



Early Retirement Incentive Program

The Early Retirement Incentive Program ("ERIP") allows faculty and staff members to fully retire from the University with incentive pay. ERIP participants may still maintain health coverage through the University. Participation in the ERIP continues until the retiree reaches full Social Security retirement age, or for a maximum of 60 months, whichever is earlier. Because this option requires payment by your current department, this option is not a right and is subject to departmental, cognizant vice president, and Board of Trustees approval. Full Retirement options become available at the end of the Early Retirement.

Minimum Requirements:

1. Participants must be age 60 or older.
2. Participants must be 75% FTE or greater
3. The participant's age combined with years of full-time (75% FTE or greater) service at the University of Utah must total 75 or more.
4. Participants must have completed five years of continuous benefitted service for the University of Utah immediately prior to retirement (years of service bridged from prior service do not count toward this requirement).
5. An agreement must be completed with the necessary signatures up through the Board of Trustees approving the Early Retirement Incentive Program. (The agreement is available from Human Resources.)

Benefits:

1. Participants receive an annual incentive (paid semi-monthly) from the department from which they retire. The incentive is the lesser of: (a) 20% of the participant's annual University salary at the time of early retirement; or (2) the participant's estimated single Social Security Benefit available at normal retirement age.
2. Participants may remain enrolled in medical and dental coverage at the same rates paid by active full-time employees. (Deductions for health coverage will be taken from the semi-monthly incentive payment.)
3. Because the participant is fully retired from the University, the participant and any family members must enroll in Medicare Parts A and B when they become eligible. Participants do not need to obtain a Medicare Part D plan until the end of ERIP participation because the prescription drug coverage offered through the University's plan is creditable to Medicare Part D plans. Enrolling in Medicare Part A and B can take 3 months and should be started prior to the individual's eligibility date.
4. Participants cannot make elective 403(b) or 457(b) contributions on their ERIP incentive pay, because it is not compensation. All elective deferrals must stop at the beginning of ERIP.

5. At least three months before the end of ERIP participation, participants should begin considering health coverage options. [Group Medicare retiree plans](#) are available through the University and many individual plans are available through the [Health Insurance Marketplace](#).
6. Participants and their eligible family members continue to be eligible for [tuition reduction](#) benefits through the University. Participants are also eligible for other retiree benefits available through the University.
7. Participants may withdraw funds from their 401(a) and/or 457(b) Plan after they have been begun early retirement for 32 or more days. (Withdrawal of funds from 403(b) Plan accounts can be made by any employee age 59½ or older.)

To Apply for Early Retiree Incentive Program:

*At any point during the process, the employee and/or the department may contact the HR Retirement Counselor (retiree@utah.edu) to obtain information and ask questions regarding the Early Retirement Incentive Program (ERIP).

*If the retirement is denied for departmental discretionary reasons, **the department is required to inform the employee.**

1. Ordinarily, upon interest the employee notifies their department of their desire to retire at least six months in advance and discusses whether the department would consider ERIP as a possibility. Alternatively, if a department has interest, they may discuss the option(s) with the employee. Note that the department may only approach employees regarding retirement so long as it is in a non-discriminatory way.
 - In situations where the employee has multiple positions on campus, or has a joint or shared faculty appointment, all departments for that employee must be notified of the employee's interest in retirement.
 - Only departments who contribute to the salary for the employee will participate in the Financial Approval for Consideration and signature process for the retirement.
2. If all parties agree to proceed, the department will contact the HR Retirement Counselor to determine eligibility. Alternatively, the employee may contact HR to determine eligibility.

Process for Early Retiree Incentive Program:

1. If eligible, HR will provide the department (and employee if requested) with financial calculations for consideration. If all parties wish to proceed following review, the department is provided the Financial Approval for Consideration.

***The Financial Approval for Consideration is not a final agreement/contract and must be approved at all levels before an agreement is drafted.**

- The Financial Approval for Consideration is reviewed and signed or denied by the following parties (via DocuSign):

* Each level should include the appropriate financial team when reviewing

1. Non-Academic: Supervisor / Academic: Department Chair
2. Non-Academic: Director / Academic: Dean
3. Cognizant VP

2. HR is notified when the Financial Approval for Consideration has been approved and prepares the agreement for review and signatures.

- The agreement is reviewed and signed or denied by the following parties (via DocuSign):
 1. Employee
 2. Non-Academic: Supervisor / Academic: Department Chair
 3. Non-Academic: Director / Academic: Dean
 4. Cognizant VP
 5. HR Retirement Counselor
 6. Chief Human Resource Officer
 7. Board of Trustees

*At any point during the signature process the agreement can be revised, reviewed and/or denied (for departmental discretionary reasons). The agreement is not guaranteed and in effect until approved and signed at all levels.

3. If the agreement is approved, a copy will be sent to the employee, the Supervisor/Department Chair, Director/Dean, cognizant VP and the Budget Office.

If you have any questions about the Early Retirement Incentive Program, see [University Policy 5-306](#) or contact Human Resources at retiree@utah.edu.