

Contact: Aimee Clayton

IOWA BRAILLE AND SIGHT SAVING SCHOOL
EARLY RETIREMENT INCENTIVE PROGRAM EXTENSION

Action Requested: Approve Iowa Braille and Sight Saving School's request to extend its Early Retirement Incentive Program, allowing application from August 5, 2011 to September 30, 2011.

Executive Summary:

At the March 23, 2011 meeting of the Board of Regents, the Board approved an Early Retirement Incentive Program (ERIP) for the Iowa Braille and Sight Saving School (IBSSS). The initial application period was set to expire April 29, 2011. During the April 29 – 30 meeting of the Board of Regents, the Board approved an extension of the application period from April 29, 2011 through May 20, 2011. In response to financial uncertainties, IBSSS is requesting approval of a second extension of ERIP from August 5, 2011 through September 30, 2011.

According to the terms of the original and extended ERIP, eligible employees were required to fully retire no later than June 30, 2011. Should this second request for extension be granted, the program would be amended to require full retirement by October 31, 2011. The amended program is included as Attachment A.

Background:

At the direction of the Board of Regents, Human Resources staff from the five institutions and Board Office staff developed principles for Early Retirement Incentive Programs (ERIP). The following principles were approved by the Board in November 2001.

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; and
6. Be evaluated periodically to assure that the program accomplishes its intended objective.

In 2007 and 2009, IBSSS received approval from the Board of Regents for ERIPs. The programs were implemented in conjunction with and aligned with strategic planning goals to restructure the services of the Iowa Braille School.

IBSSS Early Retirement Incentive Program

Eligibility:

1. Iowa Braille School regular merit and professional and scientific employees (benefits eligible)
2. Be at least fifty (50) years of age by ~~June 30, 2011~~ October 31, 2011; and
3. Must have a minimum of twenty (20) years of service at an Iowa Board of Regents Institution by ~~June 30, 2011~~ October 31, 2011.

Proposed Benefits:

1. Cash benefit equal to 25% of the employee's FY 2011 budgeted salary.
2. Payment of accrued vacation.
3. Payment of accrued sick leave, not to exceed \$2,000 in accordance with Iowa Code Chapter 70A.23 and AFSCME Collective Bargaining Agreement.
4. Health and Dental insurance incentive – The school will contribute an amount equivalent to the amount contributed by the Employer for an active employee in the same plan and coverage level for five (5) years. After eligibility for Medicare, the school will continue to contribute the incentive at the retiree health and dental insurance rates for the balance (if any) of the 5-year period.
5. In the event of the death of the former employee, the school'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 dependant may elect to continue coverage as provided by law.

Application Requirements:

Iowa Braille School employees who meet the eligibility requirements must apply for the ERIP between ~~March 28, 2011 and April 29, 2011~~ August 5, 2011 and September 30, 2011. No applications will be accepted after ~~April 29, 2011~~ September 30, 2011. 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.

Commencement of Early Retirement:

Employees must fully retire no later than ~~June 30, 2011~~ October 31, 2011.

Re-employment:

Re-employment in a benefits eligible position during the participation period is not permitted. Such employment may be permitted after the participation period.