

OGDEN-WEBER TECHNICAL COLLEGE	Number 520.56	Effective Date 8/24/98 Revised 11/20/14 6/14/16 5/11/23	Page 1 of 1
POLICY	Approval: President’s Cabinet		
Title RETIREMENT PROGRAMS AND BENEFITS			

1. PURPOSE AND SCOPE

The purpose of the policy is to identify the retirement programs offered at the College by defining the eligible employee classification for each program and provide incentives for employees to save toward their retirement.

2. POLICY

It is the policy of the College to provide employees with retirement benefits upon meeting all eligibility requirements for each benefit.

3. DEFINITIONS

3.1 Consolidated Omnibus Budget Reconciliation Act (COBRA): COBRA gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss, reduction in the hours worked, transition between jobs, death, divorce, and other life events.

4. REFERENCES

- Ogden-Weber Technical College Personnel Classifications policy (#520.5)
- Ogden-Weber Technical College Employee Leave policy (#520.1)
- Ogden-Weber Technical College Employee Benefits Eligibility policy (#520.9)
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- Utah Code, Title 49, Utah State Retirement, and Insurance Benefit Act
- U.S. Department of Labor, Consolidated Omnibus Budget Reconciliation Act (COBRA)

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1. Retirement Benefits

The College provides the following retirement benefits to eligible employees:

1.1 Retirement Programs

- 1.1.1** Participation in one of two retirement programs is required by Utah State law. In accordance with state statute, employees hired after January 1, 1979, may participate only in the retirement plan which attaches to their employment classification.
- 1.1.2** Effective July 1, 2002, College salaried employees hired in a non-exempt classification shall participate in the state retirement program administered by Utah Retirement System (URS).
- 1.1.3** Effective July 1, 2002, College salaried employees hired in an exempt classification shall participate in TIAA. However, an employee who is currently enrolled in URS or who has previous service credits with URS on the date of employment may elect to maintain URS enrollment.
- 1.1.4** Hourly employees hired after July 1, 2010, are not eligible for the state retirement program administered by URS.
- 1.1.5** College Board of Directors members are part-time appointed officials and are therefore ineligible to participate under URS Tier 2 Defined Contribution Plan.

1.2 401(k) Savings Plan

1.2.1 Eligibility

- 1.2.1.1** All employees may participate in the College's 401(k) Savings Plan immediately upon hire. The plan is subject to URS guidelines and regulations.

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1.2.2 Participants must contribute on a percentage basis toward their 401(k) savings plan.

1.3 Other Retirement Savings

1.3.1 All employees are eligible to participate in other retirement savings plans through Utah Retirement Systems (URS), via payroll deduction, such as 457 and IRA accounts. There is no employer match to the above retirement savings.

2. 401(k) Plan College Matching Contributions

2.1 Eligibility

2.1.1 All salaried employees (exempt and non-exempt) are eligible for the 401(k) College matching contribution on their first day of employment.

2.1.2 Effective July 1, 2010, hourly employees are not eligible for the 401(k) match.

2.2 The College shall provide a one-half (.5) percent match for every percentage of employee 401(k) contributions, up to a maximum of 3 percent, e.g., if the employee contributes 1 percent of salary, the employer would contribute one-half of a percent. If the employee contributes six percent, the employer would contribute three percent. Vice presidents and the college president are eligible to receive a 1:1 match up to 6 percent.

2.3 The College's Board of Directors reserves the right to modify the percentage or amount of College contribution for all employees or by job classification.

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3. Group Medical and Dental Benefits

- 3.1 The College allows retirees and their spouses who meet the criteria as outlined in COBRA guidelines and OTECH's Employee Benefits Eligibility policy to participate in the group medical and dental benefits plan at full cost to the employee.
- 3.2 All benefits are subject to the terms and conditions of the insurance contracts obtained by the College and COBRA.
- 3.3 Prior to their last day of employment, retirees shall notify the Human Resources Department of their intent to continue medical and dental benefits through COBRA coverage.
- 3.4 The retiring employee is responsible for paying the full amount of the premium, including any additional fees the carrier may charge. Premiums are paid to the COBRA provider each month.

4. Sick Leave Payment

- 4.1 No payment shall be made for unused sick leave unless the employee meets specific **retirement criteria**.
- 4.2 Unused sick leave of retirees shall be computed for purposes of this benefit by multiplying the hours of unused sick leave accumulated by an employee as of the date of retirements, times the hourly rate of pay of such employee on the last day of work prior to retirement. The percentage of unused sick leave which will be paid to a qualifying employee shall be computed by utilizing the following schedule:
 - 0 to less than 10 years of service, no payout;
 - 10 to less than 20 years of service shall be paid out at 25%;
 - 20 to less than 30 years of service shall be paid out at 50%;
 - 30 or more years of service shall be paid out at 75%.

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4.3 Eligibility for Payment of Unused Sick Leave

4.3.1 An employee, at the time of retirement,

4.3.1.1 Be at least 55 years of age or older and have 30 years of service with the College;

OR

4.3.1.2 Be at least 60 years of age or older and have 10 years of service with the College.

4.3.2 An employee must retire as a salaried employee of the College.

4.3.3 To be deemed to have retired, an employee at the time of termination of service must be eligible for benefits as a retiree under the URS or TIAA.

4.3.4 Unused sick leave shall be paid to qualifying retirees in a lump sum within 30 days following such qualifying employees' last day of work.

5 Vacation Leave Payment

5.1 The College shall pay retirees the value of accumulated vacation leave upon retirement as stated in the Vacation Leave policy (#520.12).

6 One-time Payment

6.1 The College provides retirees who meet the criteria as outlined with a one-time payment upon retirement.

6.2 Eligibility

6.2.1 Participation in the one-time payment is neither an entitlement nor a right automatically available to all persons who meet the eligibility criteria. The College reserves the right to limit participation in order to preserve

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the viability of the College's basic programs and the integrity of its financial resources.

6.2.2 Employees who have received a written notice of termination (reduction in force) but opt to retire are eligible for retirement benefits but not severance or payment in lieu of notice.

6.3 Employees who meet the following criteria may receive the College's one-time payment subject to College approval:

6.3.1 Are at age 55 or older and have 30 years of service with the College;

OR

6.3.2 Are at age 60 or older and have 10 years of service with the College;

AND

6.3.3 Are approved to receive retirement benefits with URS or TIAA;

AND

6.3.4 Must retire prior to becoming eligible for full social security benefits.

6.4 Ineligible Employees

6.4.1 The following employees are not eligible for participation in the one-time payment:

6.4.1.1 Any employee who has received a written notice of termination for a RIF unless the employee opts to retire and meets the eligibility criteria.

6.4.1.2 Any employee who is retiring under the disability provisions of the Utah State Retirement Act.

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6.4.1.3 Any employee who has previously received any retirement incentives from the College.

6.5 Employee Responsibility: Employees should consult with qualified attorneys, accountants, or financial advisors of their own choosing before making retirement decisions.

6.6 Right to Amend or Terminate Payment: The Board reserves the right to amend or terminate the one-time payment at any time.

6.7 Payment Distribution: Retirees who are approved to receive the one-time payment shall receive a payment of up to 30 percent of their annual salary at the time of their retirement. Payment shall be prorated based on the number of months the employee has remaining until eligible for full social security benefits up to a max of 36 months.