

**SALT LAKE COMMUNITY COLLEGE  
EARLY RETIREMENT/PHASED RETIREMENT AGREEMENT APPLICATION**

This Agreement between Salt Lake Community College (herein College") and \_\_\_\_\_,

S# \_\_\_\_\_ (Herein "Employee") embodies the terms and conditions upon which Employee shall begin the following retirement programs with Salt Lake Community College.

Employee is applying for the following:

- Early Retirement**
- Phased Retirement** (Please complete and submit for approval a Phased Retirement Proposal outlining duties to be performed during the term of Phased Retirement.) If the proposed work plan for phased retirement is not approved, the Employee will have the option of withdrawing their Early Retirement Agreement Application following the provisions in Section XI of this Early Retirement Agreement Application.
- Both Early and Phased Retirement**

**SECTION I: MUTUAL UNDERSTANDINGS**

- A.** There are several relationships and situations which presently exist which both parties understand and which form the basis for this Agreement Application. These understandings include the following:
- B.** Employee is currently employed by the College in good standing and has the right to continued employment under the policies of the College.
- C.** The College does not have in place any policy or practice requiring the Employee to terminate this employment relationship or in any way diminish the terms and conditions of employment based on the age of the Employee.
- D.** At present the College has in effect a voluntary early retirement program whereby employees meeting certain standards may voluntarily elect to terminate the employment relationship and receive special consideration, benefits and payments as part of the incentive for the employee to take early retirement. The College's voluntary early retirement policy is found in Policies & Procedures Manual, Section 4.02.
- E.** The Board of Trustees reserves the right to recommend changes in the Early Retirement Program at any time, but no change shall reduce benefits to any participant who has already retired under its provision.
- F.** The terms and conditions of employment, termination of employment and retirement are regulated by law. Specifically, early retirement programs such as that covered by the policies of the College and this agreement are regulated by the Age Discrimination in Employment Act of 1967 (29 U.S.C. S62 et. Seq.) As amended by the Older Workers Benefit Protection Act (Public Law 101-433—October 15, 1990).

## SECTION II: ELIGIBILITY REQUIREMENTS

### A. Definition of Stipend Base

Eligible employees must: a. be full-time, regular, salaried employees who are currently employed 75 percent FTE or more of a fiscal year; b. have worked at least 15 years of full-time, regular, salaried service at the college or related Utah System of Higher Education ("USHE") service; hourly service will not be credited; c. be at least 57 years old; d. be serving in a position that is reasonably assured of funding for the duration of the anticipated early retirement contract period; e. contact their financial advisors, retirement companies, attorneys, insurance carriers, other governmental agencies, and other relevant financial institutions before applying for the early retirement program.

Phased retirement is regarded as a case of early retirement in which the retiree reduces the Full Time Equivalent (FTE) of his or her full-time position. Each year of phased retirement exhausts a year of eligibility for the early retirement stipend. The College limits phasing to a maximum of two (2) years. A combination of Early Retirement and Phased Retirement cannot exceed the employee's FRA.

### Section III: STIPEND PAYMENTS FOR VOLUNTARY EARLY RETIREMENT

Stipend payments shall be paid in installments provided to all full-time employees and end at full retirement age as a bridge to future Social Security benefits. The early retiree shall be paid a stipend based on a percent of the employee's current annual salary or the estimated single social security benefit available to the individual at full retirement age, whichever is less, as follows:

Stipend Period	Stipend
Up to 5 years	20.5% per year
5 – 7 years	Pro rated: Stipend amount for 5 years divided by number of months employee selects to be paid.
7 years	14.3% per year

Early retirement stipend payments will discontinue at the end of the month in which early retirees reach full retirement age (see definition of full retirement age). Stipends may not exceed 20.5% per year. Under no circumstances will the stipend be allowed to exceed 7 years.

The stipend shall be adjusted annually at a rate determined by the College administration. This annual adjustment will normally be at the same base increase as that given to faculty or staff, whichever employee group the early retiree worked under. The early retirement stipend may never exceed the estimated single Social Security benefit available to the individual at full retirement age.

The following shall determine the salary period for faculty (either nine or 12 months) upon which the employee's base salary will be calculated for the duration of the agreement.

1. If the employee worked on a 12-month appointment (or a combination of nine and three month appointments) for at least half of his/her total years of service, the 12-month salary will be used to calculate the base salary.
2. If the employee worked on a nine-month appointment for more than half of his/her total years of service, the nine-month appointment will be used to calculate the base salary.

## B. Deductions; Entitlements

Employee understands that the College will deduct from each gross incentive payment, federal withholding taxes and other deductions the College is required by law to make from wage payments to employees. Employee further understand that this amount is all the employee is entitled to receive from the College except for those benefits covered in Section IV and V of this policy and pension or other retirement benefits to which Employee may be entitled under the College's standard retirement program. Employee will receive no further wages, vacation or other similar payments except as provided by College policy for all retiring employees.

