

FY 2010 Retirement Incentive Program

Frequently Asked Questions

- 1. Is January 4, 2010 the deadline for HR or the supervisor to receive the intent to retire?**
 - a. January 4th is the deadline for HR to receive the intent notice.

- 2. Would the Election Form be considered a “notice of intent” if only the form was received by 1/4/10?**
 - a. No, the employee must submit a separate written notice of intent to retire.

- 3. Are employees who are currently participating in the Partial Phased Retirement Program eligible for this special incentive?**
 - a. Yes. If the employee wished to retire by June 30, 2010 and that would require a modification in the terms of the Partial/Phased Retirement (PPRP) Agreement, the employee must submit a request to change the ending date of the PPRP. The request to change the PPRP must be reviewed by the university and forwarded with the President’s recommendation to the Chancellor for approval.

- 4. Can an employee with a nine-month appointment retire August 31 and receive the incentive?**
 - a. Yes, employees with work years of less than 12 months (e.g., 9 month appointment or student calendar year appointment) may retire at the end of the work year, continue to receive accrued salary payments through August 31, and be eligible for the special incentive. The work year and all work obligations must end on or before June 30, 2010, and any salary payments after June 30 will be only for salary earned during the work year.

- 5. What if the retiree’s coverage level changes during the incentive period?**
 - a. The incentive period elected originally on the Form will not change. However, the premium rate will change according to the new coverage level. For example, if a retiree chose option 1 (single premium for 18 months) and after 6 months married and added the new spouse to the health plan, the retiree would continue to receive the incentive on the single premium for the remaining 12 months of the incentive period and be responsible for paying the full cost of the dependent’s premium. Alternatively, if the retiree chose option 2 (2-person coverage for 9 months) and after 5 months dropped the spousal coverage, the incentive period would continue for the remaining 4 months and the retiree would be responsible for paying the single active premium rate.

- 6. What if the retiree or the spouse reaches age 65 during the incentive period?**

- a. The incentive period elected originally on the Form will not change. However, the premium rate will change according to the retiree/spouse enrollment in the SmartValue health plan, similarly to the example noted in #5 above.

7. Why does the Election Form need to be submitted 30 days before the retirement date?

- a. In order to avoid potential tax consequences associated with this benefit, the Election Form must be completed a minimum of 30 days prior to your actual retirement.