PREAMBLE. This section was an original part of the 1979 Handbook, was changed in July of 1994 to add the optional retirement plan, and most recently changes were made in 2007 to the eligibility criteria and benefits available through the University of Idaho. This January 2008 version updates and supersedes all prior versions.

The benefits and programs described in this section are governed by applicable laws and plan documents and are subject to change at any time. In the event of a conflict between this policy and the applicable law or plan document, the law or plan document will control. Employees contemplating retirement should make an appointment with a Benefit Services Specialist to verify eligibility and discuss benefits and options for retirement.

Further information regarding retirement is available from Human Resources, Benefit Services www.hr.uidaho.edu/benefits www.uidaho.edu/benefits (208-885-3697). [ed. 7-97, 7-02, 9-06, 12-06, rev. 7-07]

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A. INTRODUCTION. This policy describes the retirement privileges and programs available to eligible University of Idaho employees upon retirement. The University of Idaho through its Board of Regents reserves the right to change, amend or discontinue any part of the programs described within or any one or all of these programs in part or entirely at any time, to the extent allowed by law. This policy should not in any way be construed as a guarantee of continued employment.

A-1. State and Federal Retirement Plans. These include state and federal retirement plans such as the Public Employees Retirement System of Idaho (PERSI), the Idaho Optional Retirement Plan (IORP), the Civil Service Retirement System and the Federal Employees Retirement System. Eligibility criteria and benefits are determined under each plan and can be found in the respective plan documents, which are subject to change. In the event of a conflict between this policy and the plan documents, the plan documents control in all respects.

A-2. University of Idaho Retirement Privileges and Programs. These include faculty emeritus and honored staff retiree privileges, eligibility to participate in retiree health programs of the University of Idaho (Retiree Health Program).

A-2-a. Emeritus Faculty and Honored Staff Retiree Privileges. This policy sets forth the eligibility criteria for, and benefits of, honored staff retiree privileges. For faculty emeritus privileges, see FSH 1565 H. Emeritus or honored staff retiree status does not automatically confer eligibility for the Retiree Health Program.

A-2-b. Retiree Health Program. This policy sets forth eligibility criteria for the Retiree Health Program. Information regarding specific benefits is contained in the applicable plan documents and may change. In the event of a conflict between the information in the Plan documents and those presented in this policy, the plan documents will control.

B. STATE AND FEDERAL RETIREMENT PLANS. University of Idaho employees participate in the following plans, depending on eligibility. Employee contributions are made to PERSI, IORP, the Civil Service Retirement System and the Federal Employees Retirement System through payroll deduction. The University of
Idaho contributes a portion of salary and the employee contributes a portion of salary. These amounts vary from year to year. Current contribution rates are available at http://www.hr.uidaho.edu/benefits under the “Rates Retirement” menu option. Contributions are suspended while an employee is on leave without pay, except that IORP contributions may be continued by the plan during a qualified disability if a waiver is requested and approved.

B-1. Public Employees Retirement System of Idaho (PERSI). PERSI is a defined benefit retirement plan. Eligibility requirements and benefits are governed by the PERSI plan document, which is available at www.persi.idaho.gov. Employees also may contact the plan administrator at the following address, internet site or telephone number listed below. The contact information can be found on the benefits website:

PERSI
Public Employee Retirement System of Idaho
P.O. Box 83720
Boise, Idaho 83720-0078
(208) 334-3365 or (800) 451-8229
www.persi.idaho.gov

B-2. Idaho Optional Retirement Plan (IORP). IORP is a defined contribution retirement plan. There are two plan administrator choices for employees: Teachers’ Insurance Annuity Association/Consolidated Retirement Equities Fund (TIAA/CREF), and Variable Annuity Life Insurance Corporation (AIG-VALIC), each of which offers many different investment options. Eligible employees must enroll and select a Plan administrator and self-directed investments when they become eligible. In the event that a Plan administrator and/or investment options are not elected by the employee before contributions begin, default elections and/or investments will be selected. Employee and employer contributions will be directed to the default Plan administrator and deposited within default investment choices, unless or until these have been changed by the employee. Eligibility requirements and benefits are governed by the IORP plan document. For more information, contact the plan administrator listed below. The contact information for each can be found on the benefits website, at the following web address or telephone number:

TIAA-CREF: www.tiaa-cref.org 1-800-842-2726
AIG-VALIC: www.aigvalic.com 1-800-892-5558 254-2

B-3. Federal Retirement Plans. The Civil Service Retirement System and the Federal Employees Retirement System are defined benefit plans available to certain University of Idaho employees working within the Cooperative Extension System. Eligibility requirements and benefits are governed by the federal government plan document and applicable federal regulations. For complete information, go to www.opm.gov/retire. If you need assistance, contact Benefit Services at the University of Idaho.

