

BP: 7100**EARLY RETIREMENT - 1997**

It is recognized by the Board of Education of the Southwestern Oregon Community College District that in certain instances early retirement by College employees may mutually benefit both the employee and the College. It is therefore the procedure of the Board of Education that when an employee requests early retirement according to this procedure and where such mutuality of benefits from early retirement is determined and approved by the Board, the College shall provide the early retirement incentives in Sections 1 and 2.

In any one year the total liability for the College will be no more than \$150,000 for the costs of early retiree health insurance and Medicare supplement payments.

For employees hired on or after July 1, 1997 to apply for early retirement incentives, they shall have a minimum of twenty (20) years of full-time employment with the College, shall be 58 years of age and shall be eligible for early retirement under the Public Employees Retirement System. The College's contribution to the early retiree's health insurance coverage shall be capped at 75% of the cost of the plan until the employee reaches his or her sixty-fifth (65) birthday.

An employee hired prior to July 1, 1997 who desires to apply for early retirement incentives shall have a minimum of ten years employment with the College, shall be 55 years of age and shall be eligible for retirement under the Public Employees Retirement System.

1. Insurance Coverages

- A. For Early Retirees Before Age 65: The College shall contribute to a group medical insurance plan and to a group dental insurance plan for the early retired employee and his/her spouse. The contribution to medical and dental coverage shall occur until the employee reaches his or her sixty-fifth (65) birthday or until the early retiree's death. After the sixty-fifth birthday, the retiree shall receive the benefits in subsection B. College contributions to a group medical insurance plan will be suspended when retiree accepts employment and when the employment provides comparable medical insurance coverage for the retiree. The retiree shall notify the College upon accepting employment that provides a group medical insurance plan.
- B. For Retirees at Age 65: The College shall contribute up to \$62 per month towards a Medicare supplement procedure. For the employee's spouse, before age 65, the College shall contribute to a group medical insurance plan and at age 65, up to \$62 per month toward a Medicare supplement procedure. Benefits shall continue until the retired employee reaches his/her seventieth (70) birthday or until the retired employee dies.
- C. In the event of the death of the retired employee, the spouse shall have the option of continuing group medical and dental insurance until he/she is eligible for Medicare. The spouse shall reimburse the College for the coverage.
- D. Definition for Section 1:
 - 1) Group Medical Insurance Plan. The medical insurance plan the early retiree would be enrolled in if currently employed with pre-retirement status.
 - 2) Group Dental Insurance Plan. The dental insurance plan the early retiree would be enrolled in if currently employed with pre-retirement status.
 - 3) College Contribution. The ratio of the College's contribution to the total cost for the group medical insurance and dental insurance plans according to the individual coverage rate schedule that was in effect at the date of early retirement.

2. Payment Incentive

- A. An incentive to early retirement shall be paid to employees who early retire according to this procedure before age 65. Payment shall be calculated using one-half of the accumulated unused sick

leave days times the employee's daily pay rate at the time the early retirement contract is approved by the College Board times an incentive adjustment rate. Based on the age at early retirement, the following incentive adjustment rate will be used to determine the payment:

Retirement at Age	Incentive Adjustment Rate
55-60	100%
61	80%
62	60%
63	40%
64	20%
65	0%

- B. An employee who is willing to accept insurance coverage in a College insurance group with a lower premium rate than the coverage the employee would be eligible for may request an upward adjustment to the payment incentive for the amount of the difference.
- C. The early retiree may accept the payment with his/her final paycheck, or in twelve (12) equal monthly installments during the first year of his/her early retirement.

NOTHING IN THE PROCEDURE SHALL BE CONSTRUED TO DENY EMPLOYEES WHO EARLY RETIRE ANY OTHER EARLY RETIREMENT BENEFITS TO WHICH THEY ARE OTHERWISE ENTITLED, NOR SHALL THIS PROCEDURE BE CONSTRUED TO REQUIRE THE BOARD OF EDUCATION TO GRANT EARLY RETIREMENT INCENTIVES TO ANY APPLICANT.

- *Approved by Southwestern Administration: February 10, 1997*
- *Approved by the Board of Education: February 18, 1997*

EARLY RETIREMENT - 2002

The Board of Education of the Southwestern Oregon Community College District ("the Board") recognizes that early retirement by employees of the College may, in certain instances, mutually benefit both the employee and the College. Accordingly, an employee may request early retirement under the terms of this procedure, and the Board may approve such early retirement if it determines, in its sole discretion, that a mutual benefit exists. The effective date of this procedure is March 1, 2002.

Notwithstanding the foregoing, the Board may, in its discretion, refuse to grant any request for early retirement under this procedure if the total cost of the early retirement program to the College for the next academic year is projected to exceed \$250,000, based on a rolling six-year average. The Board's decision to waive this limitation in any given year shall not result in a waiver of its right to apply the limitation in a subsequent year.

No person shall have any rights or expectations regarding early retirement under this procedure prior to receiving written notice of approval for early retirement signed by the Chair of the Board of Education. No individual early retirement contracts shall be issued during the life of this procedure. Except as provided by law or separate written agreement, this procedure may be modified or revoked at any time as to any person who has not received such written notice.

1. Eligibility to Request Early Retirement

An employee of the College may request early retirement under this procedure if the employee:

- A. Is at least 58 years of age and has been employed at the College the equivalent of 20 years full-time, or
- B. Has been employed by the College the equivalent of 30 years full-time.

Definition: Full-time is 2,080 compensated regular hours in a calendar year or 45 workload credits in an academic year.

