TO: Potential Early Retirement Incentive Applicants  
FROM: Daniel Rives, Associate Vice President, University Human Resources  
DATE: July 12, 2013  
SUBJECT: Early Retirement Incentive Plan 2013 (ERIP-2013)

Indiana University is committed to providing students with an affordable, high-quality education. This can be challenging in today’s environment, especially when the University continues to be confronted with rising costs.

To support the University’s commitments and to assist administrators in responding to various fiscal and organizational challenges, Indiana University is providing a limited-time incentive for certain employees to retire earlier than otherwise expected. Separations under this plan are intended to achieve specific institutional objectives: 1) reduction in salary/wage expenses, 2) avoidance of involuntary RIFs and furloughs, and/or 3) strategic reallocation of resources to support institutional priorities.

This voluntary separation incentive – the Early Retirement Incentive Plan 2013 (ERIP-2013) is not a benefit to which employees are entitled. Instead, the University will require that units only approve applications that specifically support one or more of the above institutional objectives. Units will also be responsible for funding separation incentive benefits. **Not every application to participate in the ERIP-2013 will be approved.**

Application for the ERIP-2013 is strictly voluntary, and managers are not to pressure employees to apply for the incentive in any manner.

**ERIP-2013 Eligibility**
A preliminary review of the University’s records indicates that you may be eligible to participate in the ERIP-2013. At the time of application, eligibility will be verified based on your age and IU service as of June 30, 2013. Full-time Academic and Staff employees, who meet the following eligibility criteria, may apply for the ERIP-2013:

- **Active employees who are at least age 60 with at least 15 years of full-time IU service as of June 30, 2013.**

**ERIP-2013 Separation Dates**
Separations are to be effective December 31, 2013, or May 31, 2014. The department head determines the actual separation date, based on the date that is in the best interest of the University.

**ERIP-2013 Benefits**
The ERIP-2013 provides three benefits not normally provided to separating employees, as highlighted below.

1. **Income Replacement Payment** – a single lump sum payment; paid in the month following separation:
   - Staff employees: equal to 6-months base salary/wages
   - Academic employees: equal to annual base salary, with 10-month appointments receiving equivalent of 10-month base salary
   - Potential recipients of the 18/20 Early Retirement Plan or the Replacement Retirement Plan: equal to two times annual base salary

2. **Health Reimbursement Account (HRA)** – five years of annual contributions to an account that reimburses for some healthcare expenses, such as premiums, deductibles, and copays. The annual amounts will range from $7,400 for Employee Only coverage to $20,300 for Family coverage; with reduction to $7,400 annually at Medicare age (65).
3. **Medical Coverage until Medicare Age (65)** – continuation in an IU-sponsored medical plan until age 65, by paying the full premium. (Participants with IU Retiree Status may participate in a post-65 Medicare supplement medical plan.)

Other benefits, which are the same for all separating employees with requisite criteria, include:
- COBRA continuation in medical and dental plan coverage
- IU Retiree Status benefits, for those who meet age and IU service requirements
- Payment for unused paid time-off and compensatory time; Staff employees only

**ERIP-2013 Application & Approval Process**
Eligible employees may apply through an on-line portal located at hr.iu.edu/early_retire2013, starting on July 22, 2013, through midnight of August 19, 2013. As applications are submitted, University HR will verify eligibility before routing the application for unit review:
- IU Bloomington and IUPUI campuses – to RC heads (e.g. deans of academic RCs)
- Regional campuses – to chancellors
- University Administration & School of Medicine – to vice presidents

Administrators will be asked to substantiate how the applicant’s separation will meet the institutional objectives (i.e. reduction in expenses, redirecting position to higher priority use, and/or avoidance of RIFs). If the application is approved, it will then be sent to the respective vice president for consideration. Final review and approval will be with the President’s office.

After all ERIP-2013 administrative approvals, the employee will be provided a Separation Agreement for signature. Only after that agreement has been fully executed and the seven-day revocation period has expired, will the voluntary separation under the ERIP-2013 become final.

An applicant may withdraw her/his application up to seven days after signing a Separation Agreement, through an on-line portal located at hr.iu.edu/early_retire2013.

**ERIP-2013 Documents & Resources**
Attached is a document that serves as the ERIP-2013 official provisions. You are encouraged to carefully consider these details, especially the Separation Agreement located in Appendix I.

The following website includes resources, such as the application portal, plan details, FAQs, references for initiating retirement benefits, salary deferral to a supplemental retirement plan, email address for questions, and other references to provide assistance: hr.iu.edu/early_retire2013.

Group informational sessions and webinars to provide employees with an overview of ERIP-2013 provisions will be held starting mid-July. Dates, times, and locations will be listed on the website. In addition to the group sessions and webinars, University Human Resources will provide individual counseling meetings to answer questions.

You are encouraged to carefully review ERIP-2013 provisions, including the Separation Agreement to be signed if an ERIP-2013 application receives final approval.

Attachment: IU Early Retirement Incentive Plan - 2013 Plan Document