

## **DRAFT Policy for Retirement Enhancement Program**

### **Overview**

Voluntary retirement enhancement programs are used by organizations who wish to enter into a mutually beneficial separation agreement with employees when reductions in the budget make it necessary to reduce the workforce. These programs allow for a smooth exit for those employees electing this option while ultimately saving the organization the recurring salary expenditure. Enrollment is voluntary and is available to employees who qualify based on eligibility requirements. The program provides a separation incentive payment to the employee.

### **Objective**

This procedure will assist the University in the facilitation of a retirement incentive program for eligible employees, providing them an attractive option for early separation or retirement while helping to meet the University's budget reduction plan.

### **Program Outline**

#### **I. Eligibility**

An employee must meet the following requirements to be eligible for the Retirement Enhancement Program.

1. Age 65 or older, as of June 30, 2010.
2. Six or more years of active, continuous, creditable service in a faculty or staff benefits eligible position with the University of Florida as of November 23, 2009.

#### **II. Exclusions**

The following employees are excluded from participating in the Retirement Enhancement Program.

1. Employees who are participating in the Deferred Retirement Option Program (DROP).
2. Employees who have previously retired from the University of Florida.
3. Employees who have entered into an agreement with a predetermined employment end date prior to the program implementation start date (October 1, 2009).
4. Any employee who has received notice of termination, notice of non-renewal or cancellation of their employment.
5. OPS/temporary employees.

#### **III. Program Details**

##### *1. Enrollment Period*

The enrollment period will run from October 1, 2009 through January 8, 2010.

##### *2. Completion of Enrollment*

In order to complete the enrollment process, the employee must perform the following:

- a. Submit a completed enrollment form to Retirement Services, Human Resource Services, 903 West University Avenue, Gainesville Florida 32601 by 5:30 P.M. on or before January 8, 2010.
- b. Submit a letter to their supervisor finalizing the employee separation date on or before January 8, 2010. A copy of this signed letter must also be provided to Human Resource Services. The separation date must be on or before June 30, 2010.
- c. Complete a Voluntary Separation Agreement and return a signed copy to Human Resource Services by 5:30 P.M. on or before January 8, 2010.

##### *3. Voluntary Separation Agreement*

Any employee participating in the Retirement Enhancement Program must sign a Separation Agreement releasing the University from any potential liability. This agreement must be submitted

to Human Resource Services on or before January 8, 2010.

4. *Separation Process*

The department must complete the exit checklist which may be found via the following web site: [http://www.hr.ufl.edu/emp\\_relations/forms/exit\\_checklist.pdf](http://www.hr.ufl.edu/emp_relations/forms/exit_checklist.pdf). In addition, the department is responsible for processing an ePAF for the employee's separation and any applicable leave payments after separation in accordance with applicable University policies and procedures.

The employee must:

- a. Resolve the payment of any outstanding debts, including wage overpayments, owed to the University before his or her last date of employment.
- b. Return all UF property before his or her last date of employment.

5. *Separation Payment (Lump-Sum)*

The lump-sum payment will be determined as follows:

- a. For 9 and 10-month faculty and staff, the lump-sum payment will be equivalent to the current base annual salary and FTE of the employee, less applicable employment taxes and deductions.
- b. For 12-month faculty and staff, the lump-sum payment will be equivalent to the current base annual salary and FTE of the employee, less applicable employment taxes and deductions.

No retirement contribution will be made by the University on the Retirement Enhancement Payment. The payment will also not include any health insurance or other employer paid benefit.

Subsequent to the separation from the University, the employee will receive a vacation and/or sick leave payment in accordance with applicable University regulations and policies and Collective Bargaining Agreements that are in place on the date of separation.

6. *Employment Restrictions*

An employee participating in the Retirement Enhancement Program is prohibited from being rehired into a salaried/benefits eligible faculty or staff position. Only with the approval of the appropriate Vice President over the area and the Vice President for Human Resource Services, may a participant be rehired in a temporary non-benefit eligible capacity such as OPS or Adjunct Faculty.