Section: EMPLOYMENT
Subject: Early Retirement
Number: HR 3810

I. Institutional Regulations

A. The College shall offer a voluntary early retirement benefit with July 1 (last employment date June 30) and January 1 (last employment date December 31) retirement options. Regular full-time and part-time employees shall be eligible for the College early retirement benefit if they:

1. Have attained the age of 55 on or before:

a. June 30 of the fiscal year in which July 1 retirement is requested; or

b. December 31 of the fiscal year in which January 1 retirement is requested; and

2. Have worked the most recent 10 years for the College without a break in service; and

3. Have been actively employed by the College for the last employment year prior to early retirement.

B. An employee may elect to participate in the early retirement program for a period of seven years from the date the employee first meets the eligibility criteria. If an otherwise eligible employee fails to elect to participate in the program by the end of the seven year eligibility period, the employee will no longer be eligible to participate in the program. Initially, employees eligible for early retirement on June 30, 2006 shall be eligible for early retirement through June 30, 2013.

C. An absence due to the College's reduction-in-force policy or an approved leave shall not constitute a break in service. Other voluntary interruptions of service shall constitute a break in service.

D. An employee shall not be considered to be actively employed during his/her last year of employment if on a leave without pay for the entire 12 months preceding the retirement date.

E. An employee on leave with or without pay who is not intending to return to active employment, shall elect the next available early retirement offering provided they are eligible.

F. The employment year shall be that period covered by a continuing contract or an employment agreement, or for employees not covered by a contract or agreement, it shall be the fiscal year.

G. An employee electing to participate in the early retirement program is eligible for rehire by the College only as an Adjunct instructor or Temporary employee.

H. An employee who elects early retirement cannot work for DMACC for 1 full month following their retirement date, regardless of the retirement plan (IPERS or TIAA) or if the employee is drawing retirement benefits.

If the retiree is drawing their IPERS benefit, and wants to remain in IPERS, they must stay out of all IPERS covered employment (see HR 3105) for a total of 4 months. The College could rehire an IPERS retiree into a retirement-covered position after one month, if the retiree now elects TIAA rather than IPERS.

If the retiree is drawing their TIAA benefit they must stay out of all TIAA retirement-covered employment. The retiree cannot draw a TIAA benefit at the same time that they are contributing to TIAA. The College could rehire a TIAA retiree back into a retirement-covered position after one month, if the retiree now elects IPERS rather than TIAA.

I. The College makes no representation as to any tax effects or effects on IPERS or other retirement benefits as a result of participating in the early retirement program and/or subsequent reemployment with the College.

II. Procedure

A. A request for early retirement must be received by Human Resources on or before September 10 of the fiscal year in which January 1 retirement is requested; or on or before December 1 of the fiscal year in which July 1 retirement is requested. A request shall require the following completed forms:

1. Election to Participate form
2. Insurance Coverage Election form
3. Beneficiary form

B. The early retirement benefit shall be calculated based on the employee's years of service as a Regular employee of the College.

1. Service years shall be calculated on the same basis as the Iowa Public Employees Retirement System. Credit for all DMACC years of service shall be given when calculating benefits.

2. The retirement benefit shall be a one-time cash benefit of 70% of the employee's annual salary during the year of request, plus an additional 2% of salary for each year of service beyond 10.

Years of Service	Percentage of Salary
10	70%
11	72%
12	74%
13	76%
14	78%
15	80%
16	82%
17	84%
18	86%
19	88%
20	90%
21	92%
22	94%
23	96%
24	98%
25	100%

The maximum retirement benefit shall be 100% of the employee’s annual salary during the year of request for 25 or more years of service.

C. The College shall pay the cost of the single medical premium until the retiree qualifies for Medicare for retirees who elect to remain in one of the College's group plans.

1. The retiree may, at his/her own expense, continue tiered family coverage equal to that carried at the time of his/her early retirement.

2. In all cases, the retiree shall be subject to the coverages, carriers, and cost as determined by the Board.

D. Effective for individuals electing early retirement beginning December 31, 2006, the College shall provide single dental insurance for 36 months for retirees who elect to remain in the College's group plan. In all cases, the retiree shall be subject to the coverages, carriers, and cost as determined by the Board.

E. Requests for early retirement must be approved by the President and the Board. The President must exhibit to the Board that granting an early retirement request is not detrimental to an academic program.

F. If approved, the early retirement date shall be:

1. July 1 or the end of the employee's employment/contract year (August 15 for Twelve Month Faculty whose contracts end August 14), whichever is later, for employees electing the July 1 option;

2. January 1 for those employees electing the January 1 option.

G. The early retirement benefit shall be paid in two or more equal payments to a non-elective 403(b) plan not to exceed annual IRS 415 limits.

For those employees electing the July 1 option, the first payment shall be on or about July 2 or the end of the employee's employment year (on or around September 2 for Twelve Month Faculty), whichever is later. The second payment shall be made on or about the following January 2. Any additional payments necessary will made on or about the next January 2.

For those employees electing the January 1 option, the first payment shall be on or about January 2 and the second payment shall be made on or about the following July 2, contingent on the annual IRS 415 limits. Any additional payments necessary will be made on or about the next January 2.

Regardless of the retirement date, the early retirement benefit payment may have to be paid in three or more calendar years in order not to exceed annual IRS 415 limits.

Federal and State taxes, along with FICA, shall not be withheld from the early retirement benefit payments.

H. The adoption of this early retirement program shall not vest any right in any employee, whether or not the employee is currently eligible for early retirement, and the Board of Directors shall have complete discretion to revise or eliminate this program at any time. However, the Board shall provide employees with written notice of any revision or elimination of the program at least one year prior to the effective date of the revision or elimination.

I. 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.

APPROVED: Sandy Tryon
Executive Director, Human Resources

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