EARLY RETIREMENT

I. POLICY

This policy is to provide early retirement to full-time, regular, salaried employees of the college who qualify under specified terms and conditions. The early retirement plan will operate and be reviewed on a year-to-year basis to monitor its effectiveness and its fiscal implications; however, no change shall reduce benefits to any participant who has already retired under this provision unless reemployed on a full-time, regular basis with the college president's approval.

II. REFERENCES

Reserved.

III. DEFINITIONS

See Human Resources Definitions.

IV. PROCEDURES

A. General

1. Entrance into the early retirement plan is available to qualified employees upon approval.

2. The intent of the early retirement plan is not to increase total college personnel costs.

3. The criteria upon which the college approves or disapproves an application shall have a rational relationship to the legitimate needs, well-being, and overall mission of the college.

4. Phased retirement is regarded as a case of early retirement in which the retiree reduces the full-time equivalent (FTE) of his or her full-time position. Each year of phased retirement exhausts a year of eligibility for early retirement. The college limits phasing to a maximum of two years.

5. Employees who are approved for early retirement may be re-employed or reinstated to full-time, regular status only upon approval of the college president. The early retirement stipend and benefits will cease and regular retirement premiums will be initiated.

6. All early retiree benefit and stipend payments terminate at the end of the month after the date of death of the early retiree should death occur within the early retirement period.

7. Prior to applying for the early retirement program, it is the employee's responsibility to contact their financial advisors, retirement companies, attorneys, insurance carriers, other governmental agencies, etc.

8. The president upon notification to the board of trustees, may open a one-time window and offer a cash incentive for qualified employees to facilitate their retirement and recover budgetary funds of the institution. Exceptions to this procedure must be approved by the president.

B. Eligibility

1. Candidates must be full-time, regular, salaried employees who are currently employed 75 percent FTE or more of a fiscal year.

2. Candidates must be serving in a position which is reasonably assured of funding for the duration of the anticipated early retirement contract period.

3. Candidates must have accumulated a minimum of 75 points based upon the sum of chronological age and years of full-time, regular, salaried service at the college or related Utah System of Higher Education service. This includes a minimum of 15 years at Salt Lake Community College or related employment with the Utah System of Higher Education and be at least age 57.

4. Only college or related Utah System of Higher Education service at 75 percent FTE or more will qualify for credit. Hourly service will not be credited.

C. Enrollment

1. Eligible candidates desiring to enter the early retirement plan must complete an early retirement agreement application and submit it to Human Resources as soon as possible but no later than 45 days prior to the date of retirement. If the early retirement agreement application is not received in Human Resources 45 days prior to the date of retirement, it will be considered an exception and may or may not be approved due to funding issues, etc.

2. The Human Resources office will provide the retirement application, facilitate the calculations of the monthly retirement benefit with the Budget Office, and obtain the appropriate signatures on the application.

3. In addition to the early retirement agreement application, a phased-retirement proposal may also be submitted.

4. If the proposed work plan for phased retirement is not approved, the employee will have the option of withdrawing their early retirement agreement application following the employee's eight to revoke as outlined in the early retirement agreement application.

D. Stipend

1. Stipend payments shall be paid in installments provided to all full-time employees and end at full retirement age as a bridge to future Social Security benefits. The early retiree shall be paid a stipend based on a percent of the employee's current annual salary or the estimated single Social Security benefit available to the individual at full retirement age, whichever is less, as follows:

Stipend Period	Stipend
Up to 5 years	20.5 percent per year
5 – 7 years	Pro-rated: Stipend amount for 5 years divided by number of months employee selects to be paid.
7 years	14.3 percent per year

2. Early retirement stipend payments will discontinue at the end of the month in which early retirees reach full retirement age (see definition of full retirement age). Stipends may not exceed 20.5 percent per year. Under no circumstances will the stipend be allowed to exceed seven years.

