



Colorado State University
Voluntary Retirement Incentive Plan

Plan Document

June 1, 2020

Academic Faculty

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The Colorado State University Voluntary Retirement Incentive Plan – Academic Faculty

Introduction

Colorado State University (“the University”) is pleased to offer a Voluntary Retirement Incentive Plan (“Plan”) to eligible academic faculty (“faculty members”). Many of these faculty members have dedicated the greater part of their professional careers to the University. Their collective achievements and distinguished service have provided stability to the University in achieving its overall strategic goals.

Accordingly, the University is offering an age- and service-based Plan for eligible individuals for a limited period. The voluntary Plan will allow the University to provide a substantial and well-earned benefit to eligible individuals. The Plan also will allow identified units of the University to be proactive in addressing budgetary and/or ongoing workforce challenges.

This document shall serve to govern the terms of the Plan. Eligibility and payments under the Plan are governed by the terms set forth herein. Please refer to this document for information concerning any rights and obligations you may have under the Plan. Retirement eligibility is set by Colorado State University.

Eligibility

Eligibility for the Plan is limited solely 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.

University-wide: Except as provided below in the section titled “Exclusions”, faculty members are eligible under the Plan if they are actively employed by the University June 1, 2020 (application start date) and who satisfy the definition of retiree:

- (1) will be at least age 55; **AND** will have at least 20 years of benefits eligible service of which a minimum of five years of benefits eligibility must immediately precede the date of retirement; **OR**
- (2) will be at least age 60; **AND** will have at least 5 years of consecutive benefits eligible service immediately preceding the date of retirement.

Retiree eligibility will be confirmed by Human Resources after reviewing your service to the University and benefits eligibility. The definition of University retirement is located on the HR website at <http://www.hrs.colostate.edu/university-retirees/definition.html>.

In addition, faculty 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. An employee in year 1 of leave without pay who participates in the Plan shall be compensated with any remaining accrued leave with a leave payout at separation in accordance with University policy and the University contribution to benefits will end as of the Retirement Separation Date.

Exclusions: The following categories are not included in the University-wide eligibility criteria.

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.

Plan Description

Each eligible faculty member who elects to participate in the Plan 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 faculty member'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 faculty. Payments under the Plan are not subject to retirement contributions and are not considered wages for PERA purposes.

The opportunity for eligible faculty to apply for the Plan is limited. The application period begins **June 1, 2020 and ends June 30, 2020, 5 p.m., MT.** Participating faculty members will have to separate from the University no later than the designated Retirement Separation Date as defined below. Participating faculty members will be required to sign a Separation Agreement and General Release ("Agreement"), described later in this document.

The Plan is Voluntary

You are encouraged to consider the Plan and determine if it is the right opportunity for you; however, no one can persuade you or unduly influence you to apply or not apply for the Plan. Applying to participate in the Plan shall be on a voluntary basis for all retirement eligible faculty.

The Plan does not in any way change your current employment relationship with the University. You should understand that if you are eligible and decline to participate, you will not be treated any differently than any other similarly situated faculty member with respect to future terms and conditions of employment.

Application Procedure

The application period begins June 1, 2020, and ends at 5 p.m., MT June 30, 2020. At the discretion of the President, the deadline for submission may be extended.

The Retirement Separation Date: **August 31, 2020 or December 31, 2020**

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.

To apply for the Plan, you must complete and submit the online electronic signature Voluntary Retirement Incentive Plan application form prior to 5 p.m., MT June 30, 2020. Late applications will not be considered. Receipt of submitted electronic applications will be acknowledged.

You may withdraw your Voluntary Retirement Incentive Plan application to participate in the Plan at any time before 5 p.m., MT June 30, 2020. Your Voluntary Retirement Incentive Plan application may not be withdrawn or revoked after 5 p.m., **MT June 30, 2020**.

If your Voluntary Retirement Incentive Plan application is approved, you will receive a Separation Agreement and General Release that must be signed and submitted timely for you to be included in the Plan. The timing requirement for the Separation Agreement and General Release is outlined later in this document.

Review and Approval Process of Intent to Retire Application

The decision to approve or deny an application will be based on the best interest to the University and will consider the financial benefit granted by the University, as well as the impact on University programs and services should an application be approved.

