

**University of Vermont**  
**Voluntary Early Retirement Incentive Program**  
**Procedures and Guidelines**

The University of Vermont is offering a Voluntary Early Retirement Incentive Program (VERIP) to eligible employees who choose to retire by March 31, 2021. Eligible employees must apply for this program, and can only receive the benefit upon final approval by the Financial Analysis and Budgeting Office (FAB).

The purpose of VERIP is to create cost savings through the reduction of total salary and benefit expenditures to help offset ongoing anticipated budget pressures. Departments must demonstrate a minimum of 20% cost savings from any employee's participation in VERIP (e.g., by leaving the position vacant, re-organization, or refilling the position at a lower salary or FTE).

Participation in VERIP is completely voluntary. Eligibility is limited to benefits-eligible, regular full-time employees who are not part of a bargaining unit, and who meet one of the following criteria as of **March 31, 2021**:

- At least 60 years of age with 15 or more years of benefits-eligible, full-time service to the University; or
- Less than age 60 with 30 or more years of benefits-eligible, full-time service to the University.

Participating employees who are at least 60 years of age with 15 or more years of service will be eligible for post-retirement medical benefits (PRMB) and dental benefits in addition to their regular retirement benefits under the following terms and conditions:

- Participating employees will be responsible for the greater of (i) 50% or (ii) the percentage they would have paid for PRMB upon eligibility at age 65 in accordance with their retirement tier, salary, and years of service.
- Once they reach age 65, participating employees will pay the percentage they would have paid for PRMB upon eligibility at age 65 in accordance with their retirement tier, salary, and years of service upon date of separation (minimum contribution of 20%).
- Employees who elect to participate in dental insurance will pay the same amount as an active employee.

Employees who are less than age 60 and who have 30 or more years of benefits-eligible, full-time service to the University as of September 15, 2020, are eligible for PRMB and dental benefits, in addition to their regular retirement benefits, but must pay 100% of the premiums until they reach age 65.

- Once they reach age 65, participants will pay the percentage of premium they would have paid for PRMB in accordance with their retirement tier, salary, and years of service upon date of separation (minimum contribution of 20%).
- Similarly, employees in this category can waive PRMB, but "recapture" the benefit at age 65 and pay the percentage outlined in their retirement tier based on salary and years of service upon date of separation (minimum contribution of 20%).
- Employees who elect to participate in dental insurance will pay the same amount as an active employee in the same retirement tier once they reach age 65.

For further information about PRMB and retirement tiers, please see the [benefits section of the Staff Handbook](#).

Once an eligible employee requests to participate, the university will evaluate the impact that the employee's participation in VERIP would have on business or academic continuity, and is in the university's best interest. The university, in its sole discretion, reserves the right to accept or reject any employee's request to participate in VERIP. Employees will be notified on or before **October 15, 2020** whether their request to participate has been accepted or rejected. Once the employee's request to participate has been accepted, the employee *will not* be able to revoke their decision to retire.

The university reserves the right to determine the last day of employment for all employees, but all participating employees must retire from university service no later than **March 31, 2021**. Participating employees must work with their departments to determine a timeline that allows a smooth transition of responsibilities and minimizes disruption of business needs.

Participating employees may not be re-employed as full-time university employees once they retire under the Voluntary Early Retirement Incentive Program.

### Process

- Eligible employees must submit an [Election Form](#) to their supervisor no later than **September 15, 2020**.
- The employee's supervisor (or an HR representative for the employee's department) must verify with UVM Benefits staff that the employee meets the eligibility requirements as described above.
- The supervisor must submit the election form to their dean/vice president (or their designee) for approval. Approval by the dean/vice president verifies that the employee's participation will not negatively impact business or academic continuity.
- Once approved by the dean/vice president, departments should submit the election form, including an explanation of how the employee's participation in the program will net at least 20% savings, to Human Resource Services (HRS) via [HRSInfo@uvm.edu](mailto:HRSInfo@uvm.edu) for review. **Completed and signed forms must be submitted to HRS no later than September 30, 2020.**
- HRS will provide a final verification of the employee's eligibility, and send to FAB to verify the 20% savings target as a final level of approval for participation. FAB will notify HRS of the outcome.
- HRS will notify the employee and supervisor no later than **October 15, 2020** whether their participation in VERIP is approved or denied.