2020 Special Retirement Incentive Program
Frequently Asked Questions

The SRIP allows faculty and staff members to fully retire from the University with incentive pay. Because this program requires payment by departments, approval for participation in this program is discretionary based on the department’s needs and budget.

What are the minimum requirements an employee must meet to qualify for the SRIP?

To qualify for participation in the SRIP, an employee must meet the following criteria:

- Age 60 or older – Unlike the University’s Early Retirement Incentive Program, the only age requirement is that the employee be age 60 or older by the end of 2020. There is not an age limit for employees to participate and participation is not limited by the employee’s Normal Social Security Retirement Age.

- Benefit-eligible service – The employee must have at least five years of continuous benefit-eligible service by the end of 2020.

- Timely election – The employee must elect to participate by June 15, 2020.

Please note: meeting the above minimum requirements does not guarantee participation in the SRIP. Departments may deny participation in the SRIP based on the financial ability and business needs of the department.

What is the incentive payment that the SRIP Participant receives at retirement?

Participants in the SRP receive an annual incentive (paid semi-monthly each pay period). The annual incentive is equal to 20% of the participant’s pre-retirement University salary. This means that 100% of the employee’s pre-retirement salary is paid over 60 months.

What are the options for health coverage during SRIP participation?

To assist departments in their ability to fund the SRIP for interested employees, there are three alternatives for health coverage. Interested employees should discuss the three options with their department. With all three options, the incentive payment continues for the full 60 months.

- **Option 1: Full Health Coverage.** Participants and their eligible family members remain enrolled in medical and dental coverage similar to the University’s Employee Health Care Plan at the same rates paid by active full-time employees. (The retiree’s deductions for health coverage will be taken from the semi-monthly incentive payment.)
• Option 2: Health Coverage to Medicare Eligibility With Medicare Stipend. Participants and their eligible family members remain enrolled in medical and dental coverage similar to the University’s Employee Health Care Plan at the same rates paid by active full-time employees until the date the employee and spouse (if enrolled) become eligible for Medicare. At that time, health coverage through the University stops and the employee and spouse (if enrolled) agree to enroll in individual Medicare coverage. The department will pay an additional $300 per month to the employee to help cover the cost of the individual Medicare coverage.

• Option 3: Health Coverage to Medicare Eligibility. Participants and their eligible family members remain enrolled in medical and dental coverage similar to the University’s Employee Health Care Plan at the same rates paid by active full-time employees until the date the employee and spouse (if enrolled) become eligible for Medicare. At that time, health coverage through the University stops and the employee and spouse (if enrolled) agree to enroll in individual Medicare coverage.

Under all three options, because the participant is fully retired from the University, the participant and any family members must enroll in Medicare Parts A and B when they become eligible. Participants do not need to obtain a Medicare Part D plan until the end of SRIP participation.

At least three months before the end of SRIP participation for participants approved for Option 1 and at least three months before Medicare-eligibility for participants approved for Options 2 and 3, participants should begin considering health coverage options. Group retiree plans are available through the University and many individual plans are available through various companies. Participants can schedule a time to meet with a retirement counselor in UHRM to discuss options available through the University.

What are the other retiree benefits I would be eligible to receive?

All faculty and staff who commence full retirement from the University of Utah are eligible for the following benefits:

• Tuition Reduction. Participants and their eligible family members continue to be eligible for tuition reduction benefits through the University.

• Retirement Plan Withdrawals. Participants may withdraw funds from their University Retirement Plans after they have been retired for 32 or more days.

• University of Utah retiree ID card (available in the UCard Office)

• Enrollment in one of the University’s group retiree health plan options. Enrollment is available to the retiree and family members who meet the eligibility requirements of the plans. Retirees and their eligible family members pay the full cost of coverage. Enrollment in certain plans may be available only for those who are eligible for and enrolled in Medicare.

• Bookstore discount.

• Access to Eccles Student Life Center and other University Use of physical fitness and recreation facilities, classes, and programs with payment of membership or course fees.

• Use of those Union Building facilities requiring a University ID card, such as movies, bowling, billiards, lectures, etc.
• Discounts on University athletic season tickets.
• Parking with purchase of appropriate pass.
• Borrowing privileges at University library facilities.
• Reduced tuition on University courses as governed by Policy 5-305 and Rule 5-305A.

This list is current as of June 1, 2018. Discount rates, fee or price reductions, and other limitations or conditions applicable to privileges benefits described above, are determined by the cognizant vice president, and are subject to change from time to time, without prior notice.

Can I continue any of my other employee benefits while participating in the SRIP?

Accidental Death and Dismemberment – If you were enrolled in AD&D coverage at the time of your retirement and wish to continue coverage through an individual policy, you must request conversion and pay your first premium within 31 days of your retirement date. Contact the UHRM Solutions Center at (801) 581-7447 as soon as possible if you wish to continue this coverage.

Flexible Spending Accounts – Eligible health care expenses incurred through your last day of active employment may be reimbursed from your Health FSA. Requests for reimbursement must be submitted on or before December 31 following the end of each Plan Year. Amounts remaining in your account after that date will be forfeited.

