



## **INCENTIVE RETIREMENT PLAN POLICY**

1. All faculty and professional employees of the University of Maine System who are enrolled in the University of Maine System Retirement Plan for Faculty and Professional Employees may elect to retire at any age after 55. For represented faculty (AFUM) and non-represented faculty (excluding Law Faculty), the Incentive Retirement Plan is available only to those employed before July 1, 1996. For represented and non-represented professional employees (including Law Faculty), the Incentive Retirement Plan is available only to those employed before July 1, 2006. An employee must be employed by the University of Maine System on or before the date the IRP eligibility ceased for the bargaining unit or employment category. For example, employees who are represented and non-represented faculty (excluding Law Faculty) at the date of retirement must have been employed by UMS in any full-time regular continuous capacity prior to July 1, 1996. Employees who are represented professional and non-represented professional (including Law Faculty) at the date of retirement must have been employed by UMS in any full-time regular continuous capacity prior to July 1, 2006.
2. The retiring employee must have at least 10 years of continuous regular service immediately prior to retirement to be eligible. Completed years of service means full-time equivalent.
3. If the retirement application has been approved, upon retirement, a lump sum contribution will be made directly to the employee's basic TIAA or CREF or Alternate Approved Vendor account. This lump sum will be calculated at 1 1/2% times completed years of continuous regular service immediately prior to retirement times the final annual base salary (maximum of 27 years). Completed years of service means full-time equivalent.
4. The lump sum may be tax-sheltered up to the maximum allowable under IRS provisions. Any remaining amount shall be deposited in the employee's basic retirement account in the next January following the date of retirement up to the maximum possible under IRS regulations. If at that time any of the lump sum remains to be paid after this second payment, the employee may elect to receive that amount as taxable income with interest credited from the date of retirement. If the employee

does not elect to receive this amount as income, it shall be deposited in the employee's basic retirement account in the following January, in accordance with IRS rules.

5. The cost for each retiree will be monitored by and be the responsibility of the campus or unit. No additional funds will be requested as a result of implementing this policy.
6. Applications for retirement should be initiated as early as possible and not later than 90 days prior to the employee's proposed retirement date. The application may be obtained from the appropriate Benefits/Human Resources Office.
7. The application should be completed by the retiring employee and presented to the immediate supervisor for appropriate completion. It should then go to the Office of the President/Chancellor for final approval.
8. Applications by faculty with teaching responsibilities, which would result in retirement during a semester, shall not normally be permitted.
9. At least 30 days prior to the employee's retirement date, the completed application should be sent to the Director of Employee Benefits, 16 Central Street, Bangor, Maine. The designated amount will be remitted to TIAA-CREF or Alternate Approved Vendors, to be added to the employee's accumulated benefit.
10. The University System Office of Human Resources will be responsible for all liaison and remittance of payments to TIAA-CREF or Alternate Approved Vendors.

**NOTE:** This program is available to eligible employees enrolled in the Civil Service Retirement System (CSRS) and TIAA-CREF or Alternate Approved Vendors. The lump sum payment will be calculated using final annual base salary under the provisions stated above.

For eligible employees participating in the University's Partial/Phased Retirement Program (PPRP), those with Benefits Regular (BR) status, or those with Shared Appointments, the incentive is based on a full-time equivalent salary at the time of retirement.

Former hourly employees who become professional are eligible for the Incentive Retirement Plan, provided the employee has at least 10 years of continuous full-time regular equivalent University service. The lump sum payment will be calculated at 1 1/2% times years of continuous regular service immediately prior to retirement (maximum 27 years) times retiring annual base salary. Completed years of service means full-time equivalent.

