

1200.1 Retirement

Purpose To outline Rensselaer's retirement and pension rules and practices.

Policy To assist employees in meeting their retirement goal, Rensselaer Polytechnic Institute has established several types of pension and retirement programs for employees who meet certain requirements. Rensselaer sponsors Supplemental Retirement Plans that allow employees to save money on a pre-tax basis to supplement their retirement savings.

For complete information about these retirement benefits, employees should consult the Summary Plan Description for each of these plans. Any questions should be directed to the Division of Human Resources.

Rensselaer reserves the right to terminate, amend or modify any employee benefit plan, including retirement benefits plans, with or without notice, subject to the terms of such plans.

Any information provided by Rensselaer or Human Resources is not intended as investment advice. Employees should seek investment advice from their own investment consultants.

This policy provides summary information only, and the specific terms of the relevant benefit plan and summary plan descriptions constitute the most accurate and reliable descriptions of the terms of those plans. Any conflict between this policy and those plan documents must be resolved in favor of the terms of the plan documents.

This policy applies to all employees, including faculty, staff and members of the President's Cabinet.

Procedure Defined Benefit Retirement Pension Plan

Active employees who were participants in the Defined Benefit Plan prior to July 1, 1993 should contact the Division of Human Resources for information about retirement and pension benefits under this plan.

Defined Contribution Retirement Plan

Regular or fixed term employees scheduled to work at least 1,000 hours per fiscal year are eligible to participate in the Defined Contribution Plan.

If an employee elects to participate in the Defined Contribution Retirement Plan, one percent of his/her applicable gross earnings is deducted from the employee's paycheck on a pre-tax basis up to a limit imposed by the IRS. Rensselaer will contribute 8% of the employee's pay to the employee's retirement program on the employee's behalf (i.e., 8% of the total regardless of "material").

Employees will be vested in Rensselaer contributions made on their behalf after completing three years of vesting service. Vesting service is counted from the employee's date of employment (not the date of program participation). If an employee leaves Rensselaer prior to completing three years of vesting service, (i.e., 720 hours in each of three plan years), Rensselaer contributions made on the employee's behalf will be forfeited.

Contributions made by the employee, as well as those made by Rensselaer, will be invested in either TIAA-CREF or Fidelity Investment platforms. Each employee may only elect to have his/her contributions invested with one Fund Sponsor (Either TIAA-CREF or Fidelity) per year. The plan year runs July 1 through June 30. Each employee will be given the opportunity to change Fund sponsors each July 1. Employees must contact the Sponsor directly to change their fund allocations during the plan year.

Supplemental Retirement Program

Employees may also participate in a tax sheltered retirement program provided they contribute at least \$100 per year to the program, but do not contribute beyond the limit imposed by the IRS.

The Internal Revenue Code imposes limits on how much each employee can contribute in a calendar year. An employee may begin participation in the plan on any first of the month. Each employee may choose from a wide variety of investment options offered by two investment service organizations – Fidelity Investments, and TIAA-CREF. These options include stock funds, bond funds, stable funds, and combinations thereof.

Notification of Retirement

Retiring employees should notify their supervisor and the Division of Human Resources at least three months before their planned retirement date.

1200.2 Health Insurance Benefits for Retirees

Purpose To define the conditions under which Rensselaer Polytechnic Institute retirees may obtain group health insurance through Rensselaer.

Policy Group health insurance may be obtained through Rensselaer for retired employees who are at least age 55 at separation, have five or more years of service, retire directly from Rensselaer, and (if age 65 or over) have Medicare Parts A and B.

Eligible dependents of retired employees may also obtain group health insurance through Rensselaer.

Rensselaer retains the right to terminate, modify or amend any benefits plans, including plans related to health insurance benefits for retirees, in its own discretion with or without notice.

This policy provides summary information only, and the specific terms of the relevant benefit plan and summary plan descriptions constitute the most accurate and reliable descriptions of the terms of those plans. Any conflict between this policy and those plan documents must be resolved in favor of the terms of the plan documents.

Procedure Retired employees, their spouses, and unmarried dependent children under age 26 may obtain group health insurance through Rensselaer under any of the following circumstances:

1. Retirees and eligible dependents may enroll during any open enrollment period, typically during November and early December of each year, for a January 1 effective date.
2. Upon a change in family status. If a retiree is not currently enrolled in a Rensselaer health plan and, for example, loses coverage through a spouse's health plan because of his or her loss of employment, then the retiree and eligible dependent can enroll outside of the open enrollment date. The effective date must coincide with the effective date of the change in family status.
3. If a retiree is enrolled in a Rensselaer health plan but his or her spouse is not, the spouse may enroll at any open enrollment date or during the year if there is a change of family status as described in item 2 above.

Rensselaer will make a contribution of the lesser of 1.67 percent of the monthly health insurance premium for each year of service up to 30 years, or 50 percent of the premium for retirees and spouses. For retirees and spouses age 65 or over, Rensselaer will pay up to 50 percent of the premium to a maximum of \$85 per month per

individual.

Dependent children who lose their eligibility may continue health coverage for up to 36 months by electing to pay 102 percent of the premium.