

# EARLY RETIREMENT PROGRAM

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Participation in this program is limited to Faculty and Professional personnel who are at least 55 years of age and have at least 15 years of service, **and** who fully retire no later than June 30 of the fiscal year immediately preceding their 66<sup>th</sup> birthday.

This program may be suspended at any time if financial, academic, or other circumstances change. It is to be terminated no later than June 30, 2013, unless extended by action of the Board of Trustees.

## Election

An eligible employee must elect to participate in the program. The election must be made 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** (if applicable) summer earnings paid in the fiscal year *preceding* early retirement, **minus** summer earnings paid in the fiscal year in which early retirement takes place. For purposes of this calculation, only the first half of summer semester wages is included.

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, 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 payments are made the month following your last date of employment.

## 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 (these payments are taxable in the year received). The first installment is made by January 31 of the calendar year immediately following the last date of employment. The second installment is made by January 31 of the 2nd calendar year following the last date of employment. Cash Settlement Option payments have no effect on pension.

## Payment for Unused Sick Leave at Retirement

Continuing Contract Professional Personnel, who qualify for Emeritus Status, and whose date of original employment precedes July 1, 1985 with no breaks in service, are eligible to receive pay for two-thirds of their accumulated unused sick leave - up to a maximum of 60 days. This amount will be paid in a lump sum the month following your last date of employment.

Professional Personnel whose date of original hire is on or after July 1, 1985, are not eligible for this program. Professional Personnel whose date of original hire precedes July 1, 1985, but who have not remained continuously employed with the University are not eligible for this program.