

BOARD POLICY

WESTERN IOWA TECH COMMUNITY COLLEGE

Series Number 400.5a

Title All Personnel

Voluntary Early Retirement

1. PURPOSE

It is the expressed intent of the Board, through this policy, to acknowledge employees who have provided years of service to the College by offering them a voluntary early retirement incentive subject to the terms and conditions set out in this Policy.

2. STATEMENT OF NON-DISCRIMINATION

The College will not discriminate against any employee on the basis of age, gender, race, color, creed, religion, national origin, or disability through the application or administration of this policy.

3. ELIGIBILITY

A full-time employee is eligible for early retirement if the employee:

- a. has reached the age of 55 and has not reached the age of 63 at the actual date of retirement,
- b. has worked a minimum of the most previous continuous ten years at WITCC and is actively employed (i.e., not on a leave) during the last fiscal year prior to early retirement,
- c. notifies the Board as provided by this Policy, and, in any event, not later than April 1st of the year (July 1 – June 30) in which retirement is to take effect, and retires not later than June 30 of that same year,
- d. applies for a retirement allowance under Iowa Code Chapter 97B or Iowa Code Chapter 294,
- e. is not eligible for, applying for, or receiving benefits under the College's group long-term disability insurance plan,
- f. has not received a notice concerning termination of the employee's contract, unless the notice is based upon reasons which are related to staff reduction,
- g. has not previously received early retirement benefits from the College, and
- h. is not receiving benefits under IPERS or another WITCC-sponsored retirement plan.

4. DEFINITION OF TERMS

- a. Years of service – Years of service must be consecutive and all years used to establish eligibility must be years of service as a full-time employee.

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- b. Continuous Employment – Continuous employment must be without any voluntary interruptions of service. Absences due to reductions in force or due to approved leaves will not constitute a voluntary interruption in service, unless the absence or leave exceeds twenty-four (24) consecutive months in length. However, the period of time which during which an employee is absent due to a reduction in force or due to approved leaves will not be counted for purposes of determining the minimum length of service required to establish eligibility.
- c. Full-time employee – An employee generally scheduled to work 40, but not less than 32 hours per week for an indefinite period of time, but not less than six months.

5. APPLICATION

- a. Under ordinary circumstances, applications must be received by the Chief Human Resources Officer at least four (4) months prior to the requested date of retirement but not later than April 1st. However, the advance notice requirement may be waived at the discretion of the President. Any decision by the President to waive the advance notice requirement shall not establish any precedent with regard to future applications which fail to meet the advance notice requirement.
- b. The date of retirement for employees who are employed under a contract issued in accordance with Iowa Code Chapter 279 will ordinarily be the end of the individual's contract year or the end of a school term but not later than June 30. However, another date may be requested and approved by the Board.

The date of retirement for employees who are not employed under a contract issued in accordance with Iowa Code Chapter 279 may be any date selected by the retiree not later than June 30 and approved by the Board.

- c. Application materials must include the following forms:
 - 1. Election to Participate Form
 - 2. Medical Insurance Election Form
 - 3. Beneficiary Form
 - 4. Agreement Not to Reapply for Employment. This agreement does not prohibit the College from offering employment to the employee in the future.

An employee's application for early retirement benefits is not, in itself, a resignation of a contract, if any, with the College nor does it require the Board to accept the application. However, acceptance by the Board of an employee's application for early retirement will be considered a voluntary resignation and termination of his/her continuing contract, if any.

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6. BOARD'S RIGHT TO LIMIT OR DENY BENEFITS

- a. The Board reserves the right to determine whether any early retirement benefits will be paid in a given year, and, if so, to determine how many employees will be granted benefits. The Board expressly reserves the right to reject any application for early retirement benefits.
- b. If the Board decides that only a limited number of employees will be granted early retirement benefits in a given year, the Board will then determine the maximum number of employees who may receive benefit. Employees who are eligible may apply immediately following the Board's announcement. Recipients will be determined on a first-come, first-served basis. If there is a tie between or among employees using the first-come, first-served basis rule, the tie will be broken by drawing lots.

7. EARLY RETIREMENT BENEFITS

- a. Early retirement benefits are offered as an inducement to, and consequence of, retirement and are not to be construed as a continuation of the salary.
- b. An employee approved for early retirement will receive a cash payment based on the employee's annualized salary in effect at the date of the request for early retirement and will receive insurance benefits. The method for calculating the benefits is set forth in the section entitled "Salary-Related Benefit." The insurance benefit is described in the section entitled "Insurance Benefit."
- c. The cash payment portion of early retirement benefits will be payable in one or more installments as agreed upon by the retiree and the College, but will not exceed twenty-four (24) consecutive monthly installments. All payments will be subject to any applicable state and federal taxes. If an otherwise eligible employee dies after payments have commenced but prior to the payment of the full amount of the benefit, the amount remaining to be paid shall be paid in cash to the beneficiary designated on the employee's application form. No incentive payment will be paid if the participant dies on or prior to the effective date of his/her retirement.
- d. Employees are advised to seek independent advice with regard to tax or financial consequences associated with any action taken by them under this policy.

8. SALARY-RELATED BENEFIT

An eligible employee who is approved for early retirement will receive a one-time only cash payment equal to sixty percent (60%) of the employee's annualized salary as of the date of the request for early retirement and will be dispensed per Paragraph 7c at the option of the retiree.

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9. INSURANCE BENEFIT

- a. For the retiree who remains in the College's group health plan, the College will pay, until the employee is eligible for Medicare, that portion of the single health care premium which is equal to the portion of the single health care premium which the College pays for Meet and Confer employees. The College's payment for the single health care premium for the retiree will be adjusted periodically in the same manner and at the same time as the College's payment for the single health care premium for Meet and Confer employees. At his/her own expense, the employee may continue family coverage equal to that carried on the date of his/her application for early retirement until eligible dependents are eligible for Medicare. The coverage provided for the retiree and dependents will be that coverage which is provided to Meet and Confer employees through whatever group plan is authorized by the Board during the period of time that insurance benefits are provided.
- b. Nothing herein shall limit the College's ability to change the terms of its existing health and major medical insurance plan. This policy in no way guarantees that a participating employee will be provided any certain level of benefits during the time of the employee's participation in the insurance benefits portion of the early retirement program.
- c. In the event of the death of a retiree, all health insurance contributions by the College shall cease.
- d. The employee shall retain all COBRA rights as appropriate and determined by the College's insurance carrier.

10. RIGHT TO AMEND OR REVOKE

The Board reserves the right to amend or revoke this Early Retirement Policy or any provision of this policy at any time, with or without notice.

The Board also reserves the right to waive any requirement or condition of this policy at its discretion and at any time. Any decision by the Board to waive a requirement or condition which is a part of this policy shall not establish any precedent with regard to future requests for a waiver.

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Legal Reference: (Code of Iowa)

Date of Last Revision 2/14/00

Chapter 279.46

Date of Current Revision 11/10/03

Related Administrative Procedures and Cross References _____