

PERSONNEL, NEBRASKA STATE COLLEGES

**POLICY: 5406 Voluntary Retirement Settlement Program;
State College Employees**

Page 1 of 3

BOARD POLICY

The 2005-07 Voluntary Retirement Settlement Program is a temporary benefit program of the Nebraska State College System available only to eligible employees as hereafter provided. This temporary benefit program shall exist separate and apart from all other employee benefit programs provided in the Nebraska State College Board Policy Manual. It shall remain in effect only for the time period provided below. The goal of the 2005-07 Voluntary Retirement Settlement Program is as follows:

- To provide flexibility and avoid potential problems in staffing and associated costs for the operations and programs of the Nebraska State College System.
- To provide employees who qualify for the benefits of this program with an opportunity to consider early retirement or new or alternative career opportunities.

Terms and Conditions of the Voluntary Retirement Settlement Program

1. Eligibility

To retire under the terms and conditions of the Voluntary Retirement Settlement Program, the participant must be fifty-five (55) years of age or more on July 1, of the year in which he or she chooses to retire and have ten (10) or more years of consecutive service to the College or within the State College System.

2. Process

- a. To retire on June 30, 2005 under the terms of the Voluntary Retirement Settlement Program, written notification to the College President and appropriate Vice President by May 1, 2005 is required.
- b. To retire on June 30, 2006 under the terms and conditions of this program, written notification to the College President and appropriate Vice President by October 1, 2005, is required.
- c. To retire on June 30, 2007 under the terms and conditions of this program, written notification to the College President and appropriate Vice President by October 1, 2006 is required.

3. Time Limits

- a. Eligible employees interested in retiring on July 1, 2005 under the terms and conditions of this program will have from the effective date of this Policy until May 1 2005 to announce their intention to participate in the program. Eligible participants must signify in writing by no later than May 1, 2005 of their intent to retire and receive the incentive payments and health insurance benefit to take effect for the fiscal year beginning July 1, 2005; or

PERSONNEL, NEBRASKA STATE COLLEGES

POLICY: 5406

Voluntary Retirement Settlement Program; State College Employees

Page 2 of 3

- b. Employees eligible to retire on July 1, 2006 under the terms and conditions of this program will have from July 1, 2005 until October 1, 2005 to announce their intention to participate in the program. Eligible participants must signify in writing by no later than October 1, 2005 of their intent to retire and to receive the incentive payments and health insurance benefit to take effect for the fiscal year beginning July 1, 2006.
- c. Employees eligible to retire on July 1, 2007 under the terms and conditions of this program will have from July 1, 2006 until October 1, 2006 to announce their intention to participate in the program. Eligible participants must signify in writing by no later than October 1, 2006 of their intent to retire and to receive the incentive payments and health insurance benefit to take effect for the fiscal year beginning July 1, 2007.

4. Incentive Payment

In exchange for the promise of retirement, participants will receive a financial settlement incentive of twenty-five percent (25%) of their final year base salary as approved by the Board with payment to be made in twelve (12) equal monthly installments following termination of employment.

5. Incentive Health Insurance Benefit

In consideration of the participant retiring from College service, the College agrees that on the first day of the month following the date of retirement the participant will be:

- a. Permitted to remain in the group medical and dental insurance plan offered retirees by Blue Cross/Blue Shield during the 12-month period following termination of employment, and
- b. That the College will pay the full cost of such coverage which includes both the cost the participant would pay for such coverage if still employed by the College, and the cost that the College pays for such coverage as the employer, and
- c. That such coverage payments will continue for a period of twelve months (12) with termination of payments and coverage on June 30 of the fiscal year in which received. However, if an employee reaches sixty-five (65) years of age during the payment period the employee will no longer be eligible to participate in the group medical and dental plan offered retirees by BC/BS. In this instance the College will pay an amount equivalent to the cost of the Medicare Supplemental plan chosen by the employee for the payout period remaining.

6. Death of Participant

If death of the participant occurs during the payout period, the participant's beneficiaries will receive any remaining incentive payments due under the terms of this program. The medical and dental incentive benefit will terminate upon the date of death.

PERSONNEL, NEBRASKA STATE COLLEGES

**POLICY: 5406 Voluntary Retirement Settlement Program;
State College Employees**

Page 3 of 3

7. Voluntary Requirement

No individual employed in the Nebraska State College System shall be coerced into participating in this Voluntary Retirement Settlement Program, or have his or her employment terminated for the purpose of preventing him or her from becoming eligible to participate.

8. Duration of Program

The program is intended to be operative through the time period indicated with incentive payments and incentive health insurance coverage available only during the fiscal year following retirement.

Policy Adopted: 4/11/03
Policy Revised: 2/10/05