



<b>POLICY TITLE</b>	Early Retirement: Institutional	<b>Policy Number</b>	362
<b>Section</b>	Human Resources	<b>Approval Date</b>	October 2, 2000
<b>Subsection</b>	Compensation and Benefits	<b>Effective Date</b>	October 2, 2000
<b>Responsible Office</b>	Office of Vice President of Planning, Budget, and Human Resources		

### 1.0 PURPOSE

### 2.0 REFERENCES

### 3.0 DEFINITIONS

### 4.0 POLICY

#### 4.1 Definition

**4.1.1** Early retirement is defined as total retirement from active employment at the University prior to the eligibility age for full Social Security benefits.

#### 4.2 Eligibility

**4.2.1** Eligible personnel are those permanent employees who are currently employed 75 percent of a calendar year or more. Individuals would qualify if they carry a full-time work load for nine months, a three-fourths time work load for 12 months, or a combination of hours to achieve the full three-fourth (75 percent) FTE status.

**4.2.2** The employee must be serving in a position that is reasonably assured of funding for the duration of the anticipated contract period (not to exceed five years).

**4.2.3** The employee must have accumulated a minimum of 75 points based upon the sum of chronological age and years of service. The employee must be at least 57 years of age. All full-time salaried employment at the University plus years of service at another department or institution of the State of Utah by employees who have transferred directly from that



employment to the University qualifies for credit. Time spent on approved leave of absence with full or partial pay will also apply. Hourly service does not qualify.

**4.2.4** Any exceptions to the procedure outlined for this program may be made only when the best interest of the University is served, upon recommendation by the President and approval of the Board of Trustees.

### **4.3 Entrance**

**4.3.1** Entrance into an early retirement program is available to qualified employees only upon approval by the employee's immediate supervisor, the appropriate administrator, executive, and the President. Sympathetic consideration will be given to each employee's request; however, the nature of the individual's work assignment may not lend itself to a reduced schedule, a reduction in responsibilities, or loss of the employee. In addition, other practical considerations (e.g., lack of office space or classroom/laboratory facilities, cost to the University for a replacement) may preclude approval in specific cases. Each application will be reviewed as a separate case. The criteria upon which the application is approved or disapproved shall have a rational relationship to the legitimate needs, well-being, and overall mission of the University.

**4.3.2** Eligible candidates desiring to enter the early retirement program must advise their immediate supervisor in writing approximately nine months prior to the date the program is to take effect. This time requirement may be shortened if mutually agreed upon by the supervisor, administrator, executive, President, and employee. Each retirement arrangement will be a contract between the employee and the institution to be negotiated on an individual basis. Candidates applying for retirement must submit an official application and worksheet, available in Human Resources.

### **4.4 Retirement Package**

**4.4.1** For a period of five years or until eligible for full Social Security benefits, whichever occurs first, an employee approved for the early retirement shall receive:

- 1) An incentive stipend equal to 20percent of the employee's base salary during the fiscal year in which the retirement becomes effective. The stipend will be adjusted annually according to the University's standard base salary and cost-of-living increase.
- 2) Health insurance coverage until the retiree becomes eligible for Medicare.
- 3) The incentive stipend, as outlined above, will not exceed the estimated maximum social security benefit to which the retiree is entitled (i.e., the maximum an employee can draw at age 65).

### **4.5 Restrictions**

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**4.5.1** Employees who elect retirement may be reemployed or reinstated to full-time salaried employment only at the option of the University. In such cases, the retirement incentive stipend annual payment will be discontinued.

**4.5.2** Hourly employment at the University will have no effect on an employee's status in the retirement program or the incentive stipend.

**4.5.3** All payments will terminate at the end of the month in which the death of the employee occurs, the five-year entitlement period lapses, or the early retiree becomes eligible for full Social Security benefits should death occur before the end of the five-year entitlement period.

**4.5.4** The retirement program will be reviewed on a year-to-year basis to monitor its effectiveness and its fiscal implications. The University administration will report annually to the Board of Trustees the status of the program. The Board of Trustees will have the right to amend or terminate the program at any time, but no amendments or termination will reduce benefits to any participant who is already participating in the program except by mutual rescission or for good cause (including financial exigency).

**5.0 PROCEDURES**

<b>POLICY HISTORY</b>		
<b>Date of Last Action</b>	<b>Action Taken</b>	<b>Authorizing Entity</b>