## SECTION IV: BENEFITS FOR VOLUNTARY EARLY RETIREMENT

### A. Benefit Period College Pays Early Retiree Pays

Continued coverage in the group medical and dental insurance programs at the same level provided all full-time personnel, as follows:

Benefit Period	College Pays	Early Retiree Pays
Up to 5 years	100% of College's portion of premium	0% of premium + current payroll deduction
Up to 5 ½ years	90.9% of College's portion of premium	9.10% of premium + current payroll deduction
Up to 6 years	83.3% of College's portion of premium	16.7% of premium + current payroll deduction
Up to 6 ½ years	76.9% of College's portion of premium	23.1% of premium + current payroll deduction
Up to 7 years	71.4% of College's portion of premium	29.6% of premium + current payroll deduction

Benefits discontinue at the end of the month in which the early retiree turns 65. This would be when the early retiree would qualify for Medicare coverage. Early retirees should contact the Social Security Administration for information regarding Medicare. Under no circumstances will the benefits be allowed to exceed 7 years.

Accrued annual leave will be paid to the maximum allowed by College policy at the time of retirement.

### B. Exclusions:

1. Employee is not eligible for College disability benefits, life insurance, or any other benefit not contained in this Agreement Application.
2. No further contributions will be made by the College to the Employee's TIAA/CREF or State Retirement accounts.

## SECTION V: PHASED RETIREMENT OPTION

- A. Participation in the Phased Retirement Program is not an entitlement or a right automatically available to all employees who meet the eligibility criteria, but is subject to administrative approval of the terms and conditions reflected in a written proposed work plan specifying the arrangements under which the individual will be placed in phased retirement status.
- B. The total period in years of phased and total early retirement cannot exceed the period for which the stipend and benefits will be paid shown in Sections III and IV.

- C.** Eligible Staff may propose to be reduced from 100% FTE to no less than 75% FTE, not to exceed two (2) years prior to entering into regular and or early retirement in the third year.
- D.** Eligible full-time Faculty may propose to be released from up to 3 instructional units each semester in the first year and up to 6 instructional units in the second year prior to entering into regular and or early retirement in the third year. Additionally, a proposal may be made up to 6 instructional units each semester in the first year prior to entering into regular or early retirement the second year.
- E.** The Employee who enters the Phased Retirement program must agree to a reduced FTE employment status with the College, with the clear understanding that the total FTE percentage for all services performed for the College as an employee cannot thereafter be increased.
- F.** Unless specific provisions to the contrary are included in an Employee's Phased Retirement Proposal with the College, that employee will be entitled, for the duration of the approved Phased Retirement, to the same status and employment related benefits as he/she had attained prior to the effective date of the proposal. Annual sick leave/vacation leave will be earned on a pro-rata basis according to the percent of time in phased retirement.
- G.** Participants in the Phased Retirement Program are entitled to financial incentive payments to compensate for the reduced retirement contributions resulting from a reduction in the FTE assignment. The financial incentive is the difference between what the College contributes to the participant's retirement fund before and after the phased retirement takes effect. The financial incentive amount will become part of the phased retirement agreement and will not be adjusted because of any subsequent salary increases.
- H.** Participant further agrees to contribute the incentive added to salary to a SLCC sponsored supplemental retirement program of the participant's choice through salary reduction (tax deferred), as long as this amount does not exceed the limits as prescribed by the IRS for contribution to a tax deferred retirement account. Any amount that exceeds the IRS limits will not be required to be deferred by the participant.
- I.** The phased retiree will not be allowed to begin withdrawals and/or payments or annuities from the retiree's basic retirement plan during the phased retirement.

## **SECTION VI: COMPLETE RELEASE**

Employee states clearly and without any reservation that his/her entering into this early retirement agreement is done voluntarily and for the purpose of taking advantage of the early retirement program offered by the employer.

Employee further acknowledges that no person, organization, employee, officer or agent of the employer has suggested or otherwise attempted to cause force or coerce the employee to involuntarily take advantage of the early retirement program and to terminate the employee's employment with the employer.

Employee agrees to release the College and the employees and trustees from all claims or demands Employees may have based on Employee's employment with the College or the termination of that employment. This includes, but is not limited to, a release of any right or claims Employee may have under the Age Discrimination in Employment Act, or The Older Workers Benefit Protection Act; both of which prohibit age discrimination in employment; Title VII of the Civil Rights Act of 1964, which prohibits discrimination in employment based on race, color, national origin, religion or sex; the Equal Pay Act, which prohibits paying men and women unequal pay for work; or any other federal, state or local laws or regulations prohibiting employment discrimination. This also includes a release by Employee of any claims for wrongful discharge. This release covers both claims that Employee knows about and those he/she may not know about. If an interpretation by the EEOC or a court of law determines, subsequent to the effective

date of this agreement, that the employee had or may have had (prior to the date of this agreement) rights greater or different than those provided through the employment relationship or this early retirement agreement such claims are forever waived by the employee. This release does not include, however, a release of Employee's right, if any, to pension, retiree health or similar benefits under the College's standard retirement program.

