



HUMAN RESOURCES

Date: September 9, 2009

To: Members of the Skidmore College Community

From: Barbara E. Beck, Associate Vice President of Finance & Administration and
Director of Human Resources

Re: Early Retirement Incentive Program

The purpose of this memorandum is to advise the Skidmore community that the Board of Trustees has authorized the College to offer a voluntary Early Retirement Incentive Program (ERIP) to eligible faculty and non-union staff. The ERIP is a one-time offer in 2009 and is designed to enhance the financial feasibility of retirement for those eligible faculty and staff who desire the opportunity to pursue post-retirement personal and professional interests in the immediate future. Participation by eligible faculty and staff members is voluntary. Participation is not an entitlement. The College reserves the right to limit participation based upon departmental and operational needs as well as budget constraints.

The ERIP provides eligible faculty and staff who voluntarily retire with an additional 5 years of service and 5 years of age toward eligibility for retirement and a retirement incentive benefit. The additional 5 years of eligible service will also be applied toward post-retirement healthcare cost sharing (if any).

Below is a summary of the ERIP features:

ERIP Features	Definitions
Must be eligible to retire between 1/1/2010 and 12/24/2010	<ol style="list-style-type: none">1. At least age 50 with2. At least 10 years consecutive Flexible Benefits eligible service, as reflected in the records of Human Resources (age and service will be measured as of 12/31/2009, assuming required services continue to be performed through such date)
Retirement Incentive Eligibility (for retiree status and post-retirement healthcare cost sharing, if any, under the applicable separately administered College benefit plans, programs and policies)	An additional 5 years of age and 5 years of eligible service will be added to increase retirement eligibility, which is a minimum of age 55 with at least 15 years of eligible service. The additional 5 years of eligible service will also be applied to post-retirement healthcare cost sharing, if any. (<i>Example 1--Eligibility For Retirement: Age 50 with 10 years eligible service will be considered to be age 55 with 15 years of service. Example 2--Post-retirement healthcare cost sharing (if any): Age 56 with 15 years of eligible service would now be considered to have 20 years of eligible service at retirement. At ACTUAL age 60, the College would contribute 100% towards healthcare.</i>) The retiree benefits described in this paragraph will be provided as long as they satisfy any applicable nondiscrimination requirements under the Internal Revenue Code and the terms of the applicable separately administered College plan, program or policy (as such terms may be amended from time to time).

Retirement Incentive Benefit	125% of eligible faculty and staff's base annual salary as of 12/31/2009, to be allocated as follows: at the time of retirement, the College will contribute to the College's basic retirement plan (the 403(b) plan) as much of such amount as may be contributed to that plan by law; the remainder will be included in the faculty and staff's final paycheck as a lump sum (less applicable withholding taxes). Eligibility for the Retirement Incentive Benefit is contingent upon remaining employed with the College in good standing and continuing to perform substantial services for the College through the confirmed retirement date for participation in the ERIP (approved applicants will receive a notice regarding that date as described below).
Applies to eligible faculty and non-union staff	Limitations: Cabinet Members, Phased Employment Program participants and those faculty and staff who previously filed a written intent to retire from the College, as well as those faculty and staff who are less than Flexible Benefits Program eligible, are excluded from the ERIP.
Application period runs from 9/10/2009 to 10/12/2009	Applications must be hand delivered or faxed (580-5805) to Human Resources no later than 4:30 p.m. EST on 10/12/09.
Approval Criteria (submitting an application is not a guarantee of approval)	Accepted applications will be prioritized based on which applicants have the most years of consecutive Flexible Benefits eligible service (i.e., the applicants who have the most years of such service, as reflected in the records of Human Resources, will be given the highest priority, subject to the limitations described in the next sentence). The number of approved applicants will be limited based on that prioritization, departmental and operational needs, and budget constraints of the College. The College's decisions with respect to such limitations shall be final and binding.
Notification of approved and non-approved applicants into the ERIP	Notification of approved and non-approved applicants into the ERIP will be provided in writing, along with the confirmed retirement date for those approved into the ERIP, no later than 10/26/2009.
Review period for the voluntary ERIP participation agreement and release (Participation Agreement)	An approved applicant will have up to 45 days, no later than 4:30 p.m. EST on December 10, 2009, to review, sign, and return the Participation Agreement. For 7 days following such a return, the approved applicant will have an option to revoke the Participation Agreement.

Summary of Eligibility Criteria and Pool:

Participants in the ERIP must be at least 50 years of age with at least 10 years consecutive Flexible Benefits eligible service, as reflected in the records of Human Resources, as of 12/31/2009 (assuming required services continue to be performed through such date). A summary of the breakdown of the eligible population is as follows:

Eligibility Pool	Total Eligible
Tenured Faculty	85
Non-Tenured Instructional Faculty	18
Administrative/Professional	61
Support Staff	47
Total	211

Standard Retiree Benefits Under Separately Administered College Plans, Programs and Policies:

- Post-Retirement Healthcare benefits for the participant, spouse and eligible dependents covered on the eligible faculty and staff's healthcare plan on the date of retirement;
- Basic Group Term Life Insurance until age 65 (actual age – not with 5 years added);
- Retiree status

These retiree benefits will be provided as long as they satisfy any applicable nondiscrimination requirements under the Internal Revenue Code and the terms of the separately administered College plans, programs and policies (as they may be amended from time to time).

Selection Process:

Accepted applications will be prioritized based on which applicants have the most years of consecutive Flexible Benefits eligible service (i.e., the applicants who have the most years of such service, as reflected in the records of Human Resources, will be given the highest priority, subject to the limitations described in the next sentence). The number of approved applicants will be limited based on that prioritization, departmental and operational needs, and budget constraints of the College. The College's decisions with respect to such limitations shall be final and binding.

The ERIP that has been implemented is based on extensive research, analysis, dialogue, legal and fiscal review. On August 4, 2009, the ERIP in its final form was presented to the Board of Trustees with a recommendation that the ERIP be implemented for 2010. The College was authorized to move forward with the implementation of the ERIP. The ERIP was also recently presented to the IPPC committee for its information and review.

As I indicated earlier, the ERIP is being offered to eligible faculty and staff in 2009 on a one-time only basis. The College believes this voluntary early retirement incentive offer to be beneficial to the eligible faculty and staff who may be considering near-term retirement as well as to the institution. All eligible faculty and staff will be provided a packet of information on September 10, 2009, by the Human Resources staff.

It is our desire that the ERIP will be seen as advantageous for those faculty and staff who have had a long history of dedicated service to the College and wish to apply for this program. It will also provide the opportunity to consider how best to reallocate our resources to meet the long term needs of the College. We have worked closely with President's Cabinet to develop the best possible program within the economic means of the College, and have done our best to make it as fair and reasonable as possible.

I hope this memo will help clarify any questions you might have regarding the ERIP. Please remember that the ERIP is a voluntary program and eligible faculty and staff need to make their own decisions whether they wish to participate or not. As members of the College community, we cannot advise eligible faculty and staff about their decisions. Any inquiries regarding the program should be directed to Human Resources at 580-5800.