS), Special Education, Chemistry and Physics teachers. Critical needs will be determined each year by the Board of Trustees. These contributions are tied to the same eligibility and vesting rules.

**Stipends** –A \$2,500 stipend is offered on a yearly basis in the areas of Bilingual and Secondary Math  
**Note:** Stipends are not tied to the eligibility and vesting rules.

5. **Employer Control:** A 401(a) Plan is an employer-sponsored plan. However, employees will have the ability to direct their investments in funds established by Alvin ISD and ISC Group. The Board approved Capital Security Financial Services as the service provider to administer this program. Group meetings will be scheduled in the near future to provide additional information about this benefit and answer employee questions.

If you have any questions, please contact Deputy Superintendent for Business and Support Services and Assistant Superintendent of Human Resources at:

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