

BOARD POLICY

WESTERN IOWA TECH COMMUNITY COLLEGE

Series Number 400.5c

Title Support Staff – United Electrical, Radio & Machine Workers of America (UE)

And Faculty - Education Association (EA)

Voluntary Early Retirement

1. PURPOSE

It is the expressed intent of the Board, through this policy, to acknowledge employees in the United Electrical, Radio & Machine Workers of America bargaining unit (“UE employees”) and in the Education Association bargaining unit in the Accounting Specialist, Automotive Technology, Band Instrument Repair Technology, Counselor, Diesel Technology, Digital Media Publishing, Management Specialist, and Reading job classifications (“EA 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 UE or EA employee on the basis of race, creed, color, gender, marital status, national origin, religion, age, disability, sexual orientation, gender identity, or any other protected basis as defined in Iowa or federal law through the application or administration of this policy.

3. ELIGIBILITY

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

- a. has reached the age of 55,
- b. is actively employed (i.e., not on an extended leave of absence) during the last fiscal year prior to early retirement and has worked a minimum of the most previous continuous seven (7) years at WITCC,
- c. notifies the Board as provided by this Policy, and, in any event, prior to April 1, 2009, and retires not later than June 30, 2009,
- d. applies for a retirement allowance under Iowa Code Chapter 97B or Iowa Code Chapter 294,
- e. 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,
- f. has not previously received early retirement benefits from the College, and
- g. 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 UE or EA employee.
- b. Full-time employee – A UE 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. An EA employee generally scheduled to work 37½ hours per week for an indefinite period of time

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4. DEFINITION OF TERMS (continued)

- c. 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.

5. APPLICATION

- a. Applications must be received by the Chief Human Resources Officer between February 24, 2009, and March 31, 2009. This application deadline requirement may be waived at the discretion of the President. Any decision by the President to waive the application deadline requirement shall not establish any precedent with regard to any other applications which fail to meet the application deadline requirement.
- b. The date of retirement for UE or EA employees may be any date selected by the retiree and approved by the Board that is not later than June 30, 2009.
- c. Application materials must include the following forms:
 - 1. Election to Participate Form
 - 2. Health and Dental 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 from employment 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 employment.

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 UE or EA 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 UE or EA employees will be granted early retirement benefits, 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.

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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. A UE or EA 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 sixty (60) 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 UE or EA employee who is approved for early retirement will receive a one-time only cash payment equal to a percent of the employee's annualized salary as of the date of the request for early retirement and will be dispensed per Paragraph 7c. The percent of the one-time only cash payment will be equal to either:

- (1) Fifty percent (50%) of the employee's annualized salary if the employee is actively employed (i.e., not on an extended leave of absence) during the last fiscal year prior to early retirement and has worked a minimum of the most previous continuous seven (7) years or more at WITCC per Paragraph 3b;
- or
- (2) One hundred percent (100%) of the employee's annualized salary if the employee is actively employed (i.e., not on an extended leave of absence) during the last fiscal year prior to early retirement and has worked a minimum of the most previous continuous ten(10) years or more at WITCC per Paragraph 3b.

9. INSURANCE BENEFIT

- a. For the UE or EA retiree who remains in the College's group health and dental plan and who has currently elected single health care and dental care coverage, the College will pay, until the employee is eligible for Medicare, that portion of the single health care and dental care premium which is equal to the portion of the single health care and dental care premium which the College pays for Meet and Confer employees at the premium rate which is in effect on June 30, 2009.

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9. INSURANCE BENEFIT (continued)

- b. For the UE or EA retiree who is actively employed (i.e., not on an extended leave of absence) during the last fiscal year prior to early retirement and has worked a minimum of the most previous continuous ten(10) years or more at WITCC who remains in the College's group health and dental plan and who has currently elected family health care and dental care coverage, the College will pay, until the employee is eligible for Medicare, that portion of the family health care and dental care premium which is equal to the portion of the family health care and dental care premium which the College pays for Meet and Confer employees at the premium rate which is in effect on June 30, 2009.
- c. 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.
- d. 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.
- e. In the event of the death of a retiree, all health insurance contributions by the College shall cease.
- f. The employee shall retain all COBRA rights as appropriate and determined by the College's insurance carrier.

10. TERMINATION AND RIGHT TO WAIVE REQUIREMENTS

This Voluntary Early Retirement Policy will terminate on June 30, 2009. Notwithstanding the termination of this plan, UE or EA employees who are granted benefits pursuant to this plan will continue to receive such benefits as set forth herein.

The Board 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 any other request for a waiver.

Page 4 of 4

Date of Adoption 2/23/09 Legal Reference: (Code of Iowa)

Date of Last Revision _____ 279.46

Date of Current Revision _____

Related Administrative Procedures and Cross References _____