



MEMO

TO: Employees Eligible to Retire Under the Retirement Incentive Program during FY 2024-2025

FROM: Stacy Ihrig
Vice President of Human Resources

DATE: October 16, 2024

RE: Retirement Incentive Plan for FY 2024-2025

Enclosed for your information is a Voluntary Retirement Incentive Plan as approved by the Board October 8, 2024. The program is only for those employees who retire effective no later than June 30, 2025, and meet certain eligibility criteria set forth in the attached Plan.

Employees that are eligible and wish to retire under the Retirement Incentive Program during 2024-2025 must submit the Resignation and Application for Participation in Retirement Incentive Plan document (attached) to Dr. Ulrich no later than 3:30 p.m., December 4, 2024.

Also enclosed is a copy of the documents that must be completed by any employee who wishes to apply for participation in this Voluntary Retirement Incentive Program. Please note that an employee is only approved for participation in the Voluntary Retirement Incentive Plan upon approval of their application by the College's Board of Directors.

Please contact me at (515) 574-1131 if you have any questions.

Enclosures

IOWA CENTRAL COMMUNITY COLLEGE
Voluntary Retirement Incentive Plan
For Employees Retiring during the Fiscal Year 2024-2025

The Iowa Central Community College extends an offer of a Retirement Incentive Plan (“the Plan”) to its eligible employees in accordance with Iowa Code § 279.46 as outlined below:

ELIGIBILITY

Participation in this Plan is available to College employees who apply and are accepted by the College’s Board of Directors, and who meet the following eligibility criteria (hereinafter referred to as “Applicants”):

1. Applicant must be at least 55 years of age on the date of retirement;
2. Applicant must not have previously participated in a Retirement Incentive Program with the College;
3. Applicant must be employed by the College on the date of the Board of Directors’ approval of the Voluntary Retirement Incentive Plan;
4. Applicant must have provided eight (8) or more consecutive years of paid service on the effective date of retirement;
5. Applicant must have been or been eligible to be a participant in the College’s group health insurance plan during those eight years; and
6. Applicant must be an eligible participant in the College’s group health insurance plan on the date of retirement.

CONDITIONS

1. Applicants for early retirement must submit the Resignation and Application for Participation in Retirement Incentive Plan document to Dr. Ulrich no later than 3:30 pm on December 4, 2024.
2. An employee whose application for participation in the Plan is accepted by the Board of Directors shall resign effective no later than June 30, 2025.

PLAN BENEFITS

1. **Payment:**
 - a. The College will provide a “Total Cash Payment” to all applicants whose participation in the Plan is accepted. This Total Cash Payment shall be paid to the retiree in one payment on or about September 15, 2025. The payment will be made in the name of the employee into a 403(b) post-retirement Special Pay Program.

- b. The Total Cash Payment shall be calculated as:
 - i. One-hundred percent (100%) of the retiree's 2024-2025 salary, for salaried employees.
 - ii. One-hundred percent (100%) of the retiree's 2024-2025 hourly wage multiplied by 2028 hours, for employees paid on an hourly basis. For example, an employee who makes \$18 per hour during the 2024-2025 fiscal year shall receive a Total Cash Benefit of \$36,504.

2. Insurance

- a. The plan provides for the continuation of the same health plan (i.e., single or family) for the retiree until the retiree becomes eligible for Medicare. Continuation will be at the same benefit level as the retiree was receiving at the time the request for participation in this Plan is approved. The College will pay the monthly amount of the employee's family plan or single plan group health insurance premium. If the College changes its health care plan, insurance carrier, or employer contribution for active employees within the retiree's employment classification, the change will apply to all former employees and dependents insured under this Plan.
- b. When the employee's spouse becomes eligible for full Medicare benefits not related to a disability and the employee is not yet eligible for full Medicare benefits not related to a disability, group health insurance coverage (as approved by the Board on an annual basis) shall end for the spouse the end of the month previous to the month the spouse becomes eligible for full Medicare benefits not related to a disability.
- c. When the employee becomes eligible for full Medicare benefits not related to a disability or dies prior to becoming eligible for full Medicare benefits not related to a disability, the College will no longer pay health care benefits on his or her behalf. Continuation of health care benefits for a retiree, or a retiree's spouse and dependents, will be allowed pursuant to the requirements of COBRA or any other legal requirement applicable at the time.