#### **SECTION VII: NO FUTURE LAWSUITS**

Employee agrees to not file a lawsuit asserting any claims that are released in Section V, and waives any cause of action or claim for liability, if any, which are not expressly reserved. By making this Agreement, the College does not admit that it has done anything wrong, and does not admit any liability for claims not expressed in this agreement.

#### **SECTION VIII: NON-RELEASE OF FUTURE CLAIMS**

This Agreement does not waive or release any rights or claims that Employee may have which arise after the date the Employee signs this Agreement Application.

#### **SECTION IX: PERIOD FOR REVIEW AND CONSIDERATION OF AGREEMENT APPLICATION**

Employee understands that Employee has been given a period of 21 calendar days to review and consider this Agreement Application before signing it. Employee further understands that Employee may use as much of the 21-day period as Employee wishes prior to signing.

#### **SECTION X: ENCOURAGEMENT TO CONSULT WITH ATTORNEY**

Employee is strongly encouraged to consult with an attorney, financial advisors, retirement companies, insurance carriers, and other governmental agencies, etc. before signing this Agreement Application. Employee understands that whether or not to do so is Employee's decision.

#### **SECTION XI: EMPLOYEE'S RIGHT TO REVOKE AGREEMENT APPLICATION**

Employee may revoke this Agreement Application within seven business days of Employee's signing it. Revocation can be made by delivering a written notice of revocation to the Director of Human Resources. For this revocation to be effective, written notice must be received by the Director of Human Resources no later than the close of business on the seventh business day after Employee signs this Agreement Application. If Employee revokes this Agreement Application, it shall not be effective or enforceable and Employee will not receive the benefits described herein.

#### **SECTION XII: TERMINATION OF EMPLOYMENT**

It is understood by the parties that all obligations of the College under this agreement will terminate thirty days after the death of Employee. The surviving spouse and/or dependents may continue medical and dental insurance benefits under the College COBRA provision by paying the premiums out-of-pocket.

**SECTION XIII: EFFECTIVE DATE and CALCULATIONS**

- A. Effective date of early retirement/phased retirement and this agreement:  
    Phased \_\_\_\_\_ Early Retirement \_\_\_\_\_
- B. Employee's age at early/phased retirement \_\_\_\_\_  
    Eligible years of service \_\_\_\_\_  
    Total – age plus years of service \_\_\_\_\_
- C. Initial Phased FTE Percentage \_\_\_\_\_
- D. Subsequent Reductions in FTE by year (if any) \_\_\_\_\_
- E. Annual Base Salary immediately prior to the date of this agreement application \_\_\_\_\_
- F. Phased Retirement Incentive \_\_\_\_\_
- G. Cost estimates obtained from the Human Resources Office \_\_\_\_\_
- H. Employee's Full Retirement Age \_\_\_\_\_
- I. Estimated annual single social security payment at age FRA \_\_\_\_\_
- J. Number of months the employee chooses to take the stipend \_\_\_\_\_
- K. Length of time employee chooses to take benefits \_\_\_\_\_
- L. Retiree recognition event to be held \_\_\_\_\_

**SECTION XIV: GOVERNING LAW**

Any disputes concerning this agreement will be governed by the laws of the State of Utah and of the United States and will be heard in the courts in the State of Utah.

**SECTION XV: ENTIRE AGREEMENT**

This is the entire Agreement between Employee and College. The College has made no promises to Employee other than those in this Agreement.

**SECTION XVI: RECEIPT OF AGREEMENT APPLICATION**

EMPLOYEE ACKNOWLEDGES RECEIPT OF THIS AGREEMENT APPLICATION ON THIS

\_\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
SIGNATURE

**SECTION XVII: SIGNATURE AND APPROVALS**

EMPLOYEE ACKNOWLEDGES THAT HE/SHE HAS READ THIS AGREEMENT APPLICATION, UNDERSTANDS IT AND IS VOLUNTARILY ENTERING INTO IT.

PLEASE READ THIS AGREEMENT APPLICATION CAREFULLY. IT CONTAINS A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

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College Approvals:

\_\_\_\_\_  
Associate Vice President of Human Resources

\_\_\_\_\_  
Date

\_\_\_\_\_  
Associate Vice President of Budget

\_\_\_\_\_  
Date

\_\_\_\_\_  
President

\_\_\_\_\_  
Date