# **Early Retirement Program**

Participation in this Program is limited to eligible Faculty/Professional personnel, as defined in <u>Appendix I</u>, who fully retire from the university no later than June 30 of the year immediately preceding <u>Normal Retirement Date</u>, are at least 55 years of age and have 15 years of continuous service with the University, or are at least 60 years of age and have at least ten years of continuous service with the University.

The Program may be suspended at any time if financial, academic, or other circumstances change. It is to be terminated no later than June 30, 2000, unless extended by action of the Board of Trustees.

#### In Brief

The Normal Retirement Date for all personnel at the University is the end of the fiscal year in which they reach age 66.

Retirement benefits for Faculty/Professional Personnel include the programs following. Employees eligible to participate in each are defined in Appendix I and/or in the various plan details described below:

- Pension Plans
  - Alternate Pension Plan (APP)
  - Indiana State Teachers' Retirement Fund (TRF)
  - Supplements to TRF
- Tax-Deferred Annuity Program (TDA)
- Social Security benefits
- Emeritus Status
- Early Retirement Program
- **Fee Remission Program** for Spouses and Dependent Children of Active and or Certain Retired, Disabled and Deceased Employees.
- Payment for Unused Sick Leave at Retirement, if eligible.

#### Election

An eligible employee must elect to participate in the Program. Such an election must be in writing and filed with the University prior to March 1 of the fiscal year in which employment terminates.

### Severance Pay Plan

The one-time severance payment amount is equal to 15% of an amount calculated as follows:

Total gross pay paid in the fiscal year in which employment terminates, plus,

Amounts paid, if any, in the fiscal year preceding early retirement for: (1) first summer session commencing before the end of the preceding fiscal year, (2) first half payment of the summer semester that commenced in the preceding fiscal year, **minus**,

Amounts paid, if any, in the fiscal year in which early retirement takes place for: (1) first summer session commencing before the end of the current fiscal year, and (2) first half payment of the summer semester that commences in the current fiscal year.

For this purpose, gross pay means: (1) your salary paid before taxes and other deductions plus, (2) all payments of additional compensation for such items as stipends, overloads, inconvenience allowance, summer salary, etc. plus, (3) the amount that would have been paid, except for your salary reduction agreement, if any, established under Section 125 or Section 403(b), or other Sections of the Internal Revenue Code. Severance payment shall be made as of June 30 of the final year of service.

### Cash Settlement Option

In lieu of continued life insurance, the eligible employee may select a payment equal to 40% of the amount of the life insurance to which the eligible employee would otherwise be entitled following retirement (50% of the amount to which entitled while employed). This payment will be paid in two equal installments. The first installment is made January 31 of the calendar year immediately following the calendar year in which the last date of employment falls. The second installment is made January 31 of the year next succeeding the first payment.

## Payment for Unused Sick Leave at Retirement

Professional Personnel assigned on a fiscal year basis, whose dates of hire precede July 1, 1985, are eligible to receive pay for two-thirds of their accumulated unused sick leave, up to a maximum of 60 days, if they qualify for Emeritus Status. This amount will be paid in a lump sum in the last paycheck.

Professional Personnel whose dates of hire are July 1, 1985, and thereafter are not eligible for this Program.