OTHER CONDITIONS

- 1. Insurance coverage provided under this policy is as conditioned by the College's fringe benefit insurance program and shall only include the benefits as allowed by the plan at the time of usage.
- 2. No benefits stated in this Early Retirement Plan shall be paid by the College if the employee becomes deceased prior to the bona fide termination date. In the event of death of the retired employee prior to payment of the cash severance by the College, but after the bona fide termination date, the payment of the cash severance will be made to the employee's designated beneficiary, or if no beneficiary is designated, to the employee's estate. No health insurance benefits shall be paid.

3. The Board of Directors retains the right to modify or discontinue this Voluntary Early Retirement Plan at any time for any reason with or without notice. There is no guarantee that this Plan will continue beyond Fiscal Year 2024-2025.
4. Employees who separate from employment under this Plan will be ineligible for re-employment by the College. However, these employees may, solely at the College's option, be eligible to be rehired into a position that is less than 50% of their previous regular contract at the time of their election to participate in the early retirement plan.
5. Under no circumstances may an individual take advantage of this policy more than once, nor any other early retirement plan that may be offered by the College.

Approved by Board: October 8, 2024

RESIGNATION AND APPLICATION FOR PARTICIPATION IN RETIREMENT INCENTIVE PLAN

I, _____, born on _____, hereby submit my resignation effective on _____ to the Board of Directors of the Iowa Central Community College and request the early retirement benefits available to employees in the College in accordance with its Employee Voluntary Retirement Incentive Plan. This resignation is subject to the acceptance of my application for early retirement benefits.

Print Employee Full Name _____

Signed _____ Date _____

The resignation and request for early retirement was accepted by the Board of Directors of the Iowa Central Community College on the ____ day of _____, 20 __, by action as noted in the minutes of the Board.

Secretary, Board of Directors
Iowa Central Community College

RELEASE OF CLAIMS

Iowa Central Community College (“College”) and _____ (“Retiring Employee”) agree as follows:

1. In consideration of the benefits to be provided in accordance with the College’s Employee Voluntary Retirement Incentive Plan, the Retiring Employee agrees to sign and submit the Resignation and Application for Participation in Retirement Incentive Plan to be effective on _____, (not later than June 30, 2025).
2. The Retiring Employee hereby releases and discharges the College, the Board of Directors of the College, and any and all officers, employees, representatives, or agents of the College from any and all liability whatsoever including all claims, demands, or causes of action which he/she has or may ever claim to have by reason of his/her employment with the College and the termination of his/her employment relationship with the College, excluding any claims which may arise after the date of the signing of this Release of Claims.
3. In addition, by executing this Release of Claims, the Retiring Employee expressly waives any and all rights to claims arising under the Age Discrimination in Employment Act of 1967 (“ADEA”), as amended by the Older Worker Benefit Protections Act, and:
 - a. The Retiring Employee acknowledges that their waiver of rights or claims arising under the ADEA is in writing, written in a manner calculated to be understood, and is understood by them;
 - b. The Retiring Employee expressly understands that this waiver refers to rights or claims arising under the ADEA, as amended.
 - c. The Retiring Employee expressly understands that by execution of this document, they do not waive any ADEA rights or claims that may arise after the date this Agreement is executed.
 - d. The Retiring Employee acknowledges that the waiver of their rights on claims arising under the ADEA, as amended, is in exchange for the consideration outlined in the College’s Voluntary Retirement Incentive Plan, which is above and beyond that to which they are otherwise entitled to receive from the College;
 - e. The Retiring Employee acknowledges that the College is hereby advising Employee in writing to consult with an attorney of the Retiring Employee’s choosing prior to executing this document.
 - f. The Retiring Employee acknowledges that they have been advised by the College that they may, but do not have to take, forty-five (45) days to consider this document, which the Retiring Employee agrees is a reasonable period of time;
 - g. The parties agree that changes, whether material or immaterial, do not restart the running of the 45-day period.

