

Contact: Aimee Claeys

BOARD OF REGENTS OFFICE
2020 EARLY RETIREMENT INCENTIVE PROGRAM

Action Requested: Approve the 2020 Retirement Incentive Program as proposed by the Office of the Board of Regents. Direct the Executive Director to submit a report detailing the participation and cost savings of the program at the August 2021 meeting.

Executive Summary: Board of Regents Policy Manual section 2.1.2.H.ii authorizes the Board of Regents to approve Early Retirement Incentive Programs. The Board Office requests approval of an Early Retirement Incentive Program as set forth in Attachment A. In order to be eligible for participation in the program and employee must meet a minimum age requirement of 57 and have at least 10 years of continuous, benefits-eligible service with the Board of Regents. The program provides two options for eligible employees to select from: (i) two years of the employer's share of retirement contributions plus health and dental contributions; or (ii) three years of the employer's share of retirement contributions. If approved, eligible employees must retire no later than June 30, 2021. Approval of individual applications will be subject to the discretion of the Executive Director in consideration of the ongoing business needs of the Board office.

ATTACHMENT A

**2020 Board of Regents Office
Early Retirement Incentive Program**

This Early Retirement Incentive Program (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 Office of the Board of Regents. Each application will be reviewed on an individual basis and will be subject to the approval of the Executive Director. The 2020 ERIP is a one-time program in which eligible employees will have a defined period within which to submit an application.

1. Eligibility:

- a. Board Office regular, benefits-eligible employees who meet a minimum age requirement of 57 with 10 years of continuous benefits-eligible employment with the Board of Regents as of the date of retirement.
- b. The employee must not have previously been accepted into another Board Office retirement program.
- c. The employee must not have received approval to retire or resign prior to the announcement of the ERIP.

2. Benefits: Eligible employees may elect from one of the following incentive options:

- a. Option 1: Payment by the Board Office of continued monthly TIAA employer contributions equivalent to that received by active Board Office employees over the same time period for two years. IPERS plan participants will receive a one-time, up-front payout equal to two years of employer contributions equivalent to that received by active employees at the time of retirement. Additionally, payment by the Board Office of the employer's and employee's share of health and dental coverage for two years. This contribution shall be equal to the amount contributed for an active employee in the same plan and the same coverage level. 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 two-year period.
- b. Option 2: Payment by the Board Office of continued monthly TIAA employer contributions equivalent to that received by active Board Office employees over the same period for three years. IPERS plan participants will receive a one-time, up-front payout equal to three years of employer contributions equivalent to that received by active employees at the time of retirement.
- c. In the event of the employee's death, the Board Office's obligation to pay the benefits set forth in Option 1 and Option 2 shall cease on the first day of the month following the date of death.

3. Application Requirements: Employees who meet the eligibility requirements must apply for the ERIP no later than December 30, 2020. The decision to apply for the ERIP is

voluntary and initiated by the employee. Employees whose applications are approved will be provided seven days to revoke their election following approval.

- 4. Commencement of Retirement:** Employees must fully retire no later than June 30, 2021.
- 5. Re-employment:** Re-employment into any position with the Board Office is not permitted during the term of the ERIP, except in response to a limited, critical need:
 - a.** The participant and the Board Office may mutually agree to one temporary appointment not to exceed a total of 400 hours; or
 - b.** The participant and the Board Office may mutually agree to rescind the ERIP agreement, at which point the participant may compete for any open position.