ITHACA COLLEGE

FACULTY AND STAFF

TRANSITIONING TO RETIREMENT

PROGRAM SUMMARY

(Revised 7/1/2024)

PLAN SUMMARY

Ithaca College is offering a voluntary program to eligible faculty and staff members of the College that will allow for a more gradual transition to retirement. The program is called The Ithaca College Program for Transitioning to Retirement.

The faculty or staff member who elects to participate in this program will enter into an agreement with the College to retire at a specific future date and to reduce the overall workload from the initial date of the agreement until the date of separation.

Key points of the program:

- The transition period may range from a minimum of one semester to a maximum of three years.
- Faculty members will not be granted sabbatic leaves during the Transition Period.
- The specific terms of the agreement will be arranged between the faculty member, their Dean and the Provost and Senior Vice President for Academic Affairs. Specific terms of the agreement for a staff member will be arranged between the staff member, their Supervisor and respective Vice President. Any proposed agreements shall be reviewed by and are subject to approval by the respective Vice President or Provost and Senior Vice President for Academic Affairs.
- Participants will receive the benefits described in the agreement during the transition period and upon their voluntary termination from employment with the College.
- To elect to participate in the Program, an eligible employee must sign a Transition to Retirement Agreement and Release by contacting the Benefits & Work/Life Consultant at 607-274-8000 or benefits@ithaca.edu.
- Faculty and staff members electing to participate in this program are not eligible to participate in any other incentive retirement program.

PROGRAM QUESTIONS & ANSWERS

WHO IS ELIGIBLE TO PARTICIPATE IN THIS PLAN?

ANSWER:

All staff and faculty are eligible to submit a proposal to participate in the Program if they meet the following criteria as of September 1st of the first academic year in which they will be less than 100% full-time:

1. are an active, benefits-eligible, faculty or staff member;

2. will have completed at least 10 years of benefits-eligible service (or the equivalent) at the College; and

3. have attained the age of 59 or older and will be at least age 60 at the time of separation.

<u>WHAT IS THE EFFECTIVE DATE OF SEPARATION?</u>

ANSWER:

The effective date of separation will be a mutually agreed upon date between the participant and the appropriate Dean and Provost and Senior Vice President for Academic Affairs or Supervisor and respective Vice President once eligibility has been established by the Benefits & Work/Life Consultant in the Office of Human Resources.

<u>WHAT ARE THE WORK RESPONSIBILITIES UNDER THIS PROGRAM?</u>

ANSWER:

<u>Staff member</u>: the annual workload during the transition period will be no less than half (50%) of the annual workload of a full-time employee. The responsibilities will be specified in the Agreement between the staff member, their Supervisor and respective Vice President.

<u>Faculty member</u>: the percent of full-time shall be 58-75% during the transition period. The responsibilities will be specified in the Agreement between the faculty member, their Dean and the Provost and Senior Vice President for Academic Affairs.

<u>HOW DO STAFF AND FACULTY PARTICIPATE IN THE TRANSITIONING PROGRAM?</u>

ANSWER:

Any faculty or staff member who is interested in applying for participation in the Transitioning to Retirement Program should meet with the Benefits & Work/Life Consultant to confirm eligibility and to have any questions answered.

<u>Timeline for Faculty:</u> A request for participation in the Plan must be made by the Faculty member to their Dean no later than the first day of the semester prior to when the agreement would start. If the Dean is supportive of the request, they must send a written memo to the Provost and Senior Vice President for Academic Affairs that includes the proposed terms of the agreement. The Provost and Senior Vice President for Academic Affairs will make the final approval. A signed Transition to Retirement Agreement must be completed and signed by all necessary parties prior to the first day of pre-registration for the semester the transition will begin.

<u>Timeline for Staff:</u> A request for participation in the Plan must be made by the Staff member to their Supervisor no later than six months prior to when the agreement would start. If the Supervisor is supportive of the request, they must send a written memo to their respective Vice President that includes the proposed terms of the agreement. The Vice President will make the final approval. A signed Transition to Retirement Agreement must be completed and signed by all necessary parties at least one month prior to when the transition will begin.

No request shall be granted which would cause unreasonable hardship for the program or department. Such proposed agreements shall be reviewed by and are subject to approval by the respective Vice President or the Provost and Senior Vice President for Academic Affairs and must be agreeable to all parties.

CAN THE AGREEMENT BE REVOKED OR MODIFIED?

ANSWER:

An employee may request modification or withdrawal of the Agreement at any time prior to final approval or denial of the proposed Agreement. Once an Agreement is signed by all parties, participation shall be irrevocable.

However, with sufficient notification (at least one full semester for Faculty members and three months for Staff members), to the Participant's Dean or Supervisor, as the case may be, the Participant may further reduce the percent of full-time or may separate from service earlier than specified in the Agreement. In addition, by mutual consent of the Participant and the College, the transition commitment may be modified. A request for modification must be made at least one full semester prior to the start of the semester for which it is to be effective following the same review procedure as the original proposal. For example, a modification for the fall semester must be made prior to the start of the previous spring semester.

