

5.200 RETIREMENT AND INSURANCE

Retirement policies--faculty

Introduction

1. Authority for retirement system: The Evergreen State College retirement system has been established by the Board of Trustees under authority provided by RCW 28B.10.400 et seq. for the purpose of providing retirement incomes and related benefits to faculty.
2. Retirement system goal: The Board of Trustees has adopted the goal for the retirement system to provide for participants, upon retirement, at age 65 and after 25 years of service, a minimum retirement income based upon 50 percent of the average salary of the highest two consecutive years of service, exclusive of Federal Social Security benefits.
3. Maximum retirement income exclusive of supplemental retirement income payment: no part of this policy shall be construed to limit the maximum retirement income which participants may receive based on the amount of employee contributions, matching contributions by The Evergreen State College, and dividends, exclusive of any supplemental retirement income payment.
4. **Definitions:**
 - a. Annuity: retirement income purchased from the Teachers' Insurance and Annuities Association and its companion organization, the College Retirement and Equities Fund (TIAA-CREF) and Washington Public Employees' Retirement/Washington Teachers' Retirement System, by joint contributions. The amount to be treated as annuity from the latter shall include only that portion earned while a member of a Washington state higher education institution.
 - b. Annuity retirement option: lifetime income after retirement, selected from several choices to provide maximum income for the retiree only or reduced income during retirement that includes continuation of a portion of the income to a beneficiary.
 - c. Full-time service: employment as a member of the college faculty in a position normally requiring employment of more than 70 hours per month in at least five months of each year. Full-time service does not include employment incidental to obtaining an education.

Full-time service shall not include leaves of absence without pay or employment in non-Washington state institutions of higher education, but shall

include leaves of absence for active military service that interrupt college employment, leaves of absence for illness with pay and professional leave time with compensation.

- d. Includable salary: income upon which contributions are made by both a participant and a public higher education institution in the State of Washington.
- e. Highest two consecutive-year salary: the highest includable salary received during any 24 consecutive months of full-time service.
- f. Retirement income benefit: the amount of retirement income used as a base for determining any supplemental retirement income payment by The Evergreen State College. The retirement income benefit shall be calculated on the basis of length of service, average salary for the two highest consecutive years, and contribution rate, after July 1, 1974, for participants. TIAA-CREF annuities and any pension as a result of participation in the Washington Public Employees' Retirement System or the Washington Teachers' Retirement System while employed in a Washington state public higher education institution and supplemental retirement income benefit shall be included as part of the retirement income payment. Social security benefits shall not be used to reduce this minimum retirement income, nor are they a part of it.
- g. Supplemental retirement income payment: income paid by the college when the calculated retirement income benefit is greater than the retirement annuity.

Eligibility to participate in the retirement systems

- 1. Faculty eligibility: participation is restricted to and mandatory for faculty of the college except as described below.
- 2. Eligibility for exemption from participation:
 - a. Persons eligible to participate in the Washington Public Employees' Retirement System or Washington Teachers' Retirement System.
 - b. Persons in positions requiring normally less than five months' service per year and/or less than half-time employment.
 - c. Persons employed primarily as a consequence of their education or training (i.e., students).
 - d. Persons employed primarily as a consequence of the education or training of a spouse, except that such employee may declare themselves to be career employees and, upon request, will be granted participating membership rights.
 - e. Persons rendering professional services on a fee, retainer or contract basis or as an incident to the private practice of a profession.

3. Participation required: as a condition of employment, an eligible member of the faculty shall begin contributory participation in the retirement system immediately upon employment if s/he already owns a TIAA-CREF contract, or at the beginning of the third year of full-time service if s/he does not own a TIAA-CREF contract upon employment; provided, however, that:
 - a. Any member of the faculty may, at his or her option, begin contributory participation prior to the beginning of the third year of full-time service.
 - b. Any member of the faculty who, at the time of employment, is a member of the Washington Public Employees' Retirement System or Washington State Teachers' Retirement System may, at his or her option, elect to retain his or her membership in that system, either temporarily or permanently, and shall not, while a member of that system, be required to begin contributory participation in TIAA-CREF.
4. Reclassification of classified staff to faculty: upon reclassification by the administration of any college employee from a classified staff category to a faculty category, the faculty member shall thereupon be eligible for participation in the retirement system, provided such faculty meet all other eligibility criteria for participation and provided that application for participation is made within two years of the date of reclassification. The faculty member will continue participation in the Washington Public Employees' Retirement System or Washington State Teachers' Retirement System, depending on current plan, if s/he does not opt for transfer to TIAA-CREF.
5. Transfer from faculty appointment to classified staff position: upon transfer from faculty status to a classified staff position, an employee may continue participation in the college retirement system or begin participation in the Washington Public Employee's Retirement System as a new employee; upon transferring a faculty appointment to an exempt staff position, an employee will continue in the college's retirement system.

