

Policy 5-302: Retirement Programs

I. Purpose

To outline the programs of retirement available to University Employees.

II. Definitions

- A. "Employee" is defined in [Policy 5-001 \(/human-resources/5-001.php\)](/human-resources/5-001.php).
- B. "Exempt" ("Salaried") is defined in [Policy 5-001 \(/human-resources/5-001.php\)](/human-resources/5-001.php).
- C. "Faculty" is defined in [Policy 5-001 \(/human-resources/5-001.php\)](/human-resources/5-001.php).
- D. "FTE" is defined in [Policy 5-001 \(/human-resources/5-001.php\)](/human-resources/5-001.php).
- E. "Full-time" is defined in [Policy 5-001 \(/human-resources/5-001.php\)](/human-resources/5-001.php).
- F. "Non-Exempt" ("Hourly") is defined in [Policy 5-001 \(/human-resources/5-001.php\)](/human-resources/5-001.php).
- G. "Phased Retirement Program" means an arrangement for early partial retirement as embodied in a written contract between the University and the Employee.
- H. "Retirement" means the full or partial termination of regular compensated service as an Employee concurrently with the initiation of the receipt of retirement benefit payments or annuities under an applicable retirement program.
- I. "Staff" or "Staff Member" is defined in [Policy 5-001 \(/human-resources/5-001.php\)](/human-resources/5-001.php).
- J. "Temporary" is defined in [Policy 5-001 \(/human-resources/5-001.php\)](/human-resources/5-001.php).

III. Policy

A. Eligibility for Retirement Benefits: General Principles

1. It is the intent of the University to insure that its career-oriented Employees are adequately covered by the benefits of a retirement program. Participation in one of the two retirement programs offered is required by Utah State Law for those persons whose eligibility is specified.
2. Since the vast majority of Employees hold salaried positions, salaried status becomes the primary criterion for identifying career-oriented Employees, regardless of the fact that they may be enrolled as students.

B. Eligibility Criteria

1. Except as provided in paragraph 2, the following Employees are eligible to participate in University retirement programs:
 - a. All Full-time Exempt or Non-Exempt Staff who are assigned to positions which are expected to last for more than four months.
 - b. Staff employed on a Exempt or Non-Exempt basis for 20 or more, but less than 30 hours per week, who are assigned to positions which are expected to last for nine or more months.
 - c. Persons who hold Faculty appointments approved by the Board of Trustees, who are employed by the University for 50% FTE or more, including any effort for which compensation is paid by external agencies, in positions which are expected to last for nine or more months; provided, however, that Faculty Members who hold temporary visiting appointments will only be enrolled in a retirement program with the written approval of the department head and cognizant dean.
 - d. Persons on a partial retirement status pursuant to the University's Phased Retirement Program.
2. The following Employees are ineligible to participate in the retirement programs except on a voluntary basis as authorized by section III B 7 below:
 - a. Staff employed on an Exempt or Non-Exempt basis for 20 or more, but less than 30 hours, per week, who are assigned to positions which are expected to last for less than nine months; provided that if the individual is in fact employed in such a position for more than nine months, he or she shall be enrolled in the appropriate retirement program within 60 days after the end of the nine month period of employment.
 - b. Students whose employment status with the University does not satisfy the requirements of paragraph III B 1 above.
 - c. Medical interns and residents, postdoctoral fellows, teaching and research assistants, teaching fellows, and other educational trainees.
 - d. Visiting aliens anticipating return to their own country.
 - e. Employees serving as exchange Employees from outside the state.
 - f. Non-faculty Employees employed for less than 20 hours per week.

3. An Employee who has been duly enrolled in a retirement program, but whose employment status is subsequently altered to such an extent that he is no longer eligible for that program, will not be automatically discontinued therein. Unless continuation is required by law, each such case will be independently evaluated by the Employee's immediate supervisor or department head, to determine whether the continuation of the Employee's enrollment in the retirement program is warranted in light of (a) the basic purpose of the retirement policy as set forth above, (b) the anticipated duration of the individual's altered employment status, (c) the length of time for which the Employees has worked for the University, and the prospective date at which retirement benefits will become payable, and (d) the career plans and employment prospects of the Employee in light of his or her age, qualifications, health, and other relevant circumstances.
4. An eligible individual who was in the employment of the University on December 31, 1978 will be enrolled permanently in the retirement plan elected by the Employee on or before that date.
5. An eligible individual who enters employment with the University on or after January 1, 1979 shall (except as provided in paragraph 6) be permanently enrolled in (a) the Utah State Retirement System, if the employment is in a Non-Exempt job classification, or (b) the TIAA-CREF program, if the employment is in an Exempt job classification. (For definitions of "exempt" and "non-exempt" job classifications, see Policy and Procedures 2-61.) Solely for the purposes of this paragraph and paragraph 6, all nonfaculty and nonsupervisory nurse and medical technologist job classifications shall be deemed to be Non-Exempt and subject to enrollment only in the Utah State Retirement System.
6. Notwithstanding paragraph 5, (a) an eligible person first employed after January 1, 1979 and enrolled in the Utah State Retirement System, whose employment is thereafter changed to a position with an Exempt job classification, may elect to remain in the Utah State Retirement System and not to be enrolled in the TIAA-CREF program; and (b) an eligible Employee first employed after January 1, 1979, and enrolled in the TIAA-CREF program, whose employment is thereafter changed to a position with a Non-Exempt job classification, must be enrolled in the State Retirement System. See 1953 Utah Code Annotated 49-10-58.
7. University Employees who meet all eligibility standards for enrollment in a retirement program, except that they are employed at less than 50% FTE, may enroll on a

