

PERSONNEL, NEBRASKA STATE COLLEGES

**POLICY: 5401 Early Retirement Incentive Program;
State College Employees**

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BOARD POLICY

A voluntary early retirement incentive program is available to eligible state college employees as hereafter provided. This program shall exist separate and apart from, and as a supplement to, all other employee benefit programs provided in the Nebraska State College System. The goals of the program are to provide flexibility for employees to consider new or alternative career opportunities and for the State Colleges regarding their staffing needs and associated costs.

In order to encourage the early retirement of qualified employees, the Board will provide an incentive in the form of paid premiums in the Board's group medical and/or dental health insurance programs offered retirees by Blue Cross/Blue Shield until the retired employee becomes eligible for coverage under the federal Medicare program, at which time the paid premiums shall cease.

This program will become effective July 1, 2005 and shall remain in effect for a temporary period ending on June 30, 2007. This program is to remain operative through the time period indicated, with no assurances that the program will be extended or reopened beyond June 30, 2007. For the first year of this program, eligible employees must indicate their intention to participate by May 1, 2005 for an early retirement to take effect on July 1, 2005. For retirement dates thereafter, eligible employees must have at least 180 days from the time of the employee's election to retire before the retirement can take effect unless the parties mutually agree to waive that period.

Terms and Conditions of Early Retirees Program

- 1. Eligibility.** Beginning with the effective date of this Policy, a state college employee who (1) has completed at least ten (10) years of continuous service within the State College System, and (2) is sixty (60) years of age or older, will be eligible for this benefit program. Periods of approved paid leave shall not constitute an interruption of continuous service.
- 2. Request for and Approval of Early Retirement Benefit.** Any full-time employee who is eligible for the early retirement benefit may, with the approval of the appropriate supervisor and vice president, request approval for early retirement. Employees wishing to apply for this benefit must provide a notice of intention to retire at least 180 days ahead of time. The decision to request such a benefit is voluntary and at the sole discretion of the employee. No employee shall, in any manner, be coerced by any College officer or employee to request or accept an early retirement. Approval of a request for an early retirement is not automatic, but shall be approved or denied as the campus president in the reasonable exercise of his or her discretion shall determine is in the best interest of the College. Early retirement requests approved by the campus president must also be approved by the Board.
- 3. Incentive Benefit.** Eligible employees who request and are approved for the early retirement benefit program after adoption of this policy shall retire on an agreed upon date which shall not be less than 180 days after the employee's request, unless the employee elects an earlier date, in exchange for the opportunity to continue thereafter to enroll in the appropriate Board-sponsored health and dental plan available for retired employees with the Board paying the full amount of the retiree's annual medical and/or dental insurance, including the portion previously paid by the employee, until the retiree is eligible for coverage under Medicare, at which time payments will cease.

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In the event of the employee's death prior to becoming eligible for coverage for Medicare, the Board's obligation to pay the cost of health coverage shall cease on the first day of the month following the date of death. The employee's surviving spouse may elect under the Plan's continuation of coverage provisions to continue his or her health insurance coverage by paying the cost for such coverage normally paid by the spouse of a deceased retired employee.

4. **Early Retirement Incentive Agreement.** The specific terms and conditions of each early retirement must be approved in accordance with this Policy by the responsible campus president and shall be reduced to writing in an Early Retirement Incentive Agreement. Each Early Retirement Incentive Agreement shall include a waiver of rights and claims by the employee under the Federal Age Discrimination in Employment Act (29 U.S.C. Sec 621 et seq.), as amended by the Older Workers Benefit Protection Act (Oct. 26, 1990, P. L. 101-433). Such waiver shall comply with the requirements for knowing and voluntary waivers provided in 29 U.S.C. Sec. 626 (f) (1).
5. **Amendment and Termination.** The Board may amend or terminate this program effective as of a date specified by the Board which shall not be less than one year after notice of the amendment or termination is provided to employees who have met the eligibility requirements as of the date of such notice. Notwithstanding the foregoing, the Board may amend or terminate the program at any time to the extent required by applicable law.

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