

## Questions and Answers on the Early Retirement Incentive Program

### Questions on Eligibility

- Q1.** What are the general provisions of the Early Retirement Incentive Program (ERIP)?
- A1.** The Early Retirement Incentive Program is a window program that will provide approved applicants paid up health, dental and TIAA CREF benefits into retirement.
- i. ERIP is available to current UNI employees who are 57 years of age or older and whose age and years of service equals 70 or more on or before his/her retirement date.
  - ii. Years of service at another Board of Regents institution or another state agency will count toward years of service.
  - iii. Eligible employees will need to apply for the ERIP by July 31, 2009.
  - iv. Eligible employees approved for the program will need to fully retire no later than December 31, 2009.
  - v. An eligible employee is defined as non-temporary, working half-time (.5) or more with an appointment length of nine (9) months or longer.
- Q2.** Am I eligible for the Early Retirement Incentive Program?
- A2.** You will be eligible to participate if you are 57 years of age or older and your age and years of service equals 70 or more on or before your retirement date.
- Q3.** How do you define years of service for the Early Retirement Incentive Program?
- A3.** Years of service includes:
- i. Years/months of service at the University of Northern Iowa where the employee was eligible for benefits.
  - ii. Years/months of service at a Board of Regents Institution.
  - iii. Years/months of service at a State Government Agency (<http://www.iowa.gov/state/main/govagencies.html>)
- Q4.** How does the new program differ from the current Phased Retirement Program and the previous Early Retirement Incentive Program?
- A4.** The Phased Retirement program provides for continued employment for a specified time period. The previous Early Retirement program had different age requirements and different benefit incentives.
- Q5.** I am currently on Phased Retirement, am I eligible for the ERIP?
- A5.** You are eligible to apply for the ERIP for the remaining years on your current phased retirement agreement. Eligibility for benefits will be reduced by one month for each month of participation in Phased Retirement. Approval for this request must be granted by the supervisor, department head, and Division Head.

- Q6.** If I elect and am approved for the retirement incentive, when do I have to retire?  
**A6.** Employees must retire between June 1, 2009 and December 31, 2009.
- Q7.** Will this Early Retirement Incentive Program be on-going?  
**A7.** The ERIP will be offered as a 'window' program for a specified period of time. You must apply prior to July 31, 2009 and if approved, retire no later than December 31, 2009. This will not be an on-going program.
- Q8.** If I apply for the Early Retirement Incentive Program, can I rescind my request at a later date?  
**A8.** Employees who elect to participate will be provided seven (7) calendar days from the date of approval to revoke their election.
- Q9.** If I apply for the Early Retirement Incentive Program, can I be rehired by UNI at a later date?  
**A9.** Re-employment into a benefits eligible position during the participation period is not permitted. Such employment may be permitted after the participation period.

### **Questions on Applying for the Early Retirement Incentive Option**

- Q10.** What is the last date that I can apply for the retirement incentive?  
**A10.** You must sign and submit your application on or before July 31, 2009.
- Q11.** What is the process to apply for the Early Retirement Incentive Program?  
**A11.** If you are interested, please complete the ERIP Initial Request of Information Form located on the Human Resource Services website. You may also come to the Human Resource Services office for assistance in completing the online form, if needed. On that form you will have the opportunity to sign up for informational meetings to learn more about the program and ask questions. Once it is verified that you are eligible for the program, you will receive an official application form.
- Q12.** Is my decision to retire subject to approval?  
**A12.** Each application for the ERIP will be reviewed on an individual basis and will be subject to the approval of the appropriate supervisor, department head, and division head.
- Q13.** Can I make changes to my health or dental coverage at the time I retire under the Early Retirement Incentive Program?  
**A13.** The contribution from University of Northern Iowa for your health and dental coverage is locked in for the five-year (5) period at your level of coverage as of May 1, 2009.  
Your opportunity to elect different health coverage and/or dental coverage will occur during the annual Open Enrollment period. If you make a change to your elections, you will be responsible for the premiums related to the change. You may also change benefit elections in the event of an eligible change in family status at your cost. The UNI Benefits Office can provide assistance with family status changes.

*Example 1:* You are single at the time of retirement from UNI. You marry subsequent to your retirement date. You can add your spouse/partner to your existing health and/or dental coverage, but you will be responsible for the premium difference for the spouse/partner coverage.

*Example 2:* You are married, but have previously not covered your spouse/partner for health or dental benefits. At the next Open Enrollment, you may elect to add your spouse/partner to your coverage but you will be responsible for the premium difference for the spouse/partner coverage.

**Q14.** After I have been retired for five (5) years, what are my options for health and dental coverage?

**A14.** After you have participated in the Early Retirement Incentive Program for five (5) years, you will be allowed to participate in health and dental benefits available to retirees at the time your participation in the ERIP ends. You will be responsible for premium payments in the same manner as existing retirees.

**Q15.** I have dependents. Can they be covered?

**A15.** Yes. Eligible dependents can continue to be covered for health and dental benefits in the same manner as other active UNI employees. If you have dependents other than a spouse/partner, you will be required to pay the difference in premiums.