The final authority to approve or deny any Voluntary Retirement Incentive Plan application resides with the President, in consultation with a committee made up of the Dean, Provost and Chief Financial Officer. 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.

Plan Payment

Each eligible faculty member who elects to participate in the Plan and who executes (and does not later revoke) a Separation Agreement and General Release (see below) will receive one lump-sum payment the month following their Retirement Separation Date, equal to one week of the employee's annual base salary (as defined in the Plan Description section of this document) for each year of retirement eligible service not to exceed 30 weeks total, less applicable deductions as required by law.

A lump-sum payment will be made during the month following the Retirement Separation Date under the Plan. All legally required taxes and other withholding will be deducted from payments made under the Plan. The Plan payment does not count as "earnings" for any benefit purposes, including the University's retirement programs. Therefore, these payments will not be eligible for pretax deferral under the University's retirement program.

Medical Insurance Subsidy

Continued medical coverage for PERA retirees is available through PERACare as a component of PERA's defined benefit plan for their members. PERA retirees may receive a medical subsidy from PERA to reduce the cost of coverage. Under certain retiree eligibility criteria outside of the Plan a CSU PERA subsidy may also be available. Information can be found at <http://www.hrs.colostate.edu/university-retirees/fap-pera.html>. Please contact PERA directly with insurance coverage questions at 800-759-7372.

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. Contact Human Resources for additional information.

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
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

A DCP retiree who is age 65 or greater should refer to the Information Regarding Other Benefits section below for information on subsidy options that are part of the standard retirement policies of the University.

Potential Post-Retirement Activities

The University may agree to additional provisions such as potential involvement in post-retirement activities in the Participating Units and access to campus facilities and resources. Such provisions, if any, must be approved and set forth in advance and codified in writing with the Dean of your college.

Information Regarding Other Benefits

Other benefits will be provided as they would for any Faculty member leaving employment from the University.

Human Resources can determine your eligibility for post-retirement health-care subsidies. DCP retiree subsidy information is available at <http://www.hrs.colostate.edu/university-retirees/fap-dcp.html> and PERA retiree subsidy information is available at <http://www.hrs.colostate.edu/university-retirees/fap-pera.html>. The enhanced subsidy table is only provided to those approved for and accepting the offer under the Plan.

Sick & Annual Leave Payout Information

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, academic 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.

For more information about these separation benefits, please refer to <http://hrs.colostate.edu/benefits/fap-insplans-new.pdf> or <http://hrs.colostate.edu/pdfs/HRS%20Manual%20-%20Human%20Resource%20Services%20-%20Colorado%20State%20University.pdf>

Information to be Furnished

Faculty members who apply for the Plan shall provide to the University such documents, data or other information as the University considers necessary for administering the Plan.

Separation Agreement and General Release

By signing the completed Agreement, the faculty member agrees to voluntarily resign and waive other rights and claims, as outlined in the Agreement, and as permitted by law including waiving retention and reemployment rights.

A member of the academic faculty may request emeritus/emerita status from his/her department at the time of retirement from the University in accordance with Section E.3.1 of the Academic Faculty and Administrative Professional Manual (the Manual). Academic faculty members who have completed ten years or more of regular full-time or regular part-time service as faculty of Colorado State University (CSU) shall be eligible at the time of their retirement for an emeritus/emerita title equivalent to their highest professorial rank. Academic personnel who have held administrative positions (including department heads) for five years or more shall be eligible for the emeritus/emerita title for both positions.

If you elect to participate in the Plan, you must submit your signed Agreement to Human Resources at 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 within the timeframe specified below:

August 31, 2020 Retirement Separation Date: The Agreement must be signed and submitted no later than August 17, 2020.

December 31, 2020 Retirement Separation Date: The Agreement must be signed and submitted no later than December 14, 2020.

Failure to submit a fully executed Agreement during the applicable time period will result in no payment of benefits under the Plan.

Individuals will have at least forty-five (45) days before their designated Retirement Separation Date to consider the Agreement. You may revoke a submitted Agreement within seven (7) calendar days of the date the executed Agreement is returned. Revocations must be emailed to MyHR@colostate.edu. Please confirm receipt.

