



Early Retirement Incentive Program 2017-18

Introduction

The purpose of this document is to communicate to all employees the details of the Early Retirement Incentive Program 2017-18 which has recently received Board of Governors approval.

As you are aware, ACAD is looking ahead strategically to ensure that the College has a balanced budget for 2018-19 through 2020-21.

The Early Retirement Incentive Program (ERIP) is intended to realize savings in a period of fiscal restraint, as well as create opportunities for flexibility in adjusting ACAD's staff complement. This incentive program enables eligible employees to elect retirement earlier than they may otherwise have planned. This program is completely voluntary, universal (available to all eligible employees in a continuing position), and time-limited.

The ERIP is not meant to be an earned right, but rather a beneficial and mutual arrangement for the employee and ACAD to facilitate the following objectives:

- Human resource and workforce planning within ACAD.
- Reduction of salary and benefit costs.
- Bridging to retirement for employees who desire it.

Application Process

- The ERIP Application is on the last page of this document.
- Please complete the application form and scan it to Carol Clarke at carol.clarke@acad.ca or deliver to Human Resources.
- Human Resources must receive applications by 4:30pm on **January 22, 2018**, and all applications must specify a planned retirement date no later than June 30, 2018.
- Successful applicants will be advised no later than February 15, 2018 if their application has been approved.
- All decisions are final and binding and will be based on present and future operational needs, strategic planning, realignment of talent requirements, cost savings, and the impacts upon ACAD.

Eligibility

- ACAD employees currently employed in a permanent/regular appointment, and
- At least fifty-five (55) years of age at the approved retirement date, and
- A minimum of ten (10) years of continuous service at ACAD as of the approved retirement date*.



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- Retirement Incentive payments will not be paid to any employee who is dismissed or resigns prior to the approved retirement date.

* Continuous service as a sessional/temporary employee will be counted provided there is no break in service between the sessional and permanent appointment.

Incentive Payment

- The incentive is based on a combination of the length of continuous service with ACAD and age relative to age 65, the normal retirement age (as per LAPP).
- The table below is based on a minimum of age 55 and 10 years of continuous service with ACAD to age 65 plus and 20 years plus of service.
- The incentive amount payable equals the combination of age and years of continuous service on the table below multiplied by the annual base salary at the approved retirement date.
- The incentive payment is calculated as a percentage of base salary, which is defined as current salary and excludes stipends, the Service Recognition Bonus for AUPE members, honorarium or other amounts paid in addition to base salary.
- All accrued/banked vacation will be paid out as at the approved retirement date.
- A funding cap will be set, and approved applications cannot exceed this maximum.

		YEARS OF CONTINUOUS SERVICE										
		10	11	12	13	14	15	16	17	18	19	20+
AGE	55	50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%
	56	45%	50%	55%	60%	65%	70%	75%	80%	85%	90%	95%
	57	40%	45%	50%	55%	60%	65%	70%	75%	80%	85%	90%
	58	35%	40%	45%	50%	55%	60%	65%	70%	75%	80%	85%
	59	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%	80%
	60	25%	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%
	61	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%	70%
	62	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%
	63	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%
	64	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%
	65+	0%	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%

Tax Treatment of the Retirement Incentive Amount

- The retirement incentive payment will be treated as a retiring allowance for tax purposes and the amount of the payment will be subject to withholding rates for lump-sum payments of 10% for amounts up to and including \$5,000, 20% on amounts over \$5,000 up to and including \$15,000, and 30% on amounts over \$15,000.
- If the ACAD employee who is approved for the ERIP has contribution room in their registered retirement saving contribution limit, ACAD will provide the appropriate transfer



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document and the lump sum payment or part of the payment can be transferred directly to the employee's Registered Retirement Savings Plan (RRSP).

- If you have prior service (either sessional or temporary) and have RRSP contribution room, you may be able to purchase/buy-back LAPP service thereby increasing the amount of your pension (please see Amy Lo for more details).

Benefits:

- Employees approved to receive the ERIP and who have participated in ACAD's family benefits coverage while employed by the ACAD (as at December 1, 2017), will receive a one-time lump sum payment of five thousand dollars (\$5,000.00) as consideration for the purchase of future benefits.
- Employees approved to receive the ERIP and who have participated in ACAD's single benefits coverage while employed by ACAD (as at December 1, 2017), will receive a one-time lump sum payment of two thousand five hundred dollars (\$2,500.00) as consideration for the purchase of future benefits.

Re-employment

- ACAD recognizes that electing an early retirement may be a particularly difficult decision for faculty. In many cases, faculty may seek opportunities to stay involved with ACAD, through research and/or teaching.
- Employees are asked to email carol.clarke@acad.ca expressing interest in opportunities that may be available in the future including sessional teaching.
- Any re-employment at ACAD after retirement is at the sole discretion of ACAD and it should be noted that any future arrangement is not part of the ERIP.

Assessment Criteria and Approval Process

- Human Resources is coordinating the application process.
- Applications will be received from December 15, 2017, to 4:30 p.m. on **January 22, 2018**.
- Applications will proceed to Cabinet for review.
- Assessments will be based on present and future operational needs, strategic planning, realignment of talent requirements, cost savings, and the impacts upon ACAD.
- Recommendations from Cabinet will proceed to the President + CEO for the President's decision.
- Final decisions will be made by the President + CEO, and are binding and not subject to appeal.
- Where circumstances warrant and it is to the mutual benefit of the employee and ACAD, the President may amend the eligibility and program requirements.



Application for Early Retirement Incentive (2017-18)

Employee Name:

Department:

Date of Application:

Age on Proposed Retirement Date:

Employment Start Date:

Proposed Early Retirement Date:

I understand that my application to the Early Retirement Incentive Program is voluntary and will be kept confidential, except for management consultation until approved. Applications will be reviewed by Cabinet and the President + CEO. The decision of the President + CEO is final and is not subject to appeal. All decisions will be made in the best interests of the College.

I further understand and agree that if my application is approved, I confirm I have read and understood the terms and conditions on page 1 to 3 of this document and that my decision, once confirmed, will be irrevocable and binding between myself and the College.

Having read and understood the terms and conditions described above, I hereby submit my application for participation in the Early Retirement Incentive Program for 2017-18.

EMPLOYEE APPLICATION (SIGNATURE)

DATE (DD/MMM/YYYY)

PLEASE PRINT, SIGN, AND SEND THIS FORM TO HUMAN RESOURCES

PRESIDENT + CEO APPROVAL (SIGNATURE)

DATE (DD/MMM/YYYY)