

## 550 University Retirement Policy

**550.1 Applicability.** On March 1, 2010, a revised University Retirement Policy became effective. The provisions contained in previous policies are no longer available nor retroactive. Provisions for previously retired faculty and staff members remain in effect.

### 550.2 General Provisions.

**550.2.1 Notification.** Employees who fail to notify the vice president of their timely election (including planned retirement date) to take advantage of the Transitional Retirement Incentive Plan during the window of opportunity will not be eligible for any benefits under the Transitional Retirement Incentive Plan.

**550.2.2 Support Staff Sick Leave Payment.** The support staff former retirement incentive of receiving half of the accumulated sick leave at retirement (maximum of 45 days paid) is terminated effective February 28, 2010.

**550.2.3 Ineligibility of Grant, Temporary and One-Year Employees.** Grants, temporary and one-year employees are not eligible.

#### 550.2.4 Post-Retirement Health Coverage.

**550.2.4.1 Between March 1, 2010 and June 30, 2011.** Post-retirement health coverage subsidized by ISU is only available to employees who were enrolled on the ISU health plan prior to January 1, 2005 and have 20 years of consecutive service and are at least age 60 at retirement. Eligible employees and spouses have to be enrolled on the ISU health plan for 20 consecutive years prior to retirement.

**550.2.4.2 Effective July 1, 2011.** Beginning July 1, 2011, post retirement health coverage subsidized by ISU is only available to employees who were enrolled on the ISU health plan prior to January 1, 2005 and have 20 years of consecutive service and are at least age 62 at retirement. Eligible employees and spouses have to be enrolled on the ISU health plan for 20 consecutive years prior to retirement.

**550.2.4.3 Employees Ineligible for Subsidized Retiree Health Plan.** Employees not eligible for the ISU subsidized retiree health plan who have ISU's health coverage and retire under a Transitional Retirement Incentive Plan or the University Retirement Severance Plan on or after age 65 may buy into the ISU/NEBCO Medicare supplement plan by paying the entire premium. A spouse may also buy into the NEBCO plan if at the time of the retirement is effective, the spouse is age 65 or older. Note: there are no dental benefits with this buy-in plan.

#### 550.2.5 Life Insurance.

**550.2.5.1 Effective July 1, 2011.** Beginning July 1, 2011, post retirement life insurance is only available to employees who have 20 years of consecutive service and are at least age 62 at retirement.

**550.2.6 Right to Amend, Modify, Terminate, or Eliminate.** The University reserves the right to amend, modify, terminate or eliminate this Transitional Retirement Incentive Plan and/or the University Retirement Severance Plan without notice.

### **550.3 Retirement Severance Plan for Employees with 15 or More Years of Service on December 31, 2010.**

**550.3.1 Effective Date.** This Section is effective March 1, 2010.

**550.3.2 Eligible Employees.** All of the conditions set forth below must be met for an employee to be eligible for retirement under this section.

**550.3.2.1 Applicability.** This Section applies to all Faculty, Executive/Administrative /Professional and Support Staff.

**550.3.2.2 Age at Retirement.** An employee must be age 62 or older by the retirement date to be eligible for the Retirement Severance Plan set forth in this Section.

**550.3.2.3 Consecutive Service Requirement.** An employee must have at least 20 consecutive years of full-time benefits-eligible service at ISU to be eligible for the Retirement Severance Plan set forth in this Section.

**550.3.2.4 Required Retirement Date.** The Required Retirement date is open.

**550.3.2.5 Required Election Date.** The Required Election Date is open.

**550.3.3 Benefits.**

**550.3.3.1 Incentive Payment.** Eligible employees will receive 60% of base salary paid in lump sum upon retirement (minus applicable taxes).

**550.3.3.2 Post-Retirement Health Coverage.**

**550.3.3.2.1 Subsidized by ISU.** Post retirement health coverage will be subsidized by ISU if the eligible employee was enrolled on the ISU health plan prior to January 1, 2005, and has been enrolled on the ISU health plan for a minimum of 20 years. The spouse of the eligible employee can be covered if the spouse has been

enrolled on the ISU health plan for a minimum of 20 years.

**550.3.3.2.2 No Subsidy by ISU.** Employees not eligible to retain ISU's post retirement health coverage under the retirement incentive plan who have ISU's health coverage and retire on or after age 65 may buy into the ISU/NEBCO Medicare supplement plan by paying the entire premium. A spouse may also buy into the NEBCO plan if, at the time the retirement is effective, the spouse is age 65 or older. There are no dental benefits with this buy-in plan.

**550.3.3.3 Life Insurance.** Reduced Life Insurance (\$5,000 to \$20,000 of coverage dependent upon plan chosen) will be paid in full by ISU. Remaining life insurance coverage discontinued at retirement may be converted within 31 days of retirement (retiree pays entire premium).

**550.3.3.3.1 Retention of Voluntary Life Insurance.** Voluntary life insurance is eligible to be retained by the retiree contacting the vendor and paying the entire premium within 31 days of retirement date.

**550.3.4 Combined With Phased Retirement Program.** The Retirement Severance Plan may be combined with the Phased Retirement Program subject to appropriate approvals.

**550.3.5 Additional Information.** For more information, see Section 550.2, General Provisions.

#### **550.4 Retirement Severance Plan for Employees with Less Than 15 Years of Service on December 31, 2010.**

**550.4.1 Effective Date.** This Section is effective March 1, 2010.

**550.4.2 Eligible Employees.** All of the conditions set forth below must be met for an employee to be eligible for retirement under this section.

**550.4.2.1 Applicability.** This Section applies to all Faculty, Executive/Administrative /Professional and Support Staff.

**550.4.2.2 Age at Retirement.** An employee must be age 62 or older by the retirement date to be eligible for the Retirement Severance Plan set forth in this Section.

**550.4.2.3 Consecutive Service Requirement.** An employee must have at least 20 consecutive years of full-time benefits-eligible service at ISU

to be eligible for the Retirement Severance Plan set forth in this Section.

**550.4.2.4 Required Retirement Date.** The Required Retirement date is open.

**550.4.2.5 Required Election Date.** The Required Election Date is open.

**550.4.3 Benefits.**

**550.4.3.1 Incentive Payment.** Eligible employees will receive 40% of base salary paid in lump sum upon retirement (minus applicable taxes).

**550.4.3.2 Post-Retirement Health Coverage.**

**550.4.3.2.1 Subsidized by ISU.** Post retirement health coverage will be subsidized by ISU if the eligible employee was enrolled on the ISU health plan prior to January 1, 2005, and has been enrolled on the ISU health plan for a minimum of 20 years. The spouse of the eligible employee can be covered if the spouse has been enrolled on the ISU health plan for a minimum of 20 years.

**550.4.3.2.2 No Subsidy by ISU.** Employees not eligible to retain ISU's post retirement health coverage under the retirement incentive plan who have ISU's health coverage and retire on or after age 65 may buy into the ISU/NEBCO Medicare supplement plan by paying the entire premium. A spouse may also buy into the NEBCO plan if, at the time the retirement is effective, the spouse is age 65 or older. There are no dental benefits with this buy-in plan.

**550.4.3.3 Life Insurance.** Reduced Life Insurance (\$5,000 to \$20,000 of coverage dependent upon plan chosen) will be paid in full by ISU. Remaining life insurance coverage discontinued at retirement may be converted within 31 days of retirement (retiree pays entire premium).

**550.4.3.3.1 Retention of Voluntary Life Insurance.** Voluntary life insurance is eligible to be retained by the retiree contacting the vendor and paying the entire premium within 31 days of retirement date.

**550.4.4 Combined With Phased Retirement Program.** The Retirement Severance Plan may be combined with the Phased Retirement Program subject to appropriate approvals.

**550.4.5 Additional Information.** For more information, see Section 550.2, General Provisions.

**550.5 Retirement Severance Plan for Employees Hired After March 1, 2010.**

**550.5.1 Effective Date.** This Section is effective March 1, 2010.

**550.5.2 Eligible Employees.** All of the conditions set forth below must be met for an employee to be eligible for retirement under this section.

**550.5.2.1 Applicability.** This Section applies to all Faculty, Executive/Administrative /Professional and Support Staff.

**550.5.2.2 Age at Retirement.** An employee must be age 62 or older by the retirement date to be eligible for the Retirement Severance Plan set forth in this Section.

**550.5.2.3 Consecutive Service Requirement.** An employee must have at least 20 consecutive years of full-time benefits-eligible service at ISU to be eligible for the Retirement Severance Plan set forth in this Section.

**550.5.2.4 Required Retirement Date.** The Required Retirement date is open.

**550.5.2.5 Required Election Date.** The Required Election Date is open.

**550.5.3 Benefits.**

**550.5.3.1 Incentive Payment.** Eligible employees will receive 25% of base salary paid in lump sum upon retirement (minus applicable taxes).

**550.5.3.2 Post-Retirement Health Coverage.**

**550.5.3.2.1 COBRA Option.** Employees retiring after age 62 will have the option of COBRA continuation health coverage.

**550.5.3.2.2 Medicare Supplement Plan.** Employees who retire on or after age 65 may buy into the ISU/NEBCO Medicare supplement plan by paying the entire premium. A spouse may also buy into the NEBCO plan if, at the time the retirement is effective, the spouse is age 65 or older. There are no dental benefits with this buy-in plan.

**550.5.3.3 Life Insurance.** Employee life insurance carried by the University may be converted to an individual policy within 31 days of retirement (employee pays the entire premium).

**550.5.3.3.1 Retention of Voluntary Life Insurance.** Voluntary life insurance is eligible to be retained by the retiree contacting the vendor and paying the entire premium within 31 days of retirement date.

**550.5.4 Combined With Phased Retirement Program.** The Retirement Severance Plan may be combined with the Phased Retirement Program subject to appropriate approvals.