**Q16.** If I am age 64 when I retire, what happens to my coverage when I turn 65?

**A16.** When you or a dependent spouse/partner attain age 65, the UNI contribution for coverage will change to the retiree rate and Medicare will be the primary coverage with the UNI plan as secondary coverage. The UNI plans have an approved Medicare Part D pharmacy plan.

**Please Note:** When you or your spouse/partner turn age 65, you must enroll in Medicare Parts A & B. Medicare Part A is for hospitalization and is at no cost to you. Medicare Part B is for other health benefits and does require a premium contribution to Medicare. You should not elect a Medicare Part D plan for pharmacy.

**Q17.** I will already be age 65 when I retire, how will I be impacted for health coverage in retirement?

**A17.** You should already have signed up for Medicare Part A coverage. At the time of retirement, you must sign up for Medicare Part B coverage (see previous question). The benefits staff can assist you in determining the effective date of your Medicare Part D.

**Q18.** What is the impact to health coverage if I'm age 65 but my spouse is under age 65?

**A18.** Medicare will be your primary health plan with the UNI health plan as secondary coverage. For your spouse under age 65, the UNI health plan will be the only coverage.

**Q19.** Do I still need to sign up for Medicare at age 65 if I'm getting coverage through UNI as a retiree?

**A19.** Yes – see question # 15

**Q20.** What other benefits are impacted when I retire?

**A20. Life Insurance** – You may continue 1/3 of your regular coverage by paying the premium if you have been employed at UNI for ten years or more. The premium is \$4.80 per \$1,000 of coverage. If you continue coverage through the June 30 following age 70 you will have paid up coverage. The paid up death benefit for faculty will be \$4,000. The paid up death benefit for all other employees will be \$2,000. Your current beneficiary designation will be used unless you elect to change it.

**Long Term Disability Insurance** – Coverage ends on the last working day. There is no provision for continuation of coverage.

**Flexible Spending Account** – Participation ends on the last day of the month in which you retire unless you make special arrangements with the Benefits office to withhold additional contributions from your final paycheck. Arrangements should be made prior to the 15th of the month in which you retire.

**Q21.** What happens in the event of my death?

**A21.** In the event of your death, the university's obligation to pay the cost of health and dental coverage will cease on the first day of the month following the date of your death. A surviving spouse or dependent may elect to continue coverage at the current retiree rate, as provided by other university policies or law.

**Q22.** What if I am not currently enrolled in health and/or dental benefits through UNI? Can I apply for health or dental benefits if I apply for and am approved for the Early Retirement Incentive Program?

**A22.** Your existing health and/or dental coverage elections must be continued at the time of your retirement. If you had not previously elected health and/or dental benefits, you will not have an opportunity to elect these benefits in retirement.

**Q23.** What happens to my accumulated sick leave and vacation if I retire?

**A23. Sick Leave** - If you apply to begin at least minimum retirement benefits (TIAA CREF or IPERS) you are eligible to receive a payout of unused sick leave. The total compensation will be the number of hours accrued on the date of retirement multiplied by the hourly wage rate up to a maximum of \$2,000. You will typically receive payment with your final paycheck. If your retirement date is after December 4, 2009 your payment will be paid out on January 31, 2010. Payment is subject to federal and state income tax withholding, FICA, Medicare tax, and TIAA CREF. IPERS is not withheld. You will need to complete the Sick Leave Payout form prior to receiving this payout.

**Unused Accrued Vacation** – You will receive pay for all accrued vacation. The total compensation will be the number of hours accrued on the date of retirement multiplied by the hourly wage rate. You will typically receive payment with the final paycheck. If your retirement date is after December 4, 2009 your payment will be paid out on

January 31, 2010. Payout is subject to federal and state income tax withholding, FICA, Medicare Tax and TIAA CREF. IPERS is not withheld.

**Q24.** What if I am currently enrolled in IPERS?

**A24.** In lieu of receiving the TIAA CREF benefits, you may elect to receive the value of the TIAA CREF benefits to purchase additional years of service with IPERS.

**Q25.** Who can I contact if I have more questions on the Early Retirement Incentive Program?

**A25.** Informational sessions will be held in May and June. Please sign up to attend an informational session when you complete your Initial Request of Information Form.

TIAA CREF – for assistance with retirement planning and investment options. To schedule an appointment with a TIAA CREF representative from the Iowa City office: call Toll-free 866-842-2977 or visit <http://www.tiaa-cref.org/moc/>. Additional individual sessions will be added on campus as well as group informational sessions.

Iowa Public Employees Retirement System (IPERS) – for assistance if you are participating in IPERS. Call 800-622-3849 or visit <http://www.IPERS.org/>.

**Q26.** If I choose to take the Net Present value cash payment option in lieu of continuing the health and dental insurance, when will I receive my payment and is this payment taxed?

**A26.** If your retirement date is prior to December 4, 2009, you will typically receive the payout on your last paycheck. If your retirement date is after December 4, 2009 your incentive pay will be paid out on January 31, 2010. This would be considered taxable income.

**Q27.** If I choose to take the Net Present value cash payment option in lieu of continuing the health and dental insurance, can I elect the health or dental coverage in the future?

**A27.** No, once you opt out of the coverage, there are no provisions for re-enrolling in the coverage at a later date.