- h. This Agreement shall become effective on the eighth day following Employee's signing of the Agreement. Until that time, the Retiring Employee has the right to revoke the Retiring Employee's agreement to this Release by sending written notice to the College. The Retiring Employee acknowledges that revocation of this Agreement by the Retiring Employee will result in a denial of participation in the College's Retirement Incentive Plan, and the Retiring Employee shall not be entitled to any benefits or payments made under that Plan.
- 4. The Retiring Employee acknowledges that this Release of Claims is entered into freely and voluntarily and solely in reliance upon their own knowledge, belief and judgment and not upon representations made by the College or others on its behalf.

College

Retiring Employee

By: _____
Board President

Employee

Date: _____

Date: _____

AGREEMENT NOT TO SEEK RE-EMPLOYMENT

In consideration of the benefits that will be provided to me by the Iowa Central Community College through its Employee Voluntary Retirement Incentive Plan, I hereby agree not to apply for or seek employment with the College at any time in the future, except for temporary employment as approved by the Board. I agree to indemnify and hold harmless the College, and its officers, employees, representatives or agents, from any and all liability whatsoever arising out of any attempt I may make to submit an application for employment or otherwise be re-employed with the College.

Print Full Name _____

Signed _____ Date _____

DESIGNATION OF BENEFICIARY

If the Board of Directors of the Iowa Central Community College approves my application for early retirement benefits and I die before I receive payment of all of the benefits described in the Employee Voluntary Early Retirement Plan, as applicable, I direct the Board to pay my remaining benefits equally to:

Primary	Beneficiary Name	Relationship to You	Sex (M/F)	Date of Birth (mm/dd/yyyy)	Phone Number

If All the primary beneficiaries die before I die, I direct the Board to pay my remaining benefits equally to the following secondary beneficiary(ies) who survive me:

Secondary	Beneficiary Name	Relationship to You	Sex (M/F)	Date of Birth (mm/dd/yyyy)	Phone Number

Print Full Name _____

Signed _____ Date _____

Early Retirement FAQ's

Tax and Legal Advice Disclaimer:

The Iowa Central Community College does not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

1) Q: Once I submit the early retirement application do I need to submit a letter of resignation also?

A: No, the submission of the Resignation and Application for Early Retirement is your retirement letter and will be presented to the Board for acceptance at the following Board meeting.

2) Q: Do I have to utilize all my vacation and/or personal leave prior to my resignation date?

A: Yes. All vacation and/or personal time is required to be utilized.

3) Q: Do I have to work my last day?

A: Yes, employees are required to work their last day.

4) Q: May I drop insurance coverage in retirement and then re-join later on in retirement?

A: No, coverage must be a continuation from your full-time employment. Once you terminate your coverage you may not re-join at a later date.

5) Q: Where does my early retirement incentive money go upon retirement?

A: Your early retirement incentive money is sent to a 403b Special Pay Plan through MidAmerica Administrators. The College will fund your account on or about September 15th following your retirement and you will receive a welcome packet from MidAmerica shortly thereafter.

**Please note that the packet comes from MidAmerica directly and not from the College so please review your mail closely.*

6) Q: Once I retire, can I work for the College part-time?

A: Limitations regarding returning to work for the same employer exist on several levels:

- a.** Additional penalties may apply to withdrawals made from your 403b plan prior to age 59 ½ and if you work more than 20% of your pre-retirement hours.
- b.** IPERS benefits may be impacted depending on the amount you work in retirement. Please consult with IPERS directly for advice.
- c.** Social Security benefits may be impacted depending on the amount you work in retirement. Please consult with the Social Security Administration directly for advice.

Helpful Contact Info

IPERS

www.ipers.org

800-622-3849

MidAmerica

800-627-3660

TIAA

www.tiaa.org

800-842-2252