**550.5.5 Additional Information.** For more information, see Section 550.2, General Provisions.

## **550.6 Transitional Retirement Incentive Plan.**

**550.6.1 Effective Date.** This Section is effective March 1, 2010 and is only available to employees who meet the eligibility requirements, make a retirement election by April 2, 2010, and retire on or before June 30, 2011.

**550.6.2 Eligible Employees.** All of the conditions set forth below must be met for an employee to be eligible for retirement under this section.

**550.6.2.1 Applicability.** This Section applies to all Faculty, Executive/Administrative /Professional and Support Staff.

**550.6.2.2 Age at Retirement.** An employee must be age 55 or older by the retirement date to be eligible for the Transitional Retirement Severance Plan set forth in this Section.

**550.6.2.3 Consecutive Service Requirement.** An employee must have at least 9 consecutive years of full-time benefits-eligible service at ISU to be eligible for the Transitional Retirement Incentive Plan set forth in this Section.

**550.6.2.4 Required Retirement Date.** Eligible employees who elect the Transitional Retirement Incentive Plan set forth in this Section must retire on or before June 30, 2011. Incentive payments will be based upon the date of retirement as described in Section 550.5.3.1.

**550.6.2.5 Required Election Date.** The Required Election Date is April 2, 2010. Employees must notify the appropriate Vice President in writing. There will be no exceptions.

## **550.6.3 Benefits.**

**550.6.3.1 Incentive Payment.**

**550.6.3.1.1 Retirement Date On or Before June 30, 2010.**

Eligible employees will receive 125% of base salary paid in lump sum upon retirement (minus applicable taxes).

**550.6.3.1.2 Retirement Date On or Before December 31, 2010.**

Eligible employees will receive 115% of base salary paid in lump sum upon retirement (minus applicable taxes).

**550.6.3.1.3 Retirement Date On or Before June 30, 2011.**

Eligible employees will receive 100% of base salary paid in lump sum upon retirement (minus applicable taxes).

**550.6.3.2 Employees Who Retire With 9-19 Years of Service or Who Are Less Than Age 60.**

**550.6.3.2.1 Benefits Cease at End of the Retirement Month.**

Benefits cease at the end of the retirement month (life, health, disability, retirement contributions and voluntary plans).

**550.6.3.2.2 Health Benefits “Bridge”.**

A health benefits “bridge” is available to employees who retire by June 30, 2011 at age 62 or older with at least 15 years of service who are not eligible for ISU subsidized health plan. Employees eligible for the bridge program can remain on the ISU health plan by paying the employee share of the premium until age 65. At age 65 employees in the bridge program would have the option to transfer to the ISU/NEBCO Medicare supplement plan by paying the entire premium.

**550.6.3.2.3 Medicare Supplement.**

Employees not eligible to retain ISU’s post retirement health coverage under the retirement incentive plan who have ISU’s health coverage and retire on or after age 65 may buy into the ISU/NEBCO Medicare supplement plan by paying the entire premium. A spouse may also buy into the NEBCO plan if, at the time the retirement is effective, the spouse is age 65 or older. Note: there are no dental benefits with this buy-in plan.

**550.6.3.2.4 COBRA Benefits.** COBRA benefits may be purchased for health and voluntary vision coverage.

**550.6.3.2.5 Life Insurance.**

Conversion for University sponsored life insurance is allowed within 31 days of the retirement date (employee pays the entire premium). Voluntary life insurance is eligible to be retained by the

retiree contacting the vendor and paying the entire premium within 31 days of retirement date.

**550.6.3.3 Certain Other Employees.** Employees who were employed on or before December 31, 1997, and retire at age 60 or older may be eligible for health and life insurance benefits, contact the Staff Benefits Office for more information.

**550.6.3.4 Employees Who Retire With 20 or More Years of Service and Are Age 60 or Older.**

**550.6.3.4.1 Post-Retirement Health Coverage.** Post retirement health coverage will be subsidized by ISU if the eligible employee was enrolled on the ISU health plan prior to January 1, 2005, and has been enrolled on the ISU health plan for a minimum of 20 years. The eligible employee's spouse can be covered if the spouse was enrolled on ISU health plan for a minimum of 20 years.

**550.6.3.4.2 Medicare Supplement.** Employees not eligible to retain ISU's post retirement health coverage under the retirement plan who have ISU's health coverage and retire on or after age 65 may buy into the ISU/NEBCO Medicare supplement plan by paying the entire premium. A spouse may also buy into the NEBCO plan if at the time the retirement is effective, the spouse is age 65 or older. Note: there are no dental benefits with this buy-in plan.

**550.6.3.4.3 Life Insurance.** Reduced Life Insurance (\$5,000 to \$20,000 of coverage dependent upon plan chosen) will be paid in full by ISU. Remaining life insurance coverage discontinued at retirement may be converted within 31 days of retirement (retiree pays entire premium). Voluntary life insurance is eligible to be retained by the retiree contacting the vendor and paying the entire premium within 31 days of retirement date.

**550.6.4 Combined With Phased Retirement Program.** The Retirement Severance Plan may be combined with the Phased Retirement Program subject to appropriate approvals.

**550.6.5 Additional Information.** For more information, see Section 550.2, General Provisions.

