Early Retirement Incentive Plan
ERIP-2013

July 2013
A Voluntary Separation Plan
Plan Objectives

*Departments continue to be confronted by rising cost and strategic challenges*

Voluntary separations are intended to assist departments

1. Reduce salary/wage and benefit expenses
2. Redirect positions to focus on higher priorities
3. Minimize involuntary reductions in personnel
Agenda

1. General Description
2. Eligible Employees
3. Separation Date
4. Separation Incentives
5. Application & Review Procedures
6. Separation Agreement
7. Reemployment at IU
8. Resources
Early Retirement Incentive Plan 2013

General Description

Limited-time opportunity for eligible employees to apply for voluntary separation with ERIP-2013 benefits

- Applications accepted from July 22 through August 19, 2013
- Approval based on institutional objectives; substantiated by RC heads, chancellors, and vice presidents
- Employee and University signs a separation agreement
- Separations effective December 31, 2013, or May 31, 2014

*Not intended to be an entitlement and not every application is expected to be approved*
Eligible Employees

Full-time Academic and Staff employees who meet all of the following criteria:

- At least 60 years old as of June 30, 2013
- At least 15 years of full-time service* with the University as of June 30, 2013

*“Service” means full-time IU service; does not include periods of unpaid leaves
Separation Dates

ERIP-2013 separations are effective December 31, 2013, or May 31, 2014

Eligible employees must indicate a preferred separation date during the application process

The actual separation date is determined by the applicable unit head, based on the date that is in the best interest of the University
Early Retirement Incentive Plan 2013

Separation Incentives

1. Income Replacement Payment
2. Health Reimbursement Account
3. Medical Plan Continuation
4. IU Retiree Status
5. Payment to Staff employees of Unused Paid Time-off

Cost of separation incentives is paid by departments
# Early Retirement Incentive Plan 2013

## Separation Incentives

1. Income Replacement Payment

<table>
<thead>
<tr>
<th>Employee Category</th>
<th>Lump-sum Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Employees</td>
<td>Six-Months of Base Salary/Wages</td>
</tr>
<tr>
<td>Academic Employees</td>
<td>Annual Base Salary</td>
</tr>
<tr>
<td>18/20</td>
<td>Two times Annual Base Salary</td>
</tr>
</tbody>
</table>
Separation Incentives

1. Income Replacement Payment

The Income Replacement amounts are calculated based on the employee’s base salary/wage on:

- September 1, 2013, for December 31, 2013, separations
- February 1, 2014, for May 31, 2014, separations
## Separation Incentives

2. Health Reimbursement Account

<table>
<thead>
<tr>
<th>Medical Plan Coverage</th>
<th>Annual Contribution to HRA for up to five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$7,400</td>
</tr>
<tr>
<td>Employee with Child</td>
<td>$14,600</td>
</tr>
<tr>
<td>Employee with Spouse</td>
<td>$17,900</td>
</tr>
<tr>
<td>Family</td>
<td>$20,300</td>
</tr>
<tr>
<td>Medicare Age (65)</td>
<td>$7,400</td>
</tr>
</tbody>
</table>
Separation Incentives

2. Health Reimbursement Account

- Reimbursement for:
  - Medical premiums
  - Deductible and copayments
  - Dental
  - Other IRS qualified healthcare expenses
  - Eyeglasses
  - Prescription drugs
  - Preventive care

- Balance carries forward into the following year, for five years
- HRA balance can be used by surviving dependents
- Any unused balance at the end of five years is forfeited
Separation Incentives

3. Medical Plan Continuation

- COBRA continuation in any medical plan and/or dental plan for up to 18 months or Medicare age (65)
- After COBRA, enrollment in the PPO $900 Deductible medical plan until Medicare age (65)
- If qualified for IU Retiree Status at separation, may enroll in Blue Retiree Medicare Supplement medical plan

Separated employees pay the full premium amount
Separation Incentives

4. IU Retiree Status

- Term life insurance = $6,000
- IU Tuition Benefit (same as active employees)
- Continuation of medical coverage, pre- and post-Medicare age
- IU Voluntary Benefits program
## Early Retirement Incentive Plan 2013

### Separation Incentives

5. Payment to **Staff** Employees for Unused Paid Time-off

<table>
<thead>
<tr>
<th></th>
<th><strong>Lump-sum Payment Based on Normal Policies</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Professional Staff</strong></td>
<td>• Holidays&lt;br&gt;• Bonus Holidays (PB status)&lt;br&gt;• PTO hours&lt;br&gt;• Honorary Vacation&lt;br&gt;• Compensatory Time (PAO and PAU)&lt;br&gt;• Sick Bank hours if in IU Retirement 11.25% and IU Retiree Status, as noted below</td>
</tr>
<tr>
<td><strong>Support and Service Staff</strong></td>
<td>• Holidays&lt;br&gt;• Vacation: based on service up to 872 hours&lt;br&gt;• Income Protection: if IU Retiree Status, 25% of 152 – 312 hrs. and 50% of 312 hrs. and above&lt;br&gt;• Compensatory Time</td>
</tr>
</tbody>
</table>
Applications & Review Procedures

On-Line Application

Applications between July 22 and August 19, 2013
• Not accepted after midnight on August 19th

Eligibility Review

University Human Resources verifies eligibility

RC Head (e.g. Deans)

Approves or denies based on institutional goals
• Substantiates how approval supports institutional goals

VP/Provost/ Chancellor

Approves or denies

President’s Office

Employee can withdraw application any time during the review period

• Final reviewer
Separation Agreement
(copyright included with the Plan Document and on website)

Formal agreement:

- Voluntary resignation from Indiana University
- Irrevocable and unconditional release of University
- Copy of agreement provided with Plan Document
- Employee advised to consult an attorney
- Seven days to revoke agreement after signature
- Ages of eligible and ineligible employees at hr.iu.edu/early_retire2013
- Not final until signed by employee and the University
Early Retirement Incentive Plan 2013

Reemployment at Indiana University

- Cannot be reemployed in any position for 30 days
- Cannot be reemployed in any Academic or Staff position of 75% FTE or more for five years
Early Retirement Incentive Plan 2013

Resources

- Website hr.iu.edu/early_retire2013
- Plan Documents
- Information Sessions
- Individual Counseling Meetings

Dedicated email for questions and help: erip2013@iu.edu
Early Retirement Incentive Plan 2013

University Human Resources Contacts

- IU Retiree Status: Karen Hill at kashill@iu.edu
- COBRA: Linda Ross at liross@iu.edu
- Retirement Plans: Retirement Program Services at retplans@iu.edu
  - Keatrick Johnson
  - Cathy Bonar
  - Sue Dukeman
  - Ann Mahrdt
- HRA: Danielle Abplanalp at daabplan@iu.edu
- Separation Agreement and general questions: Scott Shimoda at erip2013@iu.edu

Dedicated email for questions and help: erip2013@iu.edu
Indiana University will not engage in discrimination against any person because of

*age, color, disability, ethnicity, gender, gender identity,*
*genetic information, marital status, national origin,*
*race, religion, sexual orientation, or veteran status,*

and will comply with all federal and state nondiscrimination, equal employment, and affirmative action laws and regulations.
A Voluntary Separation Plan
Thank You

Questions?