Legal Plan - If you are enrolled at the time of your retirement and wish to continue coverage for up to 12 months, contact Hyatt Legal within 30 days of your retirement date at (800) 821-6400.

Life Insurance – You may continue any life insurance coverage you have at the time of your retirement through an individual policy. You must apply for a conversion policy and pay the first premium within 31 days of your separation date. Contact the Solutions Center at (801) 581-7447 as soon as possible for information if you wish to continue your life insurance.

Long Term Disability – Disability insurance cannot be converted at retirement.

MetLife Auto & Home – Contact MetLife at (800) 438-6388 to make arrangements to continue or cancel coverage.

What will happen with my leave accruals when I retire?

If you are a staff member, your remaining accrued vacation leave, up to the maximum defined in University Policy, will be paid to you following your retirement (usually within one pay period). Vacation hours in excess of the maximum will not be paid out. The maximum equals your present accrual x 12 (months) + 240 hours. For example, an employee with an FTE of 1.0 accruing 10 hours per month would be paid out a maximum of 360 hours–10 x 12 (months) + 240, which equals 360 hours. If you are in a position that receives 25 days of use or lose vacation, that amount will not be paid out. Sick leave and personal preference are not paid out.

If you would like to defer your vacation payout to one of the University’s supplemental retirement plans, make your election in UBenefits or contact the UHRM Solutions Center at (801) 581-7447.
**Will participating in the SRIP affect my ability to receive my full pension benefit through Utah Retirement Systems?**

The SRIP provides an incentive for you to retire, which is not considered wages. As a result, the incentive payments do not count as earnings that would affect your URS pension benefits.

**When can I begin taking withdrawals from my retirement plan accounts?**

Employees age 59 ½ or older can withdraw from their 403(b) plan accounts at any time. You can withdraw from your 401(a) Plan and 457(b) Plan accounts after you have been retired for 32 days or more.

**What happens if I pass away before the end of the 60-month SRIP period?**

Incentive payments will end 30 days after the participant’s death. Any enrolled dependents will receive six months of coverage at no cost and then have the option to enroll in any retiree plans offered through the University or to elect COBRA for any remaining COBRA periods.

**Can we change some of the provisions of the SRIP, e.g., from 60 months to 36 months?**

The SRIP was approved by the University’s COVID-19 Task Force and the President’s Cabinet. It cannot be changed.

**What should the department budget for an employee approved to participate in the SRIP?**

Departments should budget to pay the following for the 60 months the employee participates in the SRIP:

- An amount equal to the employee’s pre-retirement salary to be paid in equal installments over 60 months (the pre-retirement annual salary will be divided by 120 and paid each pay period during the period of SRIP.)

- An amount to cover the health coverage costs the department would pay for the employee if the employee had continued as an active employee. For example, if the employee is enrolled in two-party medical and dental coverage and approved for Option 1 which provides health coverage for the full 60 months, the department could anticipate paying the following:

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<th>Department Cost Per Month</th>
<th>$1,123.60</th>
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*(Example anticipates a 5% increase each year – actual increases may be greater or less than 5%)*

**Will I receive annual increases in my incentive payments?**

The SRIP is set up to pay your annual salary over 60 months (120 pay periods). As a result, annual increases will not be made. The amount you receive will be constant over the entire SRIP period.
I am currently on Phased Retirement that is not scheduled to end in 2020. Can I still take advantage of the SRIP?

If you meet the eligibility requirements for participation in the SRIP, you may wish to talk with your department about amending your Phased Retirement Agreement to end your phased retirement early and begin participation in the SRIP before September 30, 2020. Since you have a current agreement with your department, any change to that agreement is at the department’s discretion.

In the event you move from a phased retirement to the SRIP, your SRIP incentive payment will be 20% of your current phased retirement salary.

I already entered into an Early Retirement Incentive Program Agreement with my department, but my participation in the ERIP is limited by my SSNRA and my participation will be less than 60 months. Can I change my participation to the SRIP?

The SRIP has been created to assist departments with their financial needs related to the University’s COVID-19 Resource Planning Guidelines announced on April 13, 2020. If you have already entered into an agreement with your department, you cannot change your participation. If you have discussed retirement with your department, but have not signed any documents, you may speak with your department head who will consult with your department’s cognizant vice president regarding your request.

If my department authorizes participation in the SRIP, can they hire someone else into my position?

The intent of the SRIP is to free up the majority of the funding currently being paid to the employee. Departments should plan to not fill the position for at least one year. In the event the position is needed, departments can review the circumstances with their cognizant vice president for approval.

If I participate in the SRIP, can I later be rehired by the University?

If you are rehired by the University during the 5-year SRIP term, the SRIP will end.

If I’m interested, who should I contact?

If you are interested in the SRIP, contact your supervisor to determine if you are eligible and if your department is able, based on the funding and needs of the department, to allow you to participate.

If your department approves of your participation, contact University Human Resource Management to have forms prepared:

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<tr>
<th>Faculty</th>
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<tbody>
<tr>
<td>Alex Page</td>
<td>Jesse Justet</td>
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<td>801-585-0973</td>
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