voluntary basis in the appropriate retirement program In most cases, the "appropriate retirement program" will be the Supplemental Retirement Annuity Program administrated by TIAA-CREF. See Section E below, with the Employee paying the full cost of retirement participation through payroll deduction. (Effective July 1, 1979.)

C. Utah State Retirement System

1. Except for voluntary enrollments under Section III.B.7, above, the University and the Employee share in the payment of the employer's and the Employee's contributions to the Utah State Retirement System in accordance with schedules and subject to limits established by law.
2. Retirement benefits are available under the Utah State Retirement System only to Employees with four or more years of service credit as a member of the system. The retirement benefits received upon retirement by an individual in the Utah State Retirement System are governed by statutory provisions which take into account:
 - a. The accumulated contributions credited to the Employee's account, including earnings thereon in accordance with law.
 - b. The number of years of service.
 - c. The payment plan selected at the time of retirement.
3. A participant leaving the employment of the University before retirement may leave his/her contributions in the retirement account intact (provided the Employee has been enrolled in the Utah State Retirement System for four years or more) or may request a refund of the Employee's share of accumulated contributions and earnings to the extent authorized by the Utah State Retirement Act. See 1953 Utah Code Anno., 49-10-24.

D. Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF)

1. General Provisions
 - a. Except for voluntary enrollments under Section III.B.7, above, the University and the Employee share in the payment of the employer's and the Employee's contributions to the individual's TIAA-CREF account, in accordance with schedules and subject to limits established by law.
 - b. Participants of the TIAA-CREF program may request a refund of the Employee's share of the accumulated contributions in their account if they have been in the

plan less than five years or the total contribution is less than \$2,000, and they are neither employed at nor transferring to an institution having a TIAA-CREF retirement plan.

- c. After five years, the accumulated contributions in the Employee's account under the TIAA-CREF retirement plan are frozen in the account until retirement payments begin.
- d. Additional amounts may be contributed to TIAA-CREF by the Employee under approved tax shelter programs. The Human Resources Division Benefits Department will assist in advising University Employees as to the maximum allowable contributions that will satisfy Internal Revenue requirements and as to the relative advantages and disadvantages of tax shelter options.

2. Teachers Insurance and Annuity Association (TIAA)

- a. TIAA is a fixed annuity-type program under which contributions are invested almost exclusively in interest producing securities, such as bonds and mortgages, to provide a guaranteed retirement income. Contributions earn compound interest as declared annually by the TIAA Board of Trustees.
- b. Upon retirement, the individual's monthly income derived from TIAA will be determined by: (1) The total contributions to the account of the Employee, together with earnings thereon. (2) The payment plan selected by the individual at the time of retirement.

3. College Retirement Equities Fund (CREF)

- a. The CREF Retirement Program may be participated in only by holders of the TIAA contract.
- b. CREF is a variable annuity-type program based on investments in common stocks and is designed to complement the TIAA fixed-dollar plan. The value of contributions in CREF will vary with changes in the market value of the securities held by CREF.
- c. The percentage of total retirement contributions which the Employee may direct to be invested in CREF is determined by the policies of TIAA-CREF as formally approved from time to time.

E. Information on Related Benefits

Additional information on retirement plans may be obtained from the Benefits Office, including:

1. Death benefits that are available as part of each of the retirement programs.
2. Additional optional participation, with full contribution cost being paid by the Employee, in a tax sheltered Supplemental Retirement Annuities program administered by TIAA-CREF in which accumulated contributions and earnings thereon may be withdrawn from time to time, subject only to loss of proportionate benefits. Participation in the Supplemental Retirement Annuities program is open to all eligible Employees, whether enrolled in the Utah State Retirement System or in TIAA-CREF.

IV. Contacts

Policy Owner: Questions about this Policy and any related Rules, Procedures and Guidelines should be directed to the Director of Benefits (/info/index.php).

Policy Officer: Only the Vice President for Human Resources (/info/index.php) or his/her designee has the authority to grant exceptions to this Policy.

V. History

Editorially revised: October 11, 2011

Editorial changes were made to this document to reflect the changes in employee definitions as set forth in Policy 5-100 (/human-resources/5-001.php).

Approved: Institutional Council 1/14/80