3. The stipend shall be adjusted annually at a rate determined by the college administration. This annual adjustment will normally be at the same base increase as that given to faculty or staff, whichever employee group the early retiree worked under. The early retirement stipend may never exceed the estimated single Social Security benefit available to the individual at full retirement age.

4. The following shall determine the salary period for faculty (either nine or 12 months) upon which the employee's base salary will be calculated for the duration of the agreement.

    a. If the employee worked on a 12-month appointment (or a combination of nine- and three-month appointments) for at least half of his/her total years of service, the 12-month salary will be used to calculate the base salary.

b. If the employee worked on a nine-month appointment for more than half of his/her total years of service, the nine-month appointment will be used to calculate the base salary.

E. Benefits

1. Continued coverage in the group medical and dental insurance programs at the same level provided all full-time personnel, as follows:

Benefit Period	College Pays	Early Retiree Pays
Up to 5 years	100 percent of premium	0 percent of premium + current payroll deduction
Up to 5 1/2 years	90.9 percent of premium	9.10 percent of premium + current payroll deduction
Up to 6 years	83.3 percent of premium	16.7 percent of premium + current payroll deduction
Up to 6 1/2 years	76.9 percent of premium	23.1 percent of premium + current payroll deduction
Up to 7 years	71.4 percent of premium	29.6 percent of premium + current payroll deduction

2. Benefits discontinue at the end of the month in which the early retiree turns 65. This would be when the early retiree would qualify for Medicare coverage. Early retirees should contact the Social Security Administration for information regarding Medicare. Under no circumstances will the benefits be allowed to exceed seven years.

3. Accrued annual leave will be paid to the maximum allowed by college policy at the time of retirement.

F. Phased-retirement Option

1. In conjunction with the early retirement agreement application a phased-retirement proposal can also be submitted. Participation in the phased-retirement program is not an entitlement or a right automatically available to all persons who meet the eligibility criteria, but is subject to administrative approval of the terms and conditions reflected in a written proposed work

plan specifying the arrangements under which the individual will be placed in phased-retirement status.

2. The total period in years of phased and total early retirement cannot exceed the period for which the stipend and benefits will be paid shown in table D.1and E.1.

3. Eligible staff may propose to be reduced from 100 percent FTE to no less than 75 percent FTE, not to exceed two years prior to entering into regular and or early retirement in the third year.

4. Eligible, full-time faculty may propose to be released from up to three instructional units each semester in the first year and up to six instructional units in the second year prior to entering into regular and/or early retirement in the third year. Additionally, a proposal may be made up to six instructional units each semester in the first year prior to entering into regular or early retirement in the second year.

5. The employee who enters the Phased-retirement program must agree to a reduced FTE employment status with the college, with the clear understanding that the total FTE percentage (including overload) for all services performed for the college as an employee cannot thereafter be increased.

6. Unless specific provisions to the contrary are included in an employee's phased-retirement proposal with the college, that Employee will be entitled, for the duration of the approved Phased retirement, to the same status and employment related benefits as he/she had attained prior to the effective date of the proposal. Annual sick leave/vacation leave will be earned on a pro-rata basis according to the percent of time in phased retirement.

7. Participants in the Phased-retirement program are entitled to financial incentive payments to compensate for the reduced retirement contributions resulting from a reduction in the FTE assignment. The financial incentive is the difference between what the college contributes to the participant's retirement fund before and after the phased retirement takes effect. The financial incentive amount will become part of the phased-retirement agreement and will not be adjusted because of any subsequent salary increases.

8. Participant further agrees to contribute the incentive added to salary to a SLCC sponsored, supplemental retirement program of the participant's choice through salary reduction (tax deferred), as long as this amount does not exceed the limits as prescribed by the IRS for contribution to a tax deferred retirement account. Any amount that exceeds the IRS limits will not be required to be deferred by the participant.

9. The phased retiree will not be allowed to begin withdrawals and/or payments or annuities from the retiree's basic retirement plan during the phased retirement.