

INDIAN HILLS COMMUNITY COLLEGE VOLUNTARY EARLY RETIREMENT PLAN

Indian Hills Community College has available for eligible college employees a voluntary early retirement program. The terms and conditions are set forth in this document.

The College will not discriminate against any employee on the basis of race, color, national origin, sex, disability, age (employment), sexual orientation, gender identity, creed, religion, and actual or potential parental, family, or marital status through the application or administration of this plan.

The College reserves the right to determine whether any retirement benefits will be paid in a given year, and if so, to determine how many employees will be granted benefits. The College expressly reserves the right to reject any application for retirement benefits.

Eligibility

A full-time employee is eligible for retirement if all of the following conditions are met.

1. Has reached the age of 55 at the actual date of retirement.
2. Has been continually employed full time by the College for the most previous 10 years, has been eligible for coverage by the college's group health plan during those 10 years, and is actively employed during the last employment year prior to early retirement. Approved leaves of absences (ex. furloughs) will count as consecutive but not as years of service.
3. Is not involved in termination procedures with the College.
4. An employee who has submitted a letter of retirement approved by the Board of Directors within 31 days prior to the early retirement offering but has not effectively retired is eligible for the early retirement benefits outlined in this plan provided all other terms are fulfilled.
5. Is not eligible for, applying for, or receiving benefits under the College's group long-term disability insurance plan.
6. Has not previously received early retirement benefits from the College.
7. Submits an application for early retirement and letter of resignation to the IHCC Human Resources Office during the open period that begins December 1 and closes at 4:45 p.m. on the last Thursday in January each academic year.

Terms

1. The employee must submit a completed application for early retirement. A letter of resignation which states the last date of employment and is contingent on acceptance of the application for early retirement must accompany the application.

2. Having made application for early retirement will not alter the current employment status of an applicant whose application for early retirement is not accepted by the Board of Trustees.
3. Retirement will begin at the end of the retiree's current employment year. Other dates may be considered if agreed upon by the College President and approved by the Board of Trustees. Faculty early retirements must coincide with the end of a college term unless an alternate date is agreed to by the College President.
4. The employee is not eligible for full-time employment by the College after early retirement.
5. The employee is eligible for occasional part-time employment by the College or on a temporary casual assignment at the sole discretion of the College. However, the employee must have a "sit-out" period of at least 6 months after their retirement date.
6. The College intends to establish appropriate reserves for the plan in accordance with generally accepted accounting principles. Such reserves shall be part of the restricted general fund of the College and no participant or other person claiming a right under the plan shall have any interest, right, or title to such reserve.
7. This early retirement plan is intended to be a continual offering upon Indian Hills Community College Board of Trustees approval on October 14, 2019, and until further Board action alters or discontinues the plan.
8. Determination of eligibility will be made by the College President and approved by the IHCC Board of Trustees.
9. Notwithstanding anything herein to the contrary, should any portion of this program be in conflict with state or federal rules, regulations, or laws, that portion of the program shall be invalid and all other portions shall remain in full force and effect.

Insurance Benefit

1. Retirees participating in the College health insurance plan as of the beginning of the employment year in which the employee applied for early retirement are eligible to receive a health insurance benefit. The health insurance offering will be the highest deductible plan available at time of application for eligible retirement. This insurance benefit premium amount will be paid the first day of the month following the date of retirement until such time as the retiree accepts other employment that offers paid health benefits or the retired employee becomes eligible for Medicare.
2. Retirees not participating in the College health insurance plan as of the beginning of the employment year in which the employee applied for early retirement are eligible to receive monthly cash payments equaling 90% of the insurance benefit premium amount as defined in item 1 above. This amount will be paid beginning with the month following the retirement date. This payment will end at such time as the retiree accepts other employment that offers paid health benefits, the retiree becomes eligible for Medicare, or upon the death of the retiree, whichever occurs first. The payments will be subject to all applicable state and federal taxes, including FICA and Medicare. These funds are not

eligible wages for retirement benefits (IPERS/TIAA) and no contributions will be deducted from this amount.

3. Any increase in the cost of insurance will be borne by the retiree after his/her date of retirement.
4. The retiree will pay any cost of insurance premiums beyond what is paid by the College to the Business Office by the first day of the month of coverage. Failure to do so will result in cancellation of insurance benefits.
5. The College reserves the right to alter the health insurance coverage of participants so it is consistent to the health insurance coverage provided to IHCC employees. The College in no way guarantees that a participating employee will be provided any certain level of benefits during the time of the employee's participation in the insurance benefits portion of the incented retirement program.
6. A spouse covered at the time of the employee's retirement may continue coverage, at the retiree's expense, until the spouse turns 65 as long as the spouse remains covered under the plan. Once the spouse is dropped from coverage, he/she cannot come back on the plan.
7. The employee may continue coverage, at the employee's expense, for his/her dependents equal to that carried by the retiree in compliance with the College's insurance plan's guidelines for dependent coverage. Once a dependent is dropped from coverage, he/she cannot come back on the plan.
8. In the event of the death of a retiree, all health insurance contributions by the College shall cease. The spouse/dependents may continue coverage under COBRA provisions if they elect to do so.
9. In order for any dependents to be covered under this insurance offering, the employee must be covered under the benefit.
10. The College insurance will be secondary payer to any other insurance carried by the retiree's spouse if he/she is covered under IHCC's retirement insurance. The retiree and his/her spouse are not required to carry any other employer offered health insurance.

Monetary Benefits

1. The monetary benefit for eligible employees will be calculated as 1% of salary for every year of service. The maximum monetary benefit will not exceed \$20,000.
2. The cash portion of incented retirement benefits shall be paid in one lump sum to a non-elective 403(b) plan of the College's choice, not to exceed annual IRS 415 limits. The payment will be made on the next regular pay date following retirement. Federal and State taxes, along with FICA, shall not be withheld from the early retirement cash payments.
3. These payments are not eligible wages for retirement benefits (IPERS/TIAA) and no contributions will be deducted from this amount.

4. If the retired employee dies prior to receiving full payment, the balance will be paid to the employee's estate. No payment will be paid if the participant dies on or prior to the effective date of his/her retirement.

Definition of Terms

1. **Continuous employment:** Continuous employment must be without any interruptions of service and will be counted through the employee's retirement date.
2. **Employment year:** Employment year of the employee's most recent contract or letter of employment.
3. **Full time employment:** Employment that meets the conditions of eligibility for coverage of IHCC group health insurance.
4. **Years of service:** Years of service must be consecutive and all years used to establish eligibility must be years of service as a full-time employee or eligible for coverage of IHCC group health insurance.

INDIAN HILLS COMMUNITY COLLEGE
VOLUNTARY EARLY RETIREMENT

Application for Early Retirement

I hereby request early retirement benefits in accordance with the Indian Hills Community College Early Retirement Plan.

I have received a copy of the Early Retirement Plan. I have reviewed and accept the terms of the plan. I also acknowledge that this application for early retirement is knowing and voluntary and that the College assumes no responsibility for the tax consequences of the Plan.

Dated this _____ day of _____, 20____.

Employee name printed or typed

Employee signature

Date

Received: _____

Date: _____

Approved:

Human Resources: _____

Date: _____

College President: _____

Date: _____

Board of Trustees Approval

Date: _____