

# Journal of Collective Bargaining in the Academy

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Volume 0 *NCSCBHEP Proceedings 2009*

Article 3

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April 2009

## Pensions and Retirement Benefits in Tough Times: University of Scranton

Abigail Byman  
*University of Scranton*

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### Recommended Citation

Byman, Abigail (2009) "Pensions and Retirement Benefits in Tough Times: University of Scranton," *Journal of Collective Bargaining in the Academy*: Vol. 0 , Article 3.

Available at: <http://thekeep.eiu.edu/jcba/vol0/iss4/3>

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## **The University of Scranton**

### **Article 16. Window Retirement Program For Faculty**

#### **A. Program Definition And Eligibility Criteria**

1. The University will provide a Window Retirement Program for full-time faculty. Since this is a window program, this means entry into the program is limited to a specified period of time.
2. This is a voluntary window retirement program and it must be requested in writing by the eligible faculty member.
3. The open enrollment period for an eligible faculty member to submit an irrevocable written declaration to the Provost/VPAA regarding his/her desire to retire is from September 1, 2006 to November 30, 2006. The written declaration must specify the date (as noted below) when retirement will commence. This single open window period applies to faculty who want to retire on any of the three dates listed below.
4. Faculty members who are eligible to participate in this Window Retirement Program for Faculty must:
  - a. have completed at least 20 years of full-time service with this University by August 31<sup>st</sup> of the calendar year in which the faculty member wants to retire; and
  - b. be age 65 or older by August 31<sup>st</sup> of the calendar year in which the faculty member wants to retire.
5. Faculty members who had full-time service in an administrative capacity at the University will have that time counted towards the 20 years of full-time service criteria.
6. Eligible faculty members who meet the above criteria may elect to commence retirement on:
  - a. September 1, 2007; or
  - b. September 1, 2008; or
  - c. September 1, 2009.
7. Upon retirement, the faculty member's employment and tenure with the University is officially terminated.

#### **B. Program Structure**

1. **Cash Payment:** A cash payment equal to the lesser of the following two items will be paid to the retiree:
  - a. The retiree's annual base salary for the academic year immediately preceding retirement, e.g., the retiree's annual base salary for academic year 2006-07 if retiring on September 1, 2007 or;
  - b. A payment of \$4,000 per year for each year of full-time service.

2. **Payment Options:** The retiree may elect to have the cash payment specified above received based on one of the following options. The faculty member must specify the payment option elected in the initial written declaration to the Provost/VPAA indicating the faculty member's desire to participate in the Window Retirement Program for Faculty.
  - a. One lump sum payment payable to the retiree in September in the calendar year in which the faculty member retires.
  - b. Twelve equal payments payable on the first day of the month beginning in September in the calendar year in which the faculty member retires.
  - c. Two equal lump sum payments: the first payment in September in the calendar year in which the faculty member retires; the second payment in January immediately following the calendar year in which the faculty member retires.
  - d. In the event the retiree elects a payment option other than a single lump sum payment, and the retiree subsequently dies before all payments are made, all remaining payments shall be paid to retiree's estate in a single lump sum payment.
3. **Taxes:** All applicable taxes will be deducted from the above cash payment.
4. **Pension Contributions:** The cash payment is not eligible for University or employee pension contributions.
5. **Health Insurance for the retiree:** The University will provide and pay for Medicare wraparound health insurance (e.g., 65-Special) through the University's Medicare wraparound program for the retiree for the life of the retiree. The retired faculty member is responsible for paying his/her own Medicare Part B premiums. If the University no longer offers health insurance coverage to full-time faculty, the University's obligation to provide Medicare wraparound health insurance to the retiree ceases at the same time. If after consultation with FAC it is agreed that a vendor can no longer be contracted with to provide Medicare wraparound health insurance for retirees, the University's obligation to provide Medicare wraparound health insurance to the retiree ceases at that time. In no situation is the University obligated to a Medicare wraparound insurance premium greater than the full health insurance premium the University pays for full-time faculty at that time.
6. **Health Insurance for the retiree's spouse and/or eligible dependents:** The retiree's spouse and/or eligible dependents may continue to participate in the University's health insurance plans after the faculty member retires, provided the retiree pays 100% of the applicable health insurance premium. If the retiree dies, the eligible spouse and/or dependents may continue to participate in the University's health insurance plan as long as the spouse and/or eligible dependents pay 100% of the health insurance premium. If the University no longer offers health insurance coverage to full-time faculty, the University's obligation to allow the spouse and/or eligible dependents of the retiree to participate in the University's health insurance plan ceases at the same time. If after consultation with FAC it is agreed that a vendor can no longer be contracted with to

provide Medicare wraparound health insurance for retirees, the University's obligation to allow the retiree's spouse to participate in the Medicare wraparound health insurance ceases at that time.

7. **Dental and Vision Coverage for the retiree:** The University will provide and pay for dental and vision coverage through the University's dental and vision plans for the retiree for the life of the retiree. If the University no longer offers dental and/or vision coverage to full-time faculty, the University's obligation to provide dental and/or vision coverage to the retiree ceases at the same time. If after consultation with FAC it is agreed that a vendor can no longer be contracted with to provide dental and/or vision plans for retirees, the University's obligation to provide such coverage to the retiree ceases at that time. In no situation is the University obligated to a dental or vision plan premium greater than the full dental or vision premium the University pays for full-time faculty at that time.
8. **Dental and Vision Coverage for the retiree's eligible spouse and/or dependents:** The retiree's spouse and/or eligible dependents may continue to participate in the University's dental and vision plans after the faculty member retires, provided the retiree pays 100% of the applicable dental and vision coverage premiums. If the retiree dies, the eligible spouse and dependents may continue to participate in the University's dental and vision plans as long as the spouse and/or eligible dependents pay 100% of the applicable dental and vision coverage premiums. If the University no longer offers dental and/or vision coverage to full-time faculty, the University's obligation to allow the spouse and/or eligible dependents of the retiree to participate in the University's dental and/or vision plans ceases at the same time. If after consultation with FAC it is agreed that a vendor can no longer be contracted with to provide dental and/or vision plans for retirees, the University's obligation to provide such coverage to the retiree's spouse ceases at that time.
9. **Life Insurance:** Conversion privileges as defined by the carrier are available after August 31<sup>st</sup> of the calendar year in which the faculty member retires. Conversion must occur within 30 days of retirement.
10. **Tuition Remission Benefits:** Tuition remission benefits for the faculty member, spouse, and eligible dependents as defined in applicable bargaining agreements will remain in force after the faculty member retires.
11. **Disability Insurance:** Disability insurance coverage ends on August 31<sup>st</sup> of the calendar year in which the faculty member retires.
12. **Workers' Compensation:** Workers' Compensation coverage ends on August 31<sup>st</sup> of the calendar year in which the faculty member retires.
13. **Other Benefits After Retirement:** - Participants in this window program are eligible for all other benefits provided to regular faculty retirees.