EARLY RETIREMENT PLAN

Eligible employees may apply for the Early Retirement Plan.

The President shall establish procedures regarding employees volunteering for the Early Retirement Plan.
EARLY RETIREMENT PLAN

Employees may apply for the Early Retirement Plan, hereinafter referred to as The Plan, upon becoming eligible as described in these procedures.

The principal purpose of the Early Retirement Plan is to allow eligible employees to seek separation from College employment. The College’s primary interest is the potential financial savings, although other interests may be a consideration. A potential financial savings results when an entry-level employee is hired to replace an employee at the high end of his or her pay range. The employee may gain financial benefit from early retirement so they can pursue other interests.

Participation in The Plan is voluntary and is a privilege but not a right. The benefits provided by The Plan are in consideration of both the employee’s waiver of claims and of his or her continued employment with the College.

Eligibility for the Early Retirement Plan
Upon notification The Plan will be implemented in any given year, an employee may apply for participation if:

1. By June 30 of the fiscal year in which an application is made (the application year), the applicant will have accumulated a minimum of 70 points based upon a calculation including both age and number of years of full time service to the College; and

2. By June 30 of an application year, the applicant will have a minimum of ten (10) consecutive years of full-time service to the College. (Past approved paid leaves count as service credit.); and

3. By June 30 of an application year, the applicant will have attained the minimum age of 57, but will be less than his/her full retirement age as defined by the U.S. Social Security Administration; and

4. The applicant is a full-time employee at the time of application; and

5. The applicant’s position is not funded 50% or more with federal and/or state grant monies.

Annual Determination of Plan Feasibility
By September 15 of each year, the Human Resources office will determine whether or not the Early Retirement Plan will be offered in the up-coming application year and will so notify all
eligible candidates. If the calculations for approving the appropriate number of applicants reveal a projected cost increase, the plan will not be offered.

Criteria for Calculating Eligibility, Early Retirement Benefits, and College Savings:
The following calculations and assumptions will be used to calculate eligibility, early retirement benefits, and College savings:

1) It is assumed that ALL employees described in #2 below will apply for the Early Retirement benefits.
2) It is assumed that every eligible employee will take early retirement at age 60, unless a greater age is needed to meet the ten (10) year minimum service requirement or the age plus years of service requirement.
3) When determining the projected costs for the next five application years, actual savings or losses incurred by the College as a result of prior early retirements will be factored into the calculation.
4) It is assumed that an early retiree will be replaced with a full-time employee. The President will determine the salary of the replacement employee upon consultation with the appropriate Vice President, Division Chair and the Human Resources office.
5) It is assumed that the current salaries will not change for the entire five year period of cost projection.
6) To determine whether or not there will be a projected cost increase or savings, the total cost of salaries and benefits for eligible employees (age 60 and older) will be compared with the total cost of the early retirement incentives and associated benefits. The cost of the salaries and benefits of the replacement employees will be added to the calculation. The total cost of the early retirement incentives and associated benefits in the five year calculation will be reduced by any contribution to health insurance premiums made on behalf of a retiree by the State of Wyoming under the retiree health insurance program.
7) Should the College exercise its option to pay off an individual’s early retirement incentive prior to the scheduled pay-off date, the original pay-off schedule will be used in future calculations so that the projected savings or losses for the five year period will not be affected.

Application for the Early Retirement Plan
Upon notification of plan implementation, employees desiring to make application for the financial benefits provided by The Plan, must submit a completed application to the Human Resources office no later than January 20th of a given year to be considered for implementation in the next fiscal year. The forms for an application to The Plan are provided by the Human Resources office.

At its sole discretion, the Board of Trustees shall determine which applications, if any, shall be approved. The Board will make a decision on each completed application not later than the regular Board meeting scheduled in February of a given year. The applicant will be notified of
this decision as soon as possible. After the Board’s approval, the applicant will be given up to forty-five (45) calendar days to sign the Early Retirement Agreement and Release form. After the employee has signed the Early Retirement Agreement and Release form and submitted it to the Human Resources office, the employee has seven (7) calendar days to revoke his/her Early Retirement Agreement and Release.