HOW MUCH SALARY WILL A PARTICIPANT RECEIVE DURING THE TRANSITIONING PERIOD?

ANSWER:

Salary will be prorated based on full-time salary with the percent of full-time increased by 10%. For example, if a Participant earns $50,000 (Base Salary) and reduces their commitment to 50%, the prorated amount will be calculated at 60% of $50,000 or $30,000 (Transition Salary). Pro-rated annual increases and/or pro-rated adjustments during the Transition Period will be made in accordance with the College's annual salary review process.

WHAT HAPPENS TO MY BENEFITS DURING THE TRANSITIONING PERIOD?

ANSWER:

During the Transition Period, a Participant may continue to participate in the College's benefit plans for active employees.

Participants will not be treated any differently than other employees with regard to enhancements, reductions or changes to the College's benefits plans.

Long Term Disability Insurance - will be continued through the Participant's Separation Date under the same terms as provided for other active employees. The Long Term Disability benefit is calculated on an employee's annual base salary in effect at the onset of the disability.

Ithaca College 403(b) Retirement Plan - active participants will receive the College's employer contribution as long as the participant makes the minimum required employee deferral contribution at the time to the Plan based on actual earnings. Additional employee elective deferrals may continue to be made to the Plan according to IRS regulations and limits on contributions.

The College reserves the right to amend or terminate at any time any or all of the foregoing benefit plans, and any such action shall be binding upon Participants.

WHAT HAPPENS TO MY BENEFITS UPON COMPLETION OF THE TRANSITIONING PERIOD?

ANSWER:

At the time of separation, a participant must be at least 60 years of age and will be designated as a "Retiree." Retirees receive the following benefits, which are offered in conjunction with the transitioning program, under the College's benefit plans:

- **Group medical coverage** will be available to a Participant and the Participant's eligible dependent(s) until the Participant or the Participant's eligible dependent(s), as the case may be, become(s) eligible for Medicare benefits or attain(s) age 65, whichever occurs first. These benefits are provided as long as the Participant and the dependent(s) are enrolled in the College's health care plan as of the Separation Date. If the participant was hired prior to January 1, 2007 and meets the age and length of service eligibility requirements for retirement, the College will pay the full cost of premiums for group medical coverage for the Participant and will charge the COBRA rate for the Participant's eligible dependent(s). The College reserves the right to change the amount they contribute to the cost of the Participant's coverage. If the Participant was hired after January 1, 2007, the Participant may continue their group medical coverage and their eligible dependent(s) coverage and the Participant will be charged the COBRA rate. The Participant will be responsible for timely payment of their portion of the premium or the entire premium depending on their hire date with the College. Plan options and plan provisions will be the same as for active employees and are subject to change at any time by the College. Group medical coverage will terminate for a Participant and the Participant's dependent(s) if the Participant becomes eligible for medical coverage through employment with another employer. The Participant is required to notify the College immediately upon becoming eligible for medical coverage through employment with another employer.

- **Dental coverage** will be available to a Participant and the Participant's eligible dependents until the Participant or the Participant's eligible dependent(s), as the case may be, become(s) eligible for Medicare benefits, or attain(s) age 65, whichever occurs first. These benefits are provided as long as the Participant and the Participant's dependent(s) are enrolled in the College's dental plan as of the Separation Date. The Participant will be required to pay the full premium, at the COBRA group rate, for the dental coverage. Plan options and plan provisions will be the same as for active employees and are subject to change at any time by the College. Dental coverage will terminate for a Participant and the Participant's dependent(s) if the Participant becomes eligible for dental coverage through employment with another employer. The Participant is required to notify the College immediately upon becoming eligible for dental coverage through employment with another employer.

- **Educational benefits** will be available for a Participant, a spouse to whom a Participant is legally married or a grandfathered qualified domestic partner, and for any natural born children who are legally adopted, or legally dependent on the Participant according to the Internal Revenue definition at the time the Participant's employment with the College terminates. The spouse/grandfathered domestic partner and/or child(ren) must be identified in the Agreement. The benefits will be provided in accordance with the eligibility requirements and other provisions of the College's Educational Benefit Plan. The benefits offered under the Educational Benefit Plan may constitute taxable income for some Participants. The College reserves the right to change the benefits if, in the future, the Educational Benefit Plan is modified for active employees. The benefits currently are as follows (subject to the terms of the Educational Benefit Plan):

    - Eligible dependents who are enrolled at the College as of the Participant's Separation Date will continue to receive their tuition remission benefits.

- Eligible dependents who are not enrolled at the College as of the Participant’s Separation Date will remain eligible for tuition remission benefits.

- Eligible dependent children who are currently enrolled at another institution as of the Participant’s Separation Date will continue to receive the cash award benefit.

- Participants may continue to enroll for up to 8 credits per semester.

- **A life insurance benefit** in the amount of $5,000 will be continued for the life of the Participant at the College’s expense. A Participant also has the option of converting the remaining amount of the life insurance coverage in effect as of the Separation Date. For example, if the Participant had $50,000 of coverage, the Participant may convert up to $45,000 to an individual policy, premiums for which shall be paid by the Participant.

