

Voluntary Retirement Incentive Plan for Academic Faculty

Frequently Asked Questions

The questions and answers are general in nature and are designed to give academic faculty an overall impression of inquiries that might arise when considering the Voluntary Retirement Incentive Plan. They are not all encompassing, nor do they address all specific individual situations. In the event of a conflict between this information and the official plan or program documents, the plan and program documents will govern.

The benefits team is available for individual consultations to guide academic faculty through the application process and to create a clear understanding of the applicable retirement incentives. The decision to apply for the Voluntary Retirement Incentive Plan is completely voluntary and there is absolutely no coercion or undue influence placed on retirement eligible employees to apply.

The University is not able to offer financial, tax or legal counseling or advice. Please consult with a professional financial or tax advisor and an attorney to make the most informed decision. If you have additional questions or need further clarification, please email Human Resources at MyHR@colostate.edu or call (970) 491-6947.

What is the Voluntary Retirement Incentive Plan for Academic Faculty?

The Voluntary Retirement Incentive Plan is a program that offers incentives to eligible academic faculty who voluntarily decide to leave their position at Colorado State University. The final authority to approve or deny a Voluntary Retirement Incentive Plan application resides with the President, in consultation with a committee made up of the Dean, Chief Financial Officer and the Provost. Retirement eligibility will be confirmed by Human Resources prior to approval. The President's decisions on Voluntary Retirement applications are not subject to appeal or grievance.

Upon approval of the application by the President, the applicant shall sign a Separation Agreement and Release.

Why is the Voluntary Retirement Incentive Plan being offered?

The Voluntary Retirement Incentive Plan is designed to offer separation incentives as a means of encouraging retirement eligible academic faculty to voluntarily separate from service in order to minimize the impact of layoffs, furloughs, and salary reductions to permanent employees. This retirement incentive is being offered to address the current budgetary issues and necessary payroll cost savings for the University due to COVID-19.

Who is eligible to participate?

Faculty members who meet the CSU definition of retirement are eligible for the Voluntary Retirement Incentive Plan. Eligibility for the Plan is limited to designated faculty, tenured or non-tenured, at Colorado State University. The plan does not apply to faculty members whose positions are externally funded and not funded directly by the University.

The definition of University retirement is located on the HR website at hrs.colostate.edu/university-retirees/definition.html. In addition, employees who are in year 1 of an approved leave of absence and otherwise meet the applicable eligibility criteria are eligible to participate in the Plan.

Who is not eligible to participate?

- Faculty of the University who are party to a written employment agreement.
- Faculty who receive a specific notice of involuntary separation.

- Faculty in the second or greater year of Leave Without Pay and no longer receiving University contributions towards benefits.
- Faculty who previously announced and/or submitted paperwork to initiate retirement prior to the announcement of the Plan will NOT be eligible for benefits under the Plan, regardless of the date of retirement.
- Faculty who retire under the Plan are not eligible for a Faculty Transitional appointment.
- Faculty who previously retired from the University and returned to an active employment status are not eligible for the Plan. You may only retire once from the University.
- An employee who previously announced and/or submitted paperwork to initiate retirement prior to the offer of this incentive program will NOT be eligible for benefits under this Plan regardless of retirement date.
- Employees of the University who are party to a written employment agreement (Chancellor, President, Head Coaches, etc.).
- An employee who received a specific notice of involuntary separation.
- An employee who is in an Academic Faculty position retiring and beginning a Faculty Transitional Appointment.

Will every eligible faculty member be approved to participate?

The decision to approve or deny an application shall consider the financial benefit granted by the University, as well as the impact on University programs and services, and shall be based on the best interests of the University.

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If I have previously given verbal or written notice of my intent to retire, why can't I apply for this program?

The Voluntary Retirement Incentive Plan is designed to offer separation incentives as a means of encouraging retirement eligible employees to voluntarily separate from service to minimize the impact of potential layoffs, furloughs, and salary reductions to permanent employees. If you have already provided verbal or written notice of your retirement, you are not eligible for this program.

What is the Retirement Incentive?

Each eligible academic faculty member who elects to participate and retires from the University in accordance with the Plan will receive a lump-sum payment equal to **one week of the employee's annual base salary (as of June 30, 2020) for 12 month appointees and the end of the most recent academic year for 9 month appointees) for each year of retirement eligible service not to exceed 30 weeks total, less applicable deductions as required by law.** For the purposes of the Plan, "base salary" means a non-academic employee's base salary, regardless of source.

Base salary does not include temporary salary adjustments or other supplements given as part of a temporary assignment of administrative or other duties or summer session for 9-month appointments.

A lump-sum payment will be made during the month following the Termination Date under this Plan. All required taxes and withholdings will be deducted from payments made under the Plan. Payments will not be eligible for pretax deferral under the University’s retirement program. Additionally, payments are not considered wages for PERA or DCP purposes.

