BOARD OF REGENTS
STATE OF IOWA

AGENDA ITEM 3i
SEPTEMBER 7-8, 2016
REVISED

Contact: Robert Donley

PROPOSED BOARD OF REGENTS OFFICE 2016 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 February 2017 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 § 2.1.2Hii authorizes the Board to approve Early Retirement Incentive Programs.

Proposed 2016 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 August 30, 2016; or

(b) Individuals who are on phased retirement may apply to participate in this plan.

3. Application requirements:

(a) Employees who meet the eligibility requirements must apply for the ERIP between September ~~12~~ 9, 2016 and ~~September 16~~ October 24, 2016. No applications will be accepted after ~~September 16~~ October 24, 2016. 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 December 31, 2016.

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 short term temporary appointment(s) not to exceed a total of 50 working days or 400 hours 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.