Source of retirement income benefit

1. The retirement income benefit shall consist of:
 - a. TIAA-CREF annuities: the income derived from annuities purchased from TIAA and/or CREF.
 - b. Supplemental retirement income payment: supplementary retirement income payments, to full-time members of the retirement system after at least ten years of full-time service, according to the provisions prescribed in these rules.
 - c. State of Washington employees' retirement benefits: the retirement income, if any, resulting from participation in the Washington Public Employees' Retirement System or Washington State Teachers' Retirement System while

employed in a Washington state public higher education institution, providing retirement occurred while the employee was a participant in the college retirement system.

2. Benefits under Federal Old Age Survivors Insurance (social security) shall be in addition to the retirement income as herein defined.

Contribution rates, contribution distribution and includable salary.

1. Basis for contribution: payments to the retirement system are made by each participant in accordance with the rates established in this policy.
2. Summer salary participation: participants with summer appointments shall contribute to the retirement system on salary received during their summer appointments. Such contributions will be at the rates provided in this policy.
3. College contribution: college contributions shall be equal to the employee contribution, but in no instance shall exceed ten percent of salary and shall apply to the purchase of retirement benefits for the participants.
4. Contribution rate:
 - a. Employees less than age 35: five percent of basic annual salary.
 - b. Employees 35 years of age or older:
 - (i) Minimum contribution: beginning the first pay period following the 35th birthday of the participant, 7.5 percent of basic annual salary.
 - (ii) Maximum contribution: beginning the first pay period following the attainment of age 50 or later, upon application, an employee may elect to contribute 10 percent of basic annual salary.
5. Distribution of TIAA-CREF contribution: premiums may be allocated, at the election of the participant, between TIAA and the various CREF funds in any whole percentage, including payment of the full premium to either company. (If a person does not elect a contribution distribution, 50 percent of the contribution shall be allocated to TIAA and 50 percent of the contribution shall be allocated to the CREF stock account.)
6. Income tax deferment: as authorized by the Internal Revenue Code, an employee may enter into an agreement with the college to reduce the employee's monthly basic salary by the amount of the retirement system contribution and by a supplemental amount as prescribed in the Internal Revenue Code, and the college shall transmit that amount to purchase retirement annuities in the name of the employee and thereby defer the income tax on the amount until received as benefits. Any agreement regarding this section shall be legally binding and irrevocable for both parties while employment continues; provided, however, that after one year from the effective date of the

agreement, either party may terminate the agreement; and provided, further, that no more than one agreement for such salary reduction may be made within any taxable year of the employee except to the extent otherwise permitted by the regulations under 403(b) of the Internal Revenue Code.

7. Old Age Survivor Insurance (OASI--social security) contributions: contributions, as prescribed, shall be in addition to retirement system contributions.