**Early Retirement Plan Incentive Payments**

For those applications approved by the Board, the College will pay the participant an annual incentive amount as follows: 20 percent of his/her gross yearly earnings based on his/her last full year of employment not to exceed the participant’s estimated single Social Security benefit at full retirement age. Gross yearly earnings do not include any special pay such as for overtime or overload, summer school pay, division chair pay, pay for conducting workshops or training, or pay for adult education classes. Furthermore, the calculation of gross yearly earnings is not affected by any temporary reduction in pay, such as disability, workers compensation, or leave with pay. For purposes of the calculation of gross yearly earnings, the maximum-allowable figure is an amount equal to 215% of the salary schedule base for full-time faculty at the time the application for early retirement is submitted.

This annual incentive pay will begin on the date agreeable to both the participant and the College. The participant will receive annual incentive pay in equal monthly installments for five (5) years or until full retirement age, whichever comes first.

The College will deduct from each gross incentive payment, FICA taxes and other deductions required by law. Early retirement incentive payments will cease the first day of the month following 60 months or the first day of the month following the attainment of full retirement age, whichever comes first. Should the participant die before receiving the total amount of incentive payments due him/her, the College will continue the payments to the participant’s designated beneficiary for the remainder of the term of the signed agreement.

Within ninety (90) calendar days’ written notice, the College reserves the right to pay any remaining early retirement plan incentive payments due the participant. However, should this option be exercised, the medical and life insurance benefits will continue through the term of the agreement as originally planned.

**Early Retirement Plan Benefits**

Except as provided herein below, the Early Retirement Plan participant will receive medical and life insurance benefits (single coverage) to the same extent as received by full-time College employees for a period of five (5) years or until the participant is eligible for Medicare, whichever comes first. The coverage is subject to the rules of the State of Wyoming Group Insurance Office governing early retirees. If the participant dies during the term of the agreement, all medical and life insurance benefits will cease. Participants may not elect to take cash in lieu of this benefit and must participate in the same plan as offered to College employees.
Should the annual determination of plan feasibility in a given year reveal that there would be a cost increase, the College’s contribution to single medical and life insurance premium cost will be reduced as necessary to negate the cost increase, thus allowing the plan to be offered in the ensuing fiscal year. The College’s contribution in this event, expressed as a percentage of insurance premium cost, will not be reduced throughout the early retirement agreement executed between the College and the early retiree. Early retirees receiving a contribution from the College toward the cost of medical and life insurance premiums at the time of adoption of this change in procedure will continue to receive the then-prevailing College contribution to medical and life insurance premium costs as set forth in the agreement.

Should a future annual determination of plan feasibility reveal that a lesser reduction (or no reduction) is necessary, then the College’s contribution to medical and life insurance premium cost, expressed as a percentage of premium cost, will be increased accordingly for all existing early retirees who receive a College contribution toward the cost of the medical and life insurance coverage which is less than the most recent calculation. This will become effective on July 1 of the fiscal year applicable to the calculation of the annual determination of plan feasibility.

College contributions to TIAA-CREF/Wyoming Retirement System will cease as will payments of the Institutional benefits in the event the participant retains other benefits.

Continuing Part-time Employment
The College may re-employ participants who are in The Plan on a part-time basis with the President’s approval. This will not affect the financial benefits to the participant.

Administration of the Program
The Director of Human Resources will administer the Early Retirement Plan program and annually review its fiscal effectiveness. He or she will advise the President of the program’s legal and fiscal condition.

The Board of Trustees can modify or discontinue the program at any time; however, any action by the Board will not affect participants who have already retired and are active participants in The Plan, except as provided below.

This program does not obligate the College’s budgets nor can it be enforced any more than other College employment contracts. Furthermore, its execution is subject to the availability of adequate monies budgeted for paying for personal services.