SUBJECT: EARLY RETIREMENT POLICY

13.5.5.1 Definition

Early retirement is defined as a voluntary separation from employment. It is the policy of Snow College to make early retirement incentives available to its full-time salaried employees who apply for the program, meet the eligibility requirements, and receive approval from the President and Board of Trustees. The Early Retirement program allows employees to completely separate from the College with early retirement benefits. This option assumes the hiring of a full-time replacement with full funding, if the President deems the full-time replacement necessary. Early retirement is independent from, and in addition to, the State Retirement (URS) and TIAA.

13.5.5.2 Candidates

Eligible candidates are full-time salaried employees with benefits (faculty, staff, and executives) who are currently employed at least 75% full time. This would mean an individual who works an equivalent of a combination of hours to achieve the full (75%) FTE status. The candidate must be serving in a position that is reasonably assured of funding for the duration of the anticipated early retirement years. Early retirement is not available to faculty and staff who have not fulfilled their one-year obligation to the College following a sabbatical or professional leave.

13.5.5.3 Eligibility

A candidate cannot be considered unless the candidate is at least 60 years of age. Only full-time service will qualify. However, approved leaves of absence with pay will be eligible. Hourly service years with retirement benefits will be credited. The employee’s age combined with years of Snow College service must total a minimum of 75 years or more. In order to be eligible for the early retirement plan, it must be determined by the institution that the proposal is in the College’s best interest.

13.5.5.4. Entrance

Entrance into the early retirement program is not a right and is available to employees who qualify only upon recommendation of the administration, President, and approval of the Board of Trustees.

Eligible candidates desiring to enter the early retirement program must notify their immediate administrative supervisor and The Human Resource Office in writing by December 31st of the year prior to the planned early retirement. The notice must include the employee’s name, current position and salary, dates of employment at Snow, and desired retirement date. Each retirement arrangement will be a contract between the employee and the College to be negotiated on an individual basis.

If the department chair recommends approval of early retirement, the chair must forward the request to the responsible dean, together with information relating to whether the retiring employee will be replaced and the anticipated qualifications and salary of the person replacing the retiree. It is expected that a significant portion of the costs associated with the early retirement benefits will be made up by cost savings realized by either not replacing the retiree or by hiring a replacement at a lower salary.

Consideration will be given to each employee’s request’ however, the nature of the individual’s work assignment may not lend itself to the loss of the employee. In addition, other practical considerations (e.g., cost to the College for a replacement, etc.) may preclude approval in specific cases. Each applicant will be reviewed as a distinct and separate case. The criteria upon which the application is approved or disapproved shall have a rational relationship to the legitimate needs, well-being, and overall mission of the College.

13.5.5.5. Benefits

The following benefits are the maximum benefits that can be given. The President reserves the right to counsel with the early retiree to modify the benefits when in the best interests of the early retiree and the College.

1. Early Retiree Benefit:

   a. The early retiree will have continued availability to the College group benefits at the same coverage level offered to all full-time personnel.

   b. Premium cost share for the first 18 months of early retirement will be at 102% of the full premium cost and for the remaining months of early retirement at 130% of the full premium cost for medical insurance and 120% for dental insurance. In all applicable circumstances where the early retiree is required to pay part or all of the benefit premiums, such payments will be deducted from the early retirement incentive payment. The early retiree will receive the medical and dental cost share benefit for a period of time (not to exceed three years) or until the early retiree reaches the Medicare eligible age (whichever occurs first).

   c. Spouse and Dependent Benefit: After the third year, the retiree has the option to purchase the College group policies at the same coverage level as other full-time employees for an additional five years for an uncovered spouse and/or dependent(s); however, the employee will be responsible for the full premium cost.

   d. After a maximum of eight years, the institution will have no responsibility to provide any insurance coverage for early retirees, spouse, or dependent(s).

   e. If an early retiree does not receive any incentive, a check must be paid to the College by the first of each month in which the early retiree receives medical benefits.

2. Early retirement can begin at age 60 and will continue for up to three years or to full Social Security Retirement age (whichever occurs first). The amount of the incentive payment will be 20% of the employee’s salary at the time of the early retirement request.

3. Other benefits provided to regular retirees are the same as for those who have been issued Snow ID cards

4. At the time of the exit interview, the Human Resource Office will be available to consult with the early retiree regarding options and benefits available through this policy. The President must approve any special circumstances.

5. For staff employees, accrued annual leave will be paid in accordance with College policy at the time of retirement.

6. Participants in this program are not eligible for disability benefits funded by the College.

13.5.5.6. Payments

The employees approved for the Early Retirement Program, in addition to the benefits common to all retirees, shall receive the following:

Incentive payments for a specific period (not to exceed three years or until the employee reaches full Social Security Retirement age, whichever occurs first) as a percentage of the base salary, as described under 13.5.5.5 part 2 above, but not to exceed the estimated single social security benefit available to the individual at age of full retirement benefit. This shall be considered a bridge to social security.

Early Retirement payments are based on the earnings of the employee as designated in the College budget for the twelve-month period preceding the date of early retirement. Not included in earnings are the following exceptions: overtime and extra contractual payments, consulting, workshops, extension classes, and/or other special forms of pay. College employees are generally paid out of the College's general fund. Some employees, however, are funded from outside sources, other than the current general fund.

For employees funded by sources other than the College's general fund, early retirement funding availability shall be based solely on availability of funding from the outside funding source. Employees funded by outside funding sources include, but are not limited to, employees paid through federal grants, state grants, foundation funds, and others. Funding availability for early retirement of grant-funded employees shall not include grant administrative allowances (indirect costs) and shall be subject to all applicable laws and grant regulations and, in some cases, approval of an outside board, which oversees the grant.

The College assumes no obligation, implied or otherwise, to provide early retirement incentives for employees funded by any source outside of the general fund. Additionally, at-will employees and those who serve at the pleasure of the President (Policy 13.2.1) will not be eligible and cannot participate in the early retirement program.

13.5.5.7. Restrictions

a. Early retirees, having participated in a state-sponsored retirement program (URS, TIAA), are subject to State law (UCA 49-11-505) Re-employment of a Retiree – Restrictions.
b. If the early retiree should die during early retirement, all early retirement benefits will terminate at the end of the month in which death occurs. The College will pay the balance of that month's retirement stipend payment and a $5,000 lump sum death benefit as expeditiously as appropriate to the early retiree's designated beneficiary(s).
c. The Early Retirement Program will operate and be reviewed on a year-to-year basis to monitor its effectiveness and its fiscal implications. The College administration shall report annually to the Board of Trustees the status of the Early Retirement Program. The report will include a list of names of those currently participating and the total cost of such replacements, and an evaluation of the financial and other administration benefits of the program to the College as well as a comparison of results with the projections made for the program.
d. The Board of Trustees reserves the right to amend or to terminate the Early Retirement Policy at any time after reviewing such decision with the employee groups on both campuses. No amendment or termination shall reduce benefits to any participant who has already retired under its provision.
e. All aspects of this policy are subject to Utah Higher Education Board of Regents, State and Federal Law, and may be changed at any time. The contents of this policy cannot supersede any provider statutes or obligations contrary to benefit plan designs.