Retirement income benefit

1. Eligibility: participants in the retirement system shall, after 10 or more years of full-time service, be eligible for a retirement income benefit as prescribed in the following sections.
2. Retirement income benefit: the retirement income benefit shall be computed at retirement, after 10 or more years of full-time service, and be based on a rate of 2 percent of the average of the highest two consecutive years' annual salary for each year of full-time service to a maximum of 50 percent. Beginning July 1, 1974, if a participant does not elect to contribute ten percent of salary for the purchase of retirement annuities, during periods of service at age 50 or later, the retirement income benefit for those periods, as included in the calculations of the retirement income benefit, shall be based on a rate of 1.5 percent of the average of the highest two consecutive years' annual salary, e.g., if the participant works for twenty years prior to age 50 and contributes only 7.5 percent thereafter, the retirement income benefit will be based upon twenty years at 2 percent and five years at 1.5 percent. Failure to contribute at the ten percent rate prior to July 1, 1974 shall not affect the retirement income benefit.
3. Annuity retirement option:
 - a. TIAA-CREF: The TIAA-CREF joint and 2/3 annuity to survivor with a 10-year guarantee, including possible retirement dividends, shall be the basis for calculating the annuity retirement option, using actual ages, but not exceeding a five-year age difference if married, or an actuarial equivalent option if single.
 - (i) The participant's election of an annuity option, other than the joint and 2/3 annuity to survivor with a 10-year guarantee, including post-retirement dividends, shall not alter the calculation of the supplemental retirement income payment.
 - (ii) The annuity accumulation in CREF may be optionally transferred to a TIAA annuity at the time of retirement, and the annuity retirement option shall be calculated after such transfer.
 - (iii) Transition benefit: a participant, age 55 or older, may elect to take upon retirement, a transition benefit of a lump sum payment of up to ten percent from each TIAA or CREF contract accumulation, then

being converted to an annuity payment, thereby reducing the total TIAA-CREF annuity benefits by the amount of such payment. Calculation of the annuity retirement option shall be made on the basis of the original annuity accumulation, before removing the lump sum payment.

- b. Annuity retirement option for Washington Public Employees' Retirement System or Washington State Teachers' retirement benefit: a rate of two percent of the average of the highest two consecutive years' annual salary for each year of full-time service while participating in Washington Public Employees Retirement System or Washington State Teachers' Retirement System.
 - (i) A retiree with vested interest and who has maintained participation in the Washington State Teachers' Retirement System shall receive an annuity equal to the amount calculated by the method described in this section from Washington State Teachers' Retirement.
 - (ii) For a retiree who opted to withdraw from Washington State Teachers' Retirement and received a lump sum refund in 1957, it shall be assumed for supplement calculation that s/he is credited with a retirement annuity equal to two percent for each year of full-time service while participating in the Washington State Teachers' Retirement computed on the base of the average salary of the highest two consecutive years within the period prior to 1957.
- 4. Supplemental retirement income payment:
 - a. If the retirement income benefit is greater than the annuity retirement option, then a supplemental retirement income payment shall be paid monthly to a retiree.
 - b. Contributions' assumptions:
 - (i) In no case shall annuities purchased entirely by self-paid premiums of the individual be used to reduce the college obligation for supplemental retirement income payments.
 - (ii) Summer contributions: retirement annuities developed from employees and college contributions from summer salary shall be included in the calculation of the retirement income benefit. Summer salary shall be included in the average of the highest two consecutive years' salary.
 - (iii) Only annuity accumulations resulting from employee and employer contributions while employed at public higher education institutions within the State of Washington shall be included in the annuity

retirement option.

- (iv) Any portion of a participant's TIAA and/or CREF annuity accumulation which is awarded by a court to the participant's spouse upon divorce or dissolution of marriage shall be included in any subsequent calculation of supplemental payments as if that amount had remained in the participant's TIAA and/or CREF accumulation until the date of retirement.
 - (v) The value of the annuity retirement option for TIAA-CREF shall be calculated as if, after July 1, 1974, 50 percent of the participant's contributions were made to TIAA and 50 percent to CREF during each year of participation until retirement. Benefit calculations related to contributions made prior to July 1, 1974 shall be computed on the basis of the actual allocations between TIAA and CREF.
- c. Supplemental retirement income payment for a surviving spouse: prior to retirement, a person or his assignee may elect a supplemental retirement income payment option to provide for the continuation of that supplement to the surviving spouse; provided, that if such option is elected, the supplemental retirement income payments shall be in the same proportion as the elected survivor annuity option, and provided further, that this section shall not apply to persons retired prior to July 1, 1974.
 - d. Early retirement provisions for supplemental retirement income payment: at the time of retirement of a participant who has elected to retire earlier than his or her 65th birthday, the supplemental retirement income payment shall be calculated in accordance with the provisions of this section; provided, that the amounts so calculated shall be reduced by 0.5 percent for each month by which the retirement age is less than 65.
 - e. Minimum supplemental retirement income payment: the supplemental retirement income payment shall be made in equal monthly installments. If, however, such monthly installments are less than ten dollars, the supplemental retirement income payment made be made at the choice of the president or his designee at longer intervals.
- 5. Spouse signature: the spouse's signature shall be required by the college indicating acknowledgement of the annuity retirement option and the supplemental retirement income payment option.