Are there other incentives under this plan?

The University’s Defined Contribution Plan (DCP) participants who have not attained age 65, as part of this retirement incentive, are eligible to receive an enhanced medical subsidy intended to bridge coverage until Medicare eligibility.

A refund amount equal to your prorated share of the cost of the current 2020 Green Plan single coverage will be deposited into your bank account each month and is determined by retirement eligible service. For example, a retiree meeting the age 55 and 20 years of service requirement would receive the full value of up to \$560 each month (certification of premium plan cost required to receive full amount). A retiree meeting the age 60 and 5 years of service would receive the plan minimum of \$140 a month. The reimbursement values are fixed for the duration of eligibility (up to the lesser of 5 years or age 65). See the chart below for additional details on the proration of the enhanced incentive. When eligibility expires, the current DCP program rules and subsidy amounts (\$50-\$200/month) apply.

Years of Service (must be benefits eligible service with at least 5 years of continuous benefits eligible service immediately preceding retirement)	Enhanced Monthly DCP Premium Refund (for DCP Participants)
5	\$140
6	\$168
7	\$196
8	\$224
9	\$252
10	\$280
11	\$308
12	\$336
13	\$364
14	\$392
15	\$420
16	\$448
17	\$476
18	\$504
19	\$532
20+	\$560

Medical coverage for PERA retirees is available through PERACare as a component of PERA's defined benefit plan. PERA retirees may receive a medical subsidy from PERA to reduce the cost of coverage. Under certain retiree eligibility criteria outside of this Plan a CSU PERA subsidy may also be available. Information can be found at <http://www.hrs.colostate.edu/university-retirees/fap-pera.html>.

How does a faculty member apply?

To apply for the Plan, you must complete and submit the online electronic signature application. Late applications will not be considered. Receipt of submitted electronic applications will be acknowledged. The application period begins on June 1, 2020, and ends at 5 p.m., MT on June 30, 2020. At the discretion of the President, the deadline for submission may be extended.

If approved to participate in the Plan, your employment with the University will end on August 31, 2020 or December 31, 2020. Every effort will be made to accommodate this Retirement Separation Date; however, if business needs dictate that a different Retirement Separation Date is required, you will be contacted and informed of your new Retirement Separation Date. Regardless of the Retirement Separation Date determination, your agreement to participate in the Plan is irrevocable after June 30, 2020. The link to apply is located on the Human Resources website.

If I am approved to participate in the Plan, what happens next?

You will have the opportunity to meet individually with a Human Resources benefits team representative to gain an understanding of the details of the retirement incentive and to complete the retirement counseling process. Please reach out to MyHR@colostate.edu or call (970) 491-6947 to schedule a retirement counseling appointment.

Additionally, you must submit your signed Separation Agreement and General Release to Human Resources no later than August 17, 2020 (for August 31, 2020 retirements) and no later than December 14, 2020 (for December 31, 2020 retirements) to MyHR@colostate.edu. Alternatively, you can hand deliver (if the office is open for walk-in visitors) or mail via US Postal Service first class mail your signed Agreement to the Human Resources Department, Employee Benefits Unit, 555 S. Howes Street, Fort Collins, CO 80523.

Once your documents are submitted, your employment will end on your designated Retirement Separation Date and payment will be made in accordance with the Plan and the Agreement.

If I participate in this Plan can I return to work at Colorado State University?

The University is not under any obligation to consider future employment (without tenure privileges) for any faculty member who participates in the Plan. Eligibility to return to employment with any unit of the University will be in accordance with current guidelines and applicable laws regarding employment of retirees.

Any faculty member who receives a payment under this Plan and is rehired in any capacity by the University within two (2) years of his or her Termination Date must repay such Plan payment upon their rehire.

If I am approved in this plan, and I have a 9-month appointment and my salary is spread over 12 months, how will I be paid?

You will receive your normal monthly pay as of your Retirement Separation Date, which will be inclusive of any leave payouts, if applicable. The following week you will receive the balance of your 9/12 pay.

How will my leave accrual be paid out?

Accrued and unused vacation and compensable sick leave payments owed to an academic faculty member at the time of retirement from the University shall be paid in accordance with those established policies, plans and procedures as defined below.

Upon retirement, faculty are paid for $\frac{1}{4}$ of their unused sick leave up to a maximum of 15 days. Academic faculty on 12-month appointments are paid up to 24 days of accrued unused annual leave. **Generally any annual leave taken during the 30 working days immediately prior to the date of retirement will be subject to the 24-day maximum payment, but for purposes of the Plan this requirement will be waived and the full up to 24 day accrual will be paid.**

Will this program be offered again in the future?

There is no guarantee the incentive program will be offered again.

