

Voluntary Retirement Incentive Plan for State Classified Staff

Frequently Asked Questions

These questions and answers are general in nature and are designed to give employees an overall impression of some of the concerns that might arise when considering the Voluntary Retirement Incentive Plan. They are not all encompassing, nor do they address all specific 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 University does not 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 HR_Retirement@colostate.edu or call (970) 491-6947.

What is the Voluntary Retirement Incentive Plan for State Classified Staff?

The Voluntary Retirement Incentive Plan is a program that offers incentives to eligible classified employees who voluntarily decide to leave their position at Colorado State University. 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, Chief Financial Officer and the Provost (Vice President for administrative units). 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 State Classified employees to voluntarily separate from service in order to minimize the impact of layoffs, furloughs, and salary reductions to permanent employees. The 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?

An employee must meet the following to be eligible to receive post-employment compensation:

- Employee must be a permanent, classified employee in certified or trial service status.
- Employee must voluntarily retire during the time frame specified by the University without expectation of future employment.

Who is not eligible to participate?

- Classified employee who received a specific notice of disciplinary termination.
- Classified employee in a status other than certified or trial service status.
- Classified employees who previously announced and/or submitted paperwork to initiate retirement to their department or Human Resources prior to the announcement of the Plan will NOT be eligible for benefits under the Plan, regardless of the date of retirement.
- Classified employees who previously retired from the University and returned to an active work status are not eligible for the Plan. You may only retire once from the University.

Will every eligible State Classified employee 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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What is the Retirement Incentive?

Each eligible classified employee 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, 2021) for 12 month appointees for each year of continuous retirement eligible service not to exceed 18 weeks total, less applicable deductions as required by law.** For the purposes of the Plan, "base salary" means a classified 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.

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 purposes.

What is the Years of Service Calculation to Determine the Incentive?

Any service that was not benefits eligible is not contemplated in the years of service calculation. This includes any service in which you were not eligible for the University contribution to insurance programs.

Please note these are for illustrative purposes only.

Example #1

- 12-month SC
- 57 years old
- **100% FTE**
- 32 years of retirement-eligible service
- Annual salary: \$50,000 as of 6/30/21

Lump sum payout:

$\$50,000 / 52 \text{ weeks (12-mo)} = \961 weekly

$\$961 \times 18 \text{ (maximum YOS payable)} =$

\$17,298*

*subject to tax withholdings; examples rounded down to nearest whole dollar

Example #2

- 12-month SC
- 66 years old
- **75% FTE**
- 8.75 years of retirement-eligible service
- Annual salary: \$80,000 as of 6/30/21

Lump sum payout prorated by FTE:

$\$60,000 \text{ (75\% of \$80,000)} / 52 \text{ weeks (12-mo)} =$
 $\$1,153 \text{ weekly}$

$\$1,153 \times 8 \text{ (total YOS payable)} =$

\$9,224*

How do I apply for the Voluntary Retirement Incentive Plan?

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, 2021, and ends at 5 p.m., MT on June 30, 2021. 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, 2021 or December 31, 2021.

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, 2021. The link to the electronic application 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 complete retirement counseling to gain an understanding of the details of the retirement incentive and to complete the required process. Human Resources will automatically provide the necessary steps and timeline to you if your application is approved.

Additionally, by law you will have at least 45 days prior to your retirement date to consider the Separation Agreement and General Release and submit it to Human Resources. The return date will be listed in the Agreement. 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 for any employee 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 classified employee who receives a payment under the Plan and is rehired or retained to perform services in any capacity within two (2) years of his or her Retirement Separation Date must repay such Plan payment upon the date such work or services commence. The definition of "in any capacity" includes receiving any remuneration for work or services performed at any entity of the CSU System in which employees' payroll or benefits are processed on the University's payroll system.

How will my leave accrual be paid out?

Accrued and unused vacation and compensable sick leave payments owed to a classified employee at the time of retirement from the University shall be paid in accordance with the established criteria set forth by the State of Colorado Personnel Board Rules.

Will this program be offered again in the future?

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