



TOPIC: Early Retirement Assistance and Incentive	
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RECONFIRMED DATE:	
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<i>Original Signed by the President + CEO</i>	

Alberta College of Art + Design's early retirement assistance and incentive plan is designed to be of benefit to both the institution and the employee while maintaining the integrity of the college's business needs.

The college provides three (3) initiatives that are available to employees subject to applicable eligibility provisions. Participation in any or all parts of the program will be on a voluntary basis.

1. **Retirement Planning**

Offered through the college's EAP provider, by the Local Authorities Pension Plan or other associated providers, programs, seminars, workshops as made available to employees.

2. **Payroll Retirement Savings Program**

The college will maintain a voluntary employee-funded RRSP payroll deduction program.

3. **Early Retirement Incentive Plan**

In order to assist employees who choose to retire before age 65, the college will provide a bridge payment to enable a transition to retirement. Early retirement and the payment of incentives may be approved annually by the President + CEO who shall assess the annual availability of funds, operational and academic program considerations as well as recruitment considerations related to the replacement of the retiring employee.

Approval to participate in the program will be at the sole discretion of the President + CEO and will not be subject to appeal.

A. Eligibility Requirements for the Early Retirement Incentive Plan

In order to be eligible for the plan an employee must:

- a) be employed by the college in a continuing permanent/regular appointment:
- b) be no more than sixty four (64) years of age at the time of application and have at least five (5) years of continuing permanent/regular service to the institution.

B. Eligibility for Bridge Payments and Benefits

The Early Retirement Incentive Plan will be self-financing and bridge payments and benefits allowance will be entirely cost recoverable. The college will structure program planning, succession planning and recruitment decisions to ensure that lump- sum bridge and benefit payments will be recovered, preferably over a two (2) year period but within no more than a three (3) year period. The value of the bridge payment each employee is eligible to receive will be calculated as follows:

Bridge Payments

- a) An employee with a permanent/regular appointment will be eligible for a one-time lump sum bridge payment in accordance with the following schedule:

<u>Age at Application</u>	<u>Lump Sum Payment</u>
55 or less	80% of annual salary
56	75% of annual salary
57	70% of annual salary
58	65% of annual salary
59	60% of annual salary
60	55% of annual salary
61 to age 62	50% of annual salary
63 to age 64	25% of annual salary

Note: Age for the purposes of determining eligibility and lump sum payment entitlement amount is the age at application date. Annual salary, for purposes of this program, is defined as the base salary being paid to a faculty member at the date of application, base salary paid at date of application, including service recognition bonus, for AUPE, and base salary for all other employees. It excludes stipends, honoraria, or other amounts paid in addition to salary.

In order to be eligible for the full bridge payment as calculated above, the employee (other than faculty) must take all accrued vacation prior to the retirement date.

For all employees, any accrued vacation remaining at the retirement date will be deducted from the lump sum bridge payment amount and will be part of the cost-recovery calculation.

Benefits

Lump Sum Payment in Lieu of Benefits - Employees approved for participation in the early retirement plan and who have participated in family benefits coverage immediately before retirement while employed by the college, will receive a one-time lump sum payment of \$5,000 as consideration for the purchase of future benefits. Employees approved for participation in the early retirement plan and who have participated in single benefits coverage immediately before retirement while employed by the college, will receive a one-time lump sum payment of \$2500 as consideration for the purchase of future benefits.

C. Implementation and Administration

a) Program Availability

The college reserves the right to amend, alter and/or terminate the program in whole or in part at any time. The college does not assume any responsibility for the impact of changes in provisions of the Income Tax Act or any other legislation that may affect the plan.

The window for participating in the early retirement incentive plan will be open for a period of one (1) month, usually from the first business day in November to the first business day after November 30 each year, unless the President + CEO advises college employees prior to that period that the plan will not be available.

b) Application

Employees are encouraged to consult with the Human Resources Office on details of eligibility, lump sum bridge payments and benefits provided under the program.

Employees who may be eligible for the early retirement plan must apply to Human Resources on an Early Retirement Application Form within the time frame noted in above or under C (a).

The date of early retirement will usually be July 1 of the year of application, unless otherwise approved by the President + CEO.

If the employee expects to draw pension benefits immediately upon leaving the college, the employee has the responsibility to co-ordinate the retirement date with commencement of Local Authorities Pension Plan (LAPP) benefits.

D. Criteria Used in Approving Applicants

The following criteria will be applied in approving eligible applicants:

- i) College operational requirements;
- ii) Cost recovery to the college; ideally two (2) years and not more than three (3)
- iii) Recommendation of the employee's manager/Dean, as appropriate

E. Approval of Early Retirement Applications

Applications for early retirement shall be reviewed and applicants will be approved by the President + CEO based on the recommendation of the Division Director/Vice President and Human Resources within 15 days after the close of application.

Once approved applicants are advised, they must make their final decision to proceed with early retirement and advise the Human Resources office within two (2) weeks of the date of the approval that they agree with the terms of the offer.

F. Funding of the Early Retirement Incentive Plan

The Early Retirement Incentive Plan is intended to be self-financing and cost recoverable. The college will structure program planning, succession planning and recruitment decisions to ensure that lump sum bridge payments and benefit payments will be recovered preferably over a two (2) year period but no more than a maximum of a three (3) year period.

Teaching workload vacated by a retiring instructor will be filled by instructional staff hired under the sessional instructor category. Consideration for permanent hiring of faculty positions vacated by retirements under this plan will be part of the annual operating budget process and will take place only after recovery of the lump sum bridge payments and benefit payments.

G. Employment at Alberta College of Art + Design after Retirement

Participation in the early retirement incentives program will result in an employee vacating his/her permanent/regular position at the college. Employees participating in the program will not be eligible for re-employment at the college until such time as the lump sum bridge payments are recovered. After that period, an individual may be re-employed at the college on a temporary or contract basis only.