Sample Severance Pay Plan

EARLY RETIREMENT: SAMPLE SEVERANCE PAY PLAN

Eligibility

Any member of the School faculty with twenty years or more of at least 75% full-time employment for each of the twenty years may elect to participate in the Severance Pay Plan as of the first day of the academic year following the academic year in which his/her 62nd, 63rd, or 64th birthday occurs.

Arrangement to Participate

Arrangement to participate in this Plan is to be made with the Headmaster, in writing, by January 1 of the academic year preceding entry into the Plan. A "Severance Pay Plan Agreement: form is available in the Headmaster's Office.

Termination of Employment

The participating faculty member agrees to terminate his/her employment with the School at the end of the academic year in which his/her election to participate in the Plan is made.

Benefits: 1) Severance Pay

For a period of up to one and a half years, the participant will receive a percentage of his/her final actual working year's base pay, not including stipends and/or additional pay. This total amount received by the participant will be paid out in equal payments over the period of time defined in the table below.

Any severance pay payments which have not been completed at the time of the participant's death will be paid to his/her beneficiary designated, in writing, by the participant in accordance with this Plan.

Table I.

Age Entering Plan Total Severance Pay Pay Out Period

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage</th>
<th>Base Pay</th>
<th>Pay Out Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>62</td>
<td>150%</td>
<td>x final base pay</td>
<td>18 months</td>
</tr>
<tr>
<td>63</td>
<td>125%</td>
<td>x final base pay</td>
<td>15 months</td>
</tr>
<tr>
<td>64</td>
<td>100%</td>
<td>x final base pay</td>
<td>12 months</td>
</tr>
</tbody>
</table>
For example, for a person who turns 63 in the school year of his/her election to participate in the Plan, the total severance pay will be paid out equally in each of the 15 months following termination of his/her employment with the School.

Benefits: 2) Medical Insurance

For a period of 24 months or the attainment of age 65, whichever comes sooner, participants in the Plan will continue to receive the same medical insurance benefits they would have received had they remained active employees of the School. In the event of the participant's death prior to the end of the Severance Pay Plan period, the participant's spouse will continue to receive the same medical insurance benefits she/he would have received for the period the participant was to be in the Plan. The School may elect to change the medical insurance benefits that are available to active employees at any time and, in such event, the retired participant and his/her spouse would be subject to the terms of any such change.

Benefits: 3) TIAA-CREF retirement contribution

During the period of severance pay, the School will contribute to TIAA-CREF monthly an amount equal to 12% of the participant's severance pay payments. Any TIAA-CREF payments, which have not been completed at the time of the participant's death, will be paid to his/her beneficiary designated, in writing, by the participant in accordance with this Plan.

Benefits: Maximum Amount of Payments

In no event shall the total payments under this Plan exceed 200% of the participant's final working year's annual compensation.

Limited Duration of this Plan

This Plan is designed to have a five-year life. Elections to participate may be made in the 1997-98, 1998-99, 1999-2000, 2000-01, and 2001-02 school year; the final date in which to elect to participate in this Plan is January 1, 2002.

Amendment and Termination

This Plan and other School plans may be amended or terminated at any time. One of the intentions of the Severance Pay Plan is to provide medical insurance to a participant so that, in coordination with participant paid COBRA benefits, participation in the School's medical insurance group may continue until eligibility for Medicare at age 65. If at some time in the future the Medicare eligibility age is increased above 65, this Plan may be amended to continue to provide the "bridge" to Medicare, while retaining the 200% of compensation and 24-month payout provisions of the Plan.
Year of Plan Adoption

This Plan is effective February 1, 1998. During the 1997-98 school year, the deadline for a faculty member to make an election to participate shall be extended from January 1, to March 1, 1998.

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