

# **Voluntary Retirement Plan for St. Olaf Faculty<sup>1</sup>**

## **Goal:**

To provide a single, transparent plan for an orderly transition as faculty retire and provide faculty a pathway for the transition to retirement.

## **Eligibility**

This plan with program options listed below will be available to tenured faculty ages 62-67, with a minimum of 15 years of employment at St. Olaf who provide a minimum of two year's notice prior to retirement and who meet the requirements for plan participation.

## **Requirements for Program Participation**

- A faculty member must sign an Agreement which specifies a firm date for retirement not less than two years from the date of the Agreement, elect one of the options listed below for his or her transition period, and agree to surrender tenure rights, effective at the scheduled date of retirement. Faculty will become participants in the plan and eligible for the benefits only after signing this Agreement. Once the faculty member has signed the Agreement, surrender of tenure rights on the scheduled date of retirement cannot be changed or altered.
- Faculty who participate in this plan will be expected to participate fully in the life of the department during the time they are participants.

## **Program Options:**

### **A. Full retirement**

- In return for signing the Agreement specifying a retirement date and agreeing to surrender tenure at that time, eligible faculty members giving 2 years' notice of full retirement will receive an increase in compensation equal to 20% of their current salary during the final year of employment. This additional compensation will be paid over the course of the year in accordance with normal payroll practices and will be contingent on the

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<sup>1</sup> This document is intended as a descriptive framework for a proposed Voluntary Retirement Plan and not as a final Plan document. Subject to Board authorization, the framework described here will form the basis of a formal Plan to be drafted by legal counsel.

faculty member's performance of service for St. Olaf throughout the final year of employment.

## **B. Phased retirement**

- In return for signing the Agreement specifying a retirement date and agreeing to surrender tenure at that time, eligible faculty members may, with the approval of the Provost, elect to perform a schedule of part-time teaching (not less than .5 FTE) for a period of 2 years before retiring fully.
- In each year of the phased retirement period, the faculty member will receive additional compensation based on his/her new annual pay, according to the following schedule:

FTE	Additional Compensation
.83	10%
.67	15%
.50	20%

- This additional compensation will be paid over the course of the phased retirement period in accordance with normal payroll practices and will be contingent on the faculty member's performance of service for St. Olaf throughout the final year of employment.

## **Additional Retirement Benefits Available**

- Faculty members will retain all medical benefits provided by the College at their original FTE level during their participation in this plan. Benefits which are related to salary, such as contributions to the Matched Retirement Plan, life insurance and long-term disability, are based on actual salary paid.
- Participation in the retiree health plan if full retirement age is prior to age 65
- TIAA-CREF counseling

## **Discretion of College**

The College reserves the right to alter or deny a request under this plan if 1) the Provost determines that the participation of a faculty member would seriously disrupt an academic department or college program, or 2) the Provost has received more applications for participation in this program than can be approved in light of financial or operational requirements; 3) the College determines that granting the request would not be in the best overall interest of the College based on academic, operational, financial or other considerations.

**Effective Date**

The College plans to make this plan effective May 31, 2012 and to review the plan at regular intervals. The College reserves the right to change or discontinue the program if institutional needs are not being met. If the College elects to discontinue or change the program, it will do so in accordance with all applicable laws.