C. UNIVERSITY OF IDAHO RETIREMENT PRIVILEGES AND PROGRAMS.

C-1. Definitions.

C-1-a. Retirement. An employee may bring about the termination of his or her employment by resigning [see 3930 A and 3940]. Resignation is considered to be “retirement” if the employee has qualified for certain benefits based on age and length of qualified service (defined below).

C-1-b. Retiree. A retiree is a former employee who has terminated his or her employment through retirement.

C-1-c. Qualified Service. For purposes of determining retiree health program eligibility, qualified service includes service while employed at the University of Idaho in a position eligible for University of Idaho health benefits, excluding those who are only eligible under the Patient Protection and Affordable Health Care Act.
Care Act (PPACA). This PPACA group is not otherwise eligible under the University’s separate criteria for University subsidized health benefits. Service to the University of Idaho will be counted if the employee has been on paid status at half time or greater. Employees on regular academic year appointments receive credit for twelve (12) months of service, provided all other requirements of qualified service are met. Service while employed on a temporary hourly (TH) basis will not be recognized as qualified service. Qualified service performed prior to a break in service is permanently forfeited, except as provided in C-1-e.

C-1-d. Active Health Plan Enrollment. For purposes of determining eligibility for the Retiree Health Program, years of active health Plan enrollment will be counted for each fiscal Plan year in which the employee has been enrolled as the primary subscriber for dental, life and disability benefits, or each year of employment in a position eligible for University of Idaho health benefits (excluding those who are only eligible under the Patient Protection and Affordable Care Act (PPACA). This PPACA group is not otherwise eligible under the University’s separate criteria for University subsidized health benefits.

C-1-e. Break in Service. A break in service occurs when there is a separation from qualified service for one day or more. For purposes of this policy, after a break in service an employee forfeits all prior qualified service, unless the employee had at least five (5) years of continuous qualified service prior to the break in service. A break in service does not include the following: (1) periods of any category of approved paid or unpaid leave of absence; or (2) periods during which the employee is eligible for and has opted to remain on the lay-off roster.

C-1-f. Part-time Employees. Qualified part-time employees who are employed in a health benefits eligible position are eligible for the Retiree Health Program upon retirement excluding those who are only eligible under the Patient Protection and Affordable Care Act (PPACA). This PPACA group is not eligible under the University’s criteria for University subsidized health benefits. Service credit for part-time employees will be earned based on a prorated percentage of their full-time status. An employee who temporarily reduces his or her hours of work and remains employed in a health benefits eligible position may earn up to two (2) years of full-time service credit if hours have been temporarily reduced to accommodate transitioning into retirement or to accommodate a family or personal matter. In either case, the employee must obtain written approval in advance from his or her supervisor and Benefit Services.

C-1-g. Effective Date of Retirement. The effective date of retirement shall coincide with the last work day in a calendar month or last work day of a fiscal year. The last day of employment is generally the last day worked [see FSH 3710 B-4].

C-2. Honored Staff Retiree Privileges

C-2-a. Eligibility Requirements. Upon retirement, each member of the classified or exempt staff whose service to the University of Idaho meets one of the following criteria, and whose employment was not terminated for cause, is designated an honored staff retiree:

i. Completion of 30 years of qualified service; or
ii. Completion of 15 years of qualified service and attainment of age 64; or
iii. Attainment of age 55 and completion of a number of years of qualified service, such that the sum of the years of age and the years of service is 80.

C-2-b. Privileges. Each member of the classified or exempt staff meeting the above eligibility requirements is awarded a presidential commendation for long and faithful service, and his or her name is entered on the list of honored staff retirees especially worthy of continued recognition as members of the University of Idaho community. Privileges available to honored staff retirees are as follows:

i. Membership in the University of Idaho Retirees Association (UIRA);
ii. Education privileges [see FSH 3740];
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iii. One, free non-transferable gold parking permit each year;
iv. Listing in the campus directory;
v. Honored staff retirees who elect to maintain an active computing account will retain access to services provided by Information Technology Services (ITS) including electronic communications (e.g., email, instant messaging, etc.), technical support, and offered software. Email accounts are available without charge within the local dialing area;
vi. Eligibility to receive mailings (upon request), such as the University of Idaho Register and similar publications; and
vii. Inclusion in appropriate university, college, and departmental functions.

C-3. Privileges for Emeritus Faculty Retirees. Privileges for emeritus faculty retirees are enumerated in FSH 1565 H-3E -4.

C-4. Retiree Health Program Eligibility. The Retiree Health Program is divided into four tiers of eligibility requirements and includes varying levels of benefits. Benefits offered in each tier are subject to change.

C-4-a. Tier I -- Eligibility Criteria. To qualify for Tier I, an employee must be retired and covered under the Retiree Health Program pursuant to a prior version of this policy, or meet the following criteria on or before September 30, 2007, but may retire later:

i. Hired on or before January 1, 2002; and
ii. Has been enrolled, or eligible to enroll, as the primary subscriber in the active health plan for at least (5) five years immediately prior to retirement; and
iii. Meets one of the following three criteria:
   1. Has completed at least 30 years of qualified service, regardless of age; or
   2. The sum of the number of years of age and qualified service is equal to or greater than 80, to include a minimum age of 55 years; or
   3. Has completed at least 15 years of qualified service and attained a minimum age of at least 64 years.

C-4-b. Tier II -- Eligibility Criteria. To qualify for Tier II, an employee must meet the following criteria on or before June 30, 2011, but may retire later:

i. Hired on or before January 1, 2002; and
ii. Has been enrolled, or eligible to enroll, as the primary subscriber in the active health plan for at least (15) fifteen years immediately prior to retirement; and
iii. Meets one of the following criteria:
   1. Has completed at least 30 years of qualified service, regardless of age; or
   2. The sum of the number of years of age, subject to a minimum age of 55 years; plus qualified service, subject to a minimum of 15 years, is equal to or greater than 80.

C-4-c. Tier III -- Eligibility Criteria. To qualify for Tier III, an employee must meet the following criteria on or after July 1, 2011, but may retire later:

i. Hired on or before January 1, 2002; and
ii. Has been enrolled, or eligible to enroll, as the primary subscriber in the active health plan for at least (20) twenty years immediately prior to retirement; and
iii. Meets one of the following criteria:
   1. Has completed at least 30 years of qualified service, regardless of age; or
   2. Has completed at least 20 years of qualified service, and the sum of the number of years of age, subject to a minimum age of 55 years, plus years of qualified service is equal to or greater than 90.
C-4.d. Tier IV -- Eligibility Criteria. To qualify for Tier IV, an employee must meet the following criteria:

i. Has been enrolled, or eligible to enroll, as the primary subscriber in the active health plan for at least (10) ten years immediately prior to retirement; and

ii. Has completed at least 10 years of qualified service; and

iii. Is at least 55 years of age, except that a person with a disability may qualify regardless of age.

C-5. Continued Eligibility for the Retiree Health Program. Once a Retiree has qualified for the University of Idaho Retiree Health Program, the following conditions must be met for continued eligibility:

C-5-a. Retirees and their dependents must enroll in the Retiree Health Program when first eligible or they will lose eligibility. Upon eligibility for the Program, retirees will be required to make a one-time, irrevocable election of available plan options. Current retirees must make this election no later than July 1, 2007. Retirees, who are enrolled in the Program; but fail to make a election will be automatically and irrevocably enrolled in the selected default Plan. Plan options and default plans may vary from year to year. Information regarding plan options and which plans will be used for default is available from Benefit Services.

C-5-b. Retirees are first eligible on the date following the effective date of retirement.

C-5-c. Covered dependents are first eligible on the same date the retiree becomes eligible or on the date they later become a dependent.

C-5-d. All participants, including covered dependents, in any tier of the Retiree Health Program must elect Medicare Parts A and B as their primary payer of benefits when they first become eligible, except to the extent that federal law requires the Retiree Health Program to be primary. All participants must comply with rules set forth in the Plan document for each Plan and/or tier of eligibility with respect to Medicare Prescription Drug Coverage (Part D).

C-5-e. All participants, including covered dependents, in any tier are subject to coordination of benefits rules as set forth in the applicable plan documents.

C-5-f. If coverage under the Retiree Health Program is ended for any reason, there is no opportunity to rejoin the Program at a later date. The only exception is for a Retiree who returns to a benefit eligible position at the University of Idaho following his or her participation in the Retiree Health Program. In this instance, Retiree Health Program coverage will be temporarily suspended. After active employment ends, the Retiree will have the right of reinstatement in the same tier and Plan election(s) that applied on the original date of retirement.

C-6. Benefits. Programs offered vary from tier to tier and benefits vary within the Plans available within each tier, as set forth in the applicable plan document(s). These are subject to change without notice. Such benefits include medical coverage, and may include, but are not limited to, vision or hearing benefits, mental health coverage, access to the University of Idaho wellness or disease management programs, dental benefits, life insurance, and/or prescription drug coverage.

C-7. Contributions. Effective July 1, 2007, all retirees will share in the cost of coverage through a monthly contribution, unless a Plan option which requires no monthly contribution is elected (if applicable).

The University will offer at least one medical Plan option to Tier I retirees which does not require retiree cost sharing through monthly contributions. It is the intention of the University to offer at least one medical Plan option that is less costly, or that for tiers two and three may have no retiree cost sharing. The Plan with no cost or less retiree monthly cost sharing will have less generous benefits such as higher deductibles and higher out of pocket expenses.
C-7-a. Retirees: Effective July 1, 2007, retiree cost sharing will begin for retirees in Tier I at a rate of $30.00 per month for non-Medicare eligible retirees and $20.00 per month for Medicare eligible retirees; or with no required retiree contribution if the Plan option with less generous benefits (i.e.; higher deductibles and other out of pocket expenses) is elected.

Rates are subject to increase annually. Limits on the amount of increase apply only to Tier I retirees and shall not exceed:

(1) the percentage increase of the total cost of the Retiree Health and Life Insurance Programs; or (2) ten percent (10%) of the previous year’s premium paid by that retiree, whichever is less.

All future retirees will make contributions based on the rate in effect for their respective tier and Plan election at the time of retirement.

C-7-b. Tier IV Retirees: Except for retirees who qualify as a retiree with a disability and are not yet eligible for Medicare, Tier IV retirees will be responsible for 100 percent of the cost of retiree coverage. Retirees with a disability in Tier IV pay a subsidized rate until Medicare eligibility.

C-7-c. Sick Leave Conversion: One half of the unused sick leave hours available at the time of retirement accrued since July 1, 1976, not to exceed a benefit of 600 hours, may be used to pay for the cost of Tier IV retiree health coverage, or to pay for the retiree with a disability share of cost in Tiers I, II, and III.

**EXAMPLE #1:** At the time of retirement, Retiree has accrued 1000 hours of sick leave. Retiree may convert 500 hours to pay for retiree medical coverage.

**EXAMPLE #2:** At the time of retirement, Retiree has accrued 1400 hours of sick leave. Retiree may convert 600 hours to pay for retiree health coverage.

Only Retirees in Tier IV and retirees with a disability in any tier of coverage who separated from employment due to disability and who had a sick leave balance eligible for sick leave conversion as described above are eligible for sick leave conversion. Sick leave conversion may not be used to pay for ported life insurance, voluntary dental, Medicare or any other voluntary benefit, or to cover the cost of coverage for dependents.

C-7-d. Dependents: Retirees in all tiers will be responsible for payment of one hundred percent of the cost of coverage for all covered dependents.

C-7-e. Payment: The cost (if applicable) of retiree and/or dependent coverage must be paid in a timely manner. All plans of coverage (medical, dental, etc., if applicable) will be terminated if the required payment for all plans of coverage is not received within 30 days of the date it is due.

D. DISABILITY RETIREMENT

D-1. State and Federal Retirement Plans. An employee who becomes permanently disabled may be able to receive income benefits from his or her retirement plan, or to receive continued contributions to his or her retirement plan at no cost. The respective plan documents govern in all respects. For information regarding disability retirement and plan benefits, contact the applicable plan administrator. Contact information can be found on the benefits website:

<table>
<thead>
<tr>
<th>Plan</th>
<th>Website</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERSI</td>
<td><a href="http://www.persi.idaho.gov">www.persi.idaho.gov</a></td>
<td>1-800-451-8228</td>
</tr>
<tr>
<td>TIAA-CREF</td>
<td><a href="http://www.tiaa-cref.org">www.tiaa-cref.org</a></td>
<td>1-800-842-2776</td>
</tr>
<tr>
<td>AIG-VALIC</td>
<td><a href="http://www.aigvalic.com">www.aigvalic.com</a></td>
<td>1-800-892-5553</td>
</tr>
<tr>
<td>Federal Plans</td>
<td><a href="http://www.opm.gov/retire">www.opm.gov/retire</a></td>
<td>(contact Benefit Services for assistance)</td>
</tr>
</tbody>
</table>
D-2. University of Idaho Retiree Health Program for Employees with a Disability.

D-2-a. Eligibility. An employee qualifies for participation in the Retiree Health Program as a retiree with a disability if he or she meets the following criteria:

i. Qualifies for disability retirement or retirement contribution replacement benefits during disability under the employee’s state or federal retirement plan or under the disability insurance plan in effect at the time of the disability, regardless of age; and

ii. Is enrolled as the primary subscriber under the University of Idaho active employee medical plan at the time of disability and has been so enrolled for at least ten (10) years.

D-2-b. Other Conditions.

i. A retiree with a disability must apply for Medicare disability benefits upon entry into the Retiree Health Program.

ii. The retiree with a disability and all covered dependents must elect Medicare Parts A and B as their primary payer of benefits when they first become eligible, except to the extent that federal law requires the Retiree Health Program to be primary.

iii. If a retiree with a disability qualifies for any tier of coverage under the Retiree Health Program that provides a more generous or less costly benefit, enrollment in that tier will take precedence.

iv. Retirees with a disability and covered dependents are subject to coordination of benefits rules as set forth in the applicable plan documents.

E. Surviving Spouse and Children.

E-1. Faculty Emeritus or Honored Staff Retiree Privileges. There is no transfer of Emeritus or Honored Staff privileges as described above or in FSH 1565 E-4.

E-2. Retiree Health Program. A covered dependent spouse or child may continue under the Retiree Health Program under the following terms and conditions:

E-2-a. Following the death of the retiree, a covered dependent spouse or child may continue coverage under the Retiree Health Program, provided all other Program and plan eligibility requirements are met.

E-2-b. Effective July 1, 2007, a covered dependent spouse of a deceased retiree may remain enrolled in the Retiree Health Program even if he or she later remarries, provided all other Program and plan requirements are met.

E-2-c. A new spouse of a former covered dependent spouse, or any other newly acquired dependent, may not be added to the Retiree Health Program. However, a dependent child of the retiree who is born after the death of the retiree may be added within 30 days of birth.

E-2-d. The covered dependent spouse or eldest covered dependent child will become the new “primary subscriber” in the same Plan election and tier of coverage that applied prior to the retiree’s death, provided all other Program and plan eligibility requirements continue to be met. However, regardless of which tier applies, the new primary subscriber will be responsible for the entire cost of coverage based on the full subscriber rate for himself or herself and for all covered dependents, based on the subscriber and dependent rates in effect at that time.

E-2-e. If the covered dependent spouse or eldest child does not have the same Medicare eligibility as the retiree had at the time of death, the surviving covered dependent(s) will be transferred to the retiree plan that is consistent with the new primary subscriber’s own Medicare eligibility.
E-2. If a covered dependent spouse or child becomes eligible for coverage under another employer’s health plan as either the primary subscriber or as a dependent, eligibility for coverage under the Retiree Health Program will end. Waiving coverage under another employer’s plan also will result in a loss of eligibility for the Retiree Health Program.