If you do not revoke your submitted Agreement within seven (7) calendar days of the date the executed Agreement is 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 there is any discrepancy between the express terms of the Plan document and of your Agreement, the terms of the Agreement shall control.

Recommendation of Attorney Review

It is recommended that eligible faculty members contact an attorney to discuss the Plan and to review the Agreement. Use of an attorney is at the expense of the faculty member.

Future Employment 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 the Plan and is rehired in any capacity by the University within two (2) years of his or her Retirement Separation Date must repay such Plan payment upon their rehire.

No Assignment of Plan Payments

Under no circumstances may a Plan payment be subject to assignment, garnishment, lien or other encumbrances, and any attempt to cause any such payments to be so subjected shall not be recognized, except to such extent as may be required by law.

Recovery of Plan Payments Made by Mistake

An eligible employee must return to the University the Plan payment or other consideration, or portion thereof, made by a mistake of fact or law or paid contrary to the terms of the Plan.

Representations Contrary to the Plan

No employee, officer, director, or agent of the University has the authority to alter, vary or modify the terms of the Plan. Changes to the Plan can only be made by an authorized written amendment to the Plan approved by Robyn Fergus, Executive Director and Chief Human Resource Officer. Verbal or written representations contrary to the terms of the Plan and its written amendments shall not be binding upon the University.

No Employment Rights or Contract

The Plan does not confer employment rights upon any person. Nothing contained in the Plan shall be construed as a contract of any kind between the University or any related entity and any person. No person shall be entitled by virtue of the Plan to remain employed by the University and nothing in the Plan shall restrict the right of the University to terminate the employment of any eligible employee.

Employees participating in the Plan who are terminated by reason of unacceptable performance or because of a violation of the University rules or policies prior to the Retirement Separation Date will not be entitled to any payment or other consideration under the Plan.

Applicable Law

The conditions of the Plan are fixed and not subject to negotiation or substitution. Benefit programs are regulated by law to ensure equity among all participants.

The Plan shall be governed and construed in accordance with the laws of the State of Colorado, without reference to its conflicts of law provisions.

Severability

If any provision of the Plan is found, held or deemed by a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or other controlling law, all of the remaining provisions of the Plan shall continue in full force and effect.

Nondiscrimination Statement

The University will not discriminate against any person because of race, color, religion, sex, national origin, ancestry, age, marital status, disability, sexual orientation including gender identity, unfavorable discharge from the military or status as a protected veteran and will comply with all federal and state nondiscrimination, equal opportunity and affirmative action laws, orders and regulations. This nondiscrimination policy applies to employment and access to the University's programs and activities.

Amendment of the Plan

The Plan may be terminated or amended in any respect at any time at the discretion of the University. Notwithstanding the foregoing, no amendment of the Plan may reduce the Plan payment or other consideration previously provided under the Plan for the time-frame specified in the Plan.

End of the Plan

The Plan will terminate when all payments described herein have been provided.

Questions Regarding the Plan

The Plan is being administered by the Department of Human Resources. Robyn Fergus, Executive Director and Chief Human Resource Officer shall have the discretionary authority to determine eligibility for retirement and to construe the terms of the Plan, including the making of factual determinations. The decisions of the Executive Director and CHRO shall be final and conclusive with respect to all questions concerning the administration of the Plan.

All questions regarding the Plan should be emailed to MyHR@colostate.edu.

Disputes Regarding the Application of the Plan

If for any reason you dispute or disagree with the application of the Plan to your situation, please contact the Executive Director and Chief Human Resource Officer. Robyn Fergus will attempt to resolve any disputes.

In order to be considered, any dispute or disagreement must be in writing and either hand delivered or postmarked to CSU Human Resources, 6004 Campus Delivery, Fort Collins, Colorado 80523-6004 not later than thirty (30) calendar days from the date of the occurrence of the matter giving rise to dispute or

disagreement or within thirty (30) calendar days after you, through the use of reasonable diligence, could have obtained knowledge of the occurrence of the matter giving rise to the dispute or disagreement. Written disputes or disagreements sent by facsimile, electronic mail, or campus mail will not be accepted. If you are physically unable to hand deliver or postmark your dispute, please contact the Executive Director and Chief Human Resource Officer to ask for a reasonable accommodation.