Retirement age

- 1. Re-employment of retirees:
 - a. A retiree re-employed by the college for less than 40 percent of full-time or less than 70 hours per month, or less than five consecutive months, shall be

eligible to receive supplemental retirement income under the provisions of the retirement system.

- b. A retiree re-employed by the college for 40 percent of full-time or more, or 70 hours per month or more, or more than five consecutive months, shall not be eligible to receive supplemental retirement income payments during the period of re-employment, provided, however that TIAA-CREF annuity benefits shall not be affected.
- c. Contributions by re-employed retirees:
 - (i) Contributions to the retirement system shall not be made if employment is not expected to last for more than five consecutive months, or for less than 40 percent of full-time service, or for less than 70 hours per month.
 - (ii) If employment is expected to last for more than five consecutive months and employment will be 40 percent of full-time service or more, or 70 hours per month or more, the employee may elect to contribute, at the applicable rates, toward the purchase of retirement annuities, and such contributions shall be matched by the college. Such annuity benefits shall not be included in the calculation of retirement income payments.

2. Retired Faculty Reemployment Policy:

It is the desire of the institution to provide for flexible retirement options for faculty that recognize and draw upon the experience and knowledge of the senior members of the Evergreen community.

Within the framework provided by state law, RCW 28B.10.400 et seq., RCW 41.32.570, and the provisions in other sections of this faculty retirement plan, it shall be the policy of The Evergreen State College that faculty participants in the TIAA/CREF or Washington State Teachers Retirement plans may seek retirement or pre-retirement status prior to the usual retirement age of 65. This faculty re-employment program involves actually retiring or taking a pre-retirement separation from the institution and requesting reemployment. In most cases the faculty member will have settled her/his contract with TIAA/CREF or the State of Washington and will be eligible to receive retirement income. The request to participate is voluntary on the part of the participant and approval of the request shall rest with the Vice President for Academic Affairs.

I. Guiding Principles

This policy is built upon the following principles:

- a. Typical activities to be covered by reemployed faculty include normal activities performed by regular and adjunct members of the faculty.

- b. Becoming a participant in the Retired Faculty Reemployment Program is not an automatic right given to faculty. Following application by the faculty to the deans and upon recommendation of the deans, the faculty member becomes a participant in the plan upon approval by the provost.
- c. Approvals of applications for reappointment will be made in light of the following:
 - 1) The curriculum (including commitments in the catalog, enrollment pressures, and direction of the Strategic Plan, as updated);
 - 2) Consequences for faculty hiring;
 - 3) Continued satisfactory performance and good standing as a member of the faculty.
- d. In the contract negotiations, the extent to which a participant can be reemployed will depend on curricular needs and resources available. Agreements will not exceed five years. A participating faculty member may re-apply for additional appointments of up to 3 years duration of each.

II. Definitions

- a. Retirement is complete separation from the college at age 62 which is the earliest age specified for retirement by Federal Social Security Law or later and is governed by Washington State Law RCW 28B.10.400 et seq. and the provisions in other sections of this faculty retirement plan.
- b. Reemployment is employment of a faculty member after s/he has actually retired or taken a pre-retirement separation from the institution.
- c. Pre-retirement separation means a voluntary separation from employment at the college after reaching age 55 but before age 62.

III. Eligibility

- a. Must have been employed as a faculty member 50% of full-time (typically at least 2 consecutive quarters of each academic year in a position comparable to that of a faculty member teaching in an 8 to 12 quarter hour program) or more at the institution for 10 or more years prior to entering the program.
- b. Must be at least age 55.
- c. Must be in good standing. Must not be on a terminal year contract or working on an extension year.
- d. Must be retiring from the institution or be in pre-retirement status.

