

**FACULTY SENATE RESOLUTION
REGARDING
EARLY RETIREMENT INCENTIVE PROGRAM**

MOTION:

The Faculty Senate endorses the working paper prepared by the Faculty Senate Welfare and Benefits Committee regarding ERIP, and adopts the Recommendations defined in Paragraphs B.1, B.2, and B.3. The President shall forward the adopted Recommendations to the appropriate university leadership involved in preparing the ERIP policies. In the spirit of shared governance, representatives of the Senate, appointed by its President, should be included in the team that works through the final ERIP plan; and, the Faculty Senate shall be included in review, advice and consent regarding proposed plans.

*Options for a New ISU Early Retirement Incentive Plan (ERIP)
Prepared by Faculty Senate Welfare & Benefits Committee
January, 2002*

A. Background & Timing

The current Early Retirement Incentive Program will expire in 2002, except for a previously announced extension for those faculty, P&S, and merit staff already eligible for ERIP. This extension will last until June 30, 2004. The Faculty Senate Welfare & Benefits Committee has discussed how the current ERIP operates and commented on two documents issued by central administration since last fall. In October, we agreed on a set of general principles to guide any new ERIP. These principles – and our reaction to a set of principles drafted by the University Benefits Committee last fall – have been discussed by FDAR.

W&B also reviewed the issues raised in “Options for Early Retirement Incentive Plans,” a report of an administration task force sent to President Christie Pope on January 9, 2002 by ISU Vice President for Business & Finance Warren Madden. In his cover memo, Vice President Madden asked for comment by campus stakeholders on these options by February 12. At its meeting on January 29, 2002, W&B made the following recommendations for the Senate to take up at its February 2002 meeting.

B. Recommendations by the Welfare & Benefits Committee

1. **Faculty Senate should endorse a new comprehensive Early Retirement Incentive Program open to the same classifications as before (i.e., faculty, P&S, and merit) and offering comparable coverage (health care and TIAA-CREF benefits from age 57), consistent with federal and state law.** Please note discussion in the “options” paper about so-called “safe harbor” provisions required under new federal law and comments about equitable gender-based access by faculty and staff to early retirement benefits discussed in C.2., below.
2. **In addition, Faculty Senate encourages the administration to assure access to early retirement resources by faculty and staff in small departments and colleges, and to make certain that the program includes a clearly spelled out appeals process for all.** More information about our recommendations is included in the W&B’s “principles”

document in the Senate packet for the February meeting which recommends the creation of: 1) a central pool of money to be used to assure equity and 2) outlines the role that could be played by a faculty advocate on behalf of faculty who might be turned down at the department level.

3. **Faculty Senate also recommends that any new plan 1) encourage departments and individual faculty to strategically plan for their units' human resources needs 2) facilitate strategic retirements that reflect faculty, as well as administrative priorities, and 3) assist recruitment of new faculty.**

C. Comments on the Task Force Options' Memo

Several options for a new ERIP were "floated" in this paper which senators need to take into account in their deliberations on this issue. In addition, we found that one important issue not adequately examined in the administration's options' paper.

1. The suggested ERIP option for faculty and staff discussed at length in the "options" paper appears to limit ERI benefits to health care for 3 years. Thus, it would not provide the same 5-year bridge to Medicare that is currently offered and would also not include any continued payment of TIAA-CREF contributions. W&B members were not convinced by the "options" paper that anticipated costs require cutting back on ERI benefits currently available.
2. The W&B committee does not find adequate discussion in the "options" paper about gender issues associated with the various ERI options. Specifically, the committee is concerned that eliminating the programs for P&S and merit will have an adverse effect on female employees at ISU. Furthermore, W&B believes that the changes in eligibility and/or ERI benefits in the proposed new program will significantly impact the cohort of female faculty reaching 57 years of age during the next five years. To date large numbers of female faculty have not had access to the ERIP program because most of those hired in the 70s and 80s have not yet met the age and service thresholds for eligibility.