

Contact: Tom Evans

**PROPOSED BOARD OF REGENTS OFFICE
2015 EARLY RETIREMENT INCENTIVE PROGRAM**

Action Requested: Consider approval of the Board Regents Office's request for an Early Retirement Incentive Program; and direct it to submit a report regarding its Early Retirement Incentive Program at the August 2015 Board meeting.

Executive Summary:

The Board Office has submitted a request for approval of an Early Retirement Incentive Program as set forth below.

The Board of Regents Policy Manual § 4.36 authorizes the Board to approve Early Retirement Incentive Programs that meet specific institutional needs with the following principles:

1. Comply with governing law;
2. Be designed as a voluntary window incentive program requiring administrative approval and be distinguished from other retirement programs;
3. Be independently designed to allow each institution flexibility to meet its strategic goals and human resource needs;
4. Be advantageous to each institution's programmatic, economic, and human resource perspective;
5. Offer economic benefits to employee participants;
6. Be evaluated periodically to assure that the program accomplishes its intended objective.

Proposed 2015 Early Retirement Incentive Program

The proposed ERIP does not create a right for the employee. The request to participate in the program may be approved only if it is deemed to be in the best interest of the Board of Regents Office. Each application will be reviewed on an individual basis for its cost saving potential and will be subject to approval through the normal administrative chain with specific approval of the Executive Director. Acceptance of the application shall be considered as a voluntary resignation effective on the date cited by the applicant on the application form.

The proposed program is a one-time program in which eligible employees have a defined “window” period for application.

1. Proposed Benefits:

- (a) Payment of accrued vacation.
- (b) Payment of accrued sick leave, not to exceed \$2,000 in accordance with Iowa Code 70A.23.
- (c) Health and Dental Insurance incentive – Payment by the Board Office of the employer’s standard share of health/dental coverage for five years. This contribution shall be equal to the amount contributed for an active employee in the same plan and the same coverage level (single, employee/spouse, employee/child, family). Any increases or decreases in premium cost will be borne by the party responsible for payment at the time of the increase or decrease. After eligibility for Medicare, the Board Office will continue to contribute the incentive at the retiree health and dental insurance rates for the balance (if any) of the 5-year period.
- (d) In the event of the employee’s death, the Board Office’s obligation to pay the cost of health and dental coverage will cease on the first day of the month following the date of death. The employee’s surviving spouse or dependent may elect to continue coverage as provided by law.
- (e) Retirement incentive – Payment by the Board Office of both the employer’s and employee’s retirement contributions to TIAA-CREF for three years, and the employer’s contribution only for another two years. The contribution percentage shall be equal to the amount contributed for an active employee in the same plan, which may increase or decrease over the term of this agreement.
- (f) In the event of the employee’s death, the University’s obligation to pay the cost of the TIAA-CREF contribution will cease on the first day of the month following the date of death.

2. Eligibility – Board Office regular employees (benefits eligible):

- (a) Must be 57 years of age with at least 10 years of continuous regular benefit eligible employment with the Board of Regents as of February 28, 2015; or
- (b) Must have worked at least 20 years continuous regular benefit eligible service as an employee of Board of Regents Office as of February 28, 2015.

Credit for service as an employee of the State of Iowa will be counted towards Board of Regents Office length of service in either eligibility option, so long as there was not a break in service between employment with the State of Iowa and Board of Regents Office and the service with the State of Iowa was in a regular benefit eligible position.

- (c) Individuals who are on phased retirement may not apply to participate in this plan.

3. Application requirements:

- (a) Employees who meet the eligibility requirements must apply for the ERIP between March 12, 2015 and April 13, 2015. No applications will be accepted after April 13, 2015. The decision to request such a benefit is voluntary and initiated by the employee. Employees who elect to participate will be provided 7 days to revoke their election following their approval.

4. Commencement of Early Retirement:

- (a) Employee must fully retire no later than July 1, 2015.

5. Re-employment:

- (a) Re-employment into any position with the Board of Regents Office is not permitted during the participation in this Early Retirement Incentive Program except in response to a limited time sensitive critical need:

- 1) The participant and the Board of Regents Office mutually agree to a one time short term temporary appointment not to exceed a total of 40 working days or 320 hours for Merit and Professional staff during the length of this agreement. Prior approval is required by the Executive Director; or
- 2) The participant and the Board of Regents Office mutually agree to rescind the contract, permanently ending their participation in this program, at which point the participant may compete for any open position. Prior approval is required by the Executive Director.

- (b) Following the conclusion of participation in this program a participant may compete for any open position.

6. Backfill of Vacated Positions:

- (a) Restricted based upon need.