Requests must be made in writing to the Vice President of Administrative Services between September 1 and October 1 for retirement effective at any date in the subsequent fiscal year. Requests will be considered in the order of the longest continuous employment with the College. In the event that two or more employees requesting early retirement in the same year have the same number of years of continuous employment, the employee with the earlier hire date will be considered first.

2. Insurance Coverage

A. Terms of Coverage

- 1) For Early Retirees Before the Age of Medicare Eligibility. The College shall contribute to a Group Medical and Vision Insurance Plan and to a Group Dental Insurance Plan for the retiree as provided in Section 2.B.3) below. The retiree may elect to cover family members and domestic partners who are eligible under the group plan at the time of retirement. The College's contributions shall continue until the retiree reaches the age of Medicare eligibility, except as stated in Section 2.A.2).
- 2) Termination of Contributions Prior to the Age of Medicare Eligibility. The College's contributions shall cease upon the occurrence of the following:
 - a. The death of the retiree before the age of Medicare eligibility; or
 - b. The retiree accepts employment and when the employment provides comparable medical insurance coverage for the retiree.

The retiree, or the retiree's legal representative, must promptly notify the Vice President of Administrative Services, in writing, if either of the foregoing events occurs.

In the event the College's contributions cease as provided in Section 2.A.2) or because the retiree reaches the age of Medicare eligibility, the retiree's spouse or domestic partner shall be allowed to continue coverage under the group plan, at his or her own expense, provided the retiree had elected to cover the spouse or domestic partner as provided in Section 2.A.1).

- 3) Contributions for Retirees After the Age of Medicare Eligibility. The College's contributions to the group medical or dental plans shall cease when the retiree reaches the age of Medicare eligibility, unless they have earlier ceased under Section 2.A.2). At the age of Medicare eligibility, if the retiree elects to purchase a Medicare supplement procedure, the retiree may request the College reimburse them to a maximum amount of \$62 per month, unless a greater amount is required by law. The contributions to the Medicare supplement shall continue until the retiree reaches age 70, except as stated in Section 2.A.4). The retiree shall be reimbursed in the amount of up to \$62 per month upon presenting proof of payment to a Medicare supplement.
- 4) Termination of Medicare Supplement Prior to Age 70. The College's contribution to the Medicare Supplement shall cease before the retiree reaches age 70 upon the occurrence of the following:
 - a. The death of the retiree before age 70; or
 - b. The retiree accepts employment and when the employment provides comparable medical insurance coverage for the retiree.

B. Definitions

- 1) Group Medical/Vision Insurance Plan. Any medical/vision insurance plan that the College provides for active employees in the retiree's job classification at early retirement.
- 2) Group Dental Insurance Plan. Any dental insurance plan that the College provides for active employees in the retiree's job classification at early retirement.
- 3) Amount of College's Contribution:
 - a. For employees that retired before March 1, 2002, the College's contributions shall continue to be governed by the terms of the early retirement procedure in effect at the time of retirement.
 - b. For employees that receive notice of approval for early retirement after March 1, 2002, the College shall make a single monthly contribution toward the combined medical/vision and/or dental plan, at the employee's election, as follows:
 - The cost of the plan up to \$250 per month for an employee who retires with at least 20, but less than 25, years of full-time employment or at least 41,600, but less than 52,000, hours of compensated employment with the College;
 - The cost of the plan up to \$300 per month for an employee who retires with at least 25, but less than 30, years of full-time employment or at least 52,000, but less than 62,400, hours of compensated employment with the College;
 - The cost of the plan up to \$350 per month for an employee who retires with at least 30 years of full-time employment or 62,400 hours of compensated employment with the College.
 - c. The above contribution amounts shall increase each year on January 1 by 3%, or the July through June Portland Consumer Price Index, whichever is less.
 - d. The College shall tender its contribution payments only to the applicable insurance provider. No retiree, spouse, domestic partner or dependent shall be entitled, under any circumstances, to claim or receive payment directly from the College.
- 4) Early Retirement. Retirement at an age less than full Social Security benefits eligibility.

3. Accrued Sick Leave Payment

An employee who retires under this procedure shall receive a payment equal to one-half of his or her accumulated unused sick leave hours, multiplied by the employee's daily rate of pay at the time of retirement, multiplied by the applicable adjustment rate set forth below:

Years of Continuous Employment	Adjustment Rate
At least 20 but less than 25	50%
At least 25 but less than 30	75%
At least 30	100%

The retiree may request, prior to the date of retirement, that the payment be made in 12 equal monthly installments during the first year of retirement. Absent such a request in writing, the entire amount will be paid in the retiree's final paycheck.

THIS PROCEDURE IS NOT A CONTRACT OR PROMISE OF BENEFITS. NOTHING IN THIS PROCEDURE SHALL BE CONSTRUED TO REQUIRE THE BOARD OF EDUCATION TO GRANT EARLY RETIREMENT TO ANY EMPLOYEE.

- *Adopted by the Board of Education:
Procedure # 1.056: May 18, 1987
Revised: February 1989
Revised: October 19, 1992*
- *Adopted by the Board of Education:
Procedure # 6.3.044: February 18, 1997
Revised: January 28, 2002*

END OF POLICY

NOTE: Refer to APP 7100 for 1997 policy amendments due to lawsuit on sick leave buyout.

Administrative Policies and Procedures:
7100

DATE OF ADOPTION: 05/19/14
DATE(S) OF REVISION(S):
DATE OF LAST REVIEW: