

Appendix C

University of Iowa Proposed 2009 Early Retirement Incentive Program

The proposed ERIP does not create a right for the employee. The request to participate in the program may not be approved if it is deemed not in the best interest of the University of Iowa. Each application will be reviewed on an individual basis for its cost saving potential and will be subject to approval through the normal administrative chain with specific approval of Human Resources and the Vice President of the applicable unit. Acceptance of the application shall be considered as a voluntary resignation effective on the date cited by the applicant on the application form.

The proposed program is a one-time program in which eligible employees have a defined 'window' period for application.

1. Proposed Benefits

- (a) Payment of accrued vacation.
- (b) Payment of accrued sick leave, not to exceed \$2,000 in accordance with Iowa Code 70A.23 and AFSCME Collective Bargaining Agreement.
- (c) Health and Dental insurance incentive - The University will contribute an amount equivalent to the amount contributed for an active employee in the same plan and the same coverage level (single, employee/spouse, employee/child, family) for five years. After eligibility for Medicare, the University will continue to contribute the Incentive at the retiree health and dental insurance rates for the balance (if any) of the 5-year period.
- (d) In the event of the employee's 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 death. The employee's surviving spouse or dependent may elect to continue coverage as provided by law.
- (e) Retirement incentive – The University will contribute the employer and employee's retirement contribution for the first three years and then the employer's contribution for the final two years to TIAA-CREF.
- (f) In the event of the employee's death, the University's obligation to pay the cost of the TIAA-CREF contribution will cease on the first day of the month following the date of death.

2. Eligibility – University of Iowa regular employees (benefits eligible):

- (a) Must be fifty-seven years of age by July 1, 2009, to elect to apply for early retirement.
- (b) Individuals who are on phased retirement may apply to participate in this plan.

3. Application requirements:

- (a) Employees who meet the eligibility requirements must apply for the ERIP between July 1, 2009, and September 30, 2009. No applications will be accepted after September 30, 2009. The decision to request such a benefit is voluntary and initiated by the employee. Employees who elect to participate will be provided 7 days to revoke their election.

4. Commencement of Early Retirement:

- (a) Employees must fully retire no later than June 30, 2010.

5. Re-employment:

- (a) Re-employment into a benefits eligible position during the participation period is not permitted. Such employment may be permitted after the participation period.

6. Backfill of Vacated Positions

- (a) Restricted based upon need