- **Vacation pay** (if applicable) for accumulated unused vacation will be paid in a lump sum as soon as administratively feasible after the Separation Date.

WHAT IS COBRA AND WHAT ARE MY RIGHTS UNDER THE TRANSITIONING AGREEMENT?

ANSWER:

The Consolidated Omnibus Budget Reconciliation Act (COBRA) was passed by Congress in 1985 providing continuation of group health coverage that otherwise would be terminated. COBRA contains provisions of giving certain former employees, spouses and dependent children the right to temporary continuation of health coverage at group premium rates for certain qualifying events.

For those employees who elect to participate in the Transitioning to Retirement Plan, the continuation of group medical and/or dental coverage outlined in the Program will be in lieu of the participant's and participant's spouse and/or dependents' rights to the continuation of medical coverage under COBRA. However, if a participant dies, divorces or becomes entitled to Medicare benefits while receiving medical coverage under the Program, the participant's spouse or dependents may elect to continue coverage under the group plan, at their own expense, for a period of up to 36 months from the date of the event, unless coverage under the Program ends earlier for a spouse and/or dependent because the spouse and/or dependent becomes covered under another group health plan and either (i) the other plan does not contain any exclusion or limitation with respect to any preexisting condition of the spouse/dependent or (ii) the exclusion limitation in the other plan either does not apply to the spouse/dependent or has been satisfied under applicable law.

WHAT ARE THE CIRCUMSTANCES THAT COULD CAUSE LOSS OF BENEFITS?

ANSWER:

The benefits described in this Program will be forfeited by any Participant who is discharged for misconduct or violation of the College’s policies at any time on or before the mutually agreed upon Separation Date. Further, the College reserves the right to deny the benefits described under this Program to any Participant who separates from service prior to, or fails to provide the services required of the Participant through, the mutually agreed upon Separation Date.

WHAT ARE MY TENURE RIGHTS AS A FACULTY MEMBER?

ANSWER:

A faculty member who participates in the Program maintains their tenure status for the duration of the Agreement.

HOW LONG WILL THIS PLAN BE AVAILABLE TO STAFF AND FACULTY?

ANSWER:

The College reserves the right to discontinue the program, but will give one year's notice of such termination.

WHO WILL DETERMINE THE WORK SCHEDULE DURING THE TRANSITION PERIOD?

ANSWER:

Working hours/schedule will be determined by the individual's Supervisor or Dean/Provost and Senior Vice President for Academic Affairs in accordance with department needs and/or teaching schedule each semester/year.

AFTER SEPARATION FROM SERVICE, CAN A PLAN PARTICIPANT CHANGE HEALTH INSURANCE COVERAGE DURING THE ANNUAL RE-ENROLLMENT PERIOD?

ANSWER:

As long as a plan participant is an active member in one of the College's medical/dental plans at the time of separation of service, the participant will be given the option (the same as all active employees) of changing to another medical/dental plan offered by the College during the re-enrollment period until the age of 65 or Medicare eligibility (whichever occurs first).

IS THE COLLEGE OFFERING AN INCENTIVE FOR PARTICIPANTS OF THE TRANSITIONING TO RETIRMEMENT PLAN?

ANSWER:

The College is offering a 10% incentive salary increase above the reduced percent of full-time to plan participants who elect this plan for the duration of the transition period of time.

HOW WILL A PARTICIPANT'S SALARY BE CALCULATED IF THE PARTICIPANT CHOOSES TO REDUCE HIS/HER COMMITMENT?

ANSWER:

Example #1:

If a participant earns $50,000 (Base Salary) and reduces their commitment to 50%, the prorated amount will be calculated at 60% of the base salary (50% + 10% transition increase). Therefore, 60% of $50,000 would equal $30,000 (Transition Salary).

Example #2:

If a participant earns $50,000 (Base Salary) and reduces their commitment to 75%, the prorated amount will be calculated at 85% of the base salary (75% + 10% transition increase). Therefore, 85% of $50,000 would equal $42,500 (Transition Salary).

CAN A PARTICIPANT ELECT TO CHANGE THE PERCENTAGE AFTER THE FIRST YEAR?

ANSWER:

Yes, a participating staff member can elect a minimum of 50% full-time for the first year and an alternate percentage for the following year until the transition period is completed. For a faculty member, the percent of full-time must be 58-75% during the Transition Period.

WHAT AMOUNT OF SALARY WILL THE COLLEGE'S CONTRIBUTION TO THE ITHACA COLLEGE 403(B) RETIREMENT PLAN BE BASED UPON?

ANSWER:

The College's contribution is based upon the participant's transition salary. In order to receive the College's employer contribution, a participant must be actively contributing the minimum required employee deferral contribution at the time the agreement is signed and executed.

WHAT ARE THE TAX CONSEQUENCES FOR PARTICIPANTS?

ANSWER:

The College does not render tax or investment advice. Therefore, participants should consult with an advisor regarding tax treatment of the benefits described under this Program.

This Summary is meant for informational purposes only. The formal Transitioning to Retirement Agreement governs the regulations set forth for the Plan. Please call the Office of Human Resources for further information at 607-274-8000.

Effective Date: June 1, 1999
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