IV. Terms and Conditions

- a. Participation in the program is voluntary.
- b. In accord with Washington State law, if a faculty member's reemployment under this policy is approved by the Vice President for Academic Affairs:
 - 1) For TIAA/CREF participants, salary earned pursuant to this policy shall have no effect on the calculation of retirement benefits.
 - 2) For TIAA/CREF participants, if this option occurs before the age of 62, the college cannot guarantee a 2% creditable-year retirement income-goal as defined in other sections of this faculty retirement plan.
 - 3) If a TIAA/CREF participant retires and is eligible to begin receiving supplemental retirement benefits and subsequently becomes reemployed under this policy, then such supplemental benefits shall cease while the individual is reemployed 40% or more of full-time.
 - 4) For Teachers Retirement System participants, re-employment of more than 75 days per school year will result in suspension of pension payments per RCW 41.32.570.
- c. Participants in the Retired Faculty Reemployment Program shall not be eligible to be returned to the status of regular faculty.
- d. Participants understand and agree that the contract that results in approval for entry into this program cancels and supersedes any other contractual agreements with the institution including contract and tenure rights, if any.
- e. The salary for reemployed faculty will be calculated depending on the nature of the assignment and on the level of participation in college activities. The salary will be prorated using the established salary scale for full-time faculty. Salary for administrative tasks in addition to those normally associated with teaching will be negotiated.
- f. To continue in the program, participants must be physically/mentally prepared and able to teach. The faculty member may be asked to demonstrate through a medical review that they are physically and mentally able to teach.

V. Procedures

- a. Normally applications for the plans are due no later than November 1st for implementation at the beginning of the second following academic year. Decisions will be made by January 1st so that the deans will have as long as 18 months in which to fill vacant faculty positions.

- b. When possible, per professional leave policy, sabbatical leave opportunities will be moved up in time for faculty who want to apply for early retirement. However, faculty who do take sabbatical leave must agree to return to the institution upon completion of the leave to serve a period equal to the amount of leave prior to retirement. (RCW 28B.10.650.)

VI. Explanation of benefits available

a. Health, dental, life, and disability insurance coverage

- 1) The college will pay the insurance contribution, equal to the normal employee contribution, for quarters worked for any faculty member who is re-employed at least half-time (in a position comparable to that of a faculty member teaching in an 8 to 12 quarter-hour program) for two consecutive quarters. This is in case regardless of whether the faculty has simply reduced their work from 3 quarters a year down to 2, or has retired and then is reemployed.

b. Retirement plan contribution and service credit

TIAA/CREF Participants

- 1) If the faculty member has retired or is in pre-retirement separation status and is reemployed:
 - a) Contributions will be made consistent with the eligibility requirements included in the retirement policy as outlined in the Policies and Procedures Manual VI. A. 15.
 - b) No service credit will be given for the time worked.
 - c) Contributions will continue to Social Security based on the amount of salary earned.
- 2) If the faculty member retires or enters pre-retirement separation status before the age of 62, the college cannot guarantee a 2% per creditable-year retirement income-goal as defined in other sections of this faculty retirement plan.

Teachers Retirement System Participants

- 1) If the faculty member has retired or is in pre-retirement separation status and is reemployed:
 - a) Contributions to TRS will be made if the faculty member is reemployed in a position comparable to that of a faculty member teaching at least an 8 quarter-hour program for 2 consecutive quarters.

Withdrawal from the retirement system for disability

1. Disability provision: any eligible employee under age 65 who becomes totally and permanently disabled may be retired for conditions of health, either at his or her own request or by the request of the president.
 - a. All employees who belong to The Evergreen State College retirement system shall be designated as eligible employees.
 - b. Employees over age 65 who become disabled will be eligible under the regular retirement for age provisions of the retirement system.
2. Request for disability retirement: any request for retirement on account of disability must be reviewed by a committee consisting of three physicians, one to be chosen by each of: the president, the respective vice president and the individual involved or that individual's representative. After review, this committee will make recommendations to the president. After retirement for disability, the case may be reviewed by such a committee semi-annually upon request of the president or the individual who is retired.
3. Payment of supplemental retirement income payments: subject to statutory limitation and the general provision of its retirement regulations, The Evergreen State College will make, to a person retired for disability, monthly supplemental retirement income payments which, when added to the annuity received by the individual, will equal the amount to which the person would have been entitled, based upon his or her number of years of service and on his or her actual average of the highest two consecutive years' annual salary.

Withdrawal from the retirement system - other

1. Ownership of annuity contracts: each TIAA Retirement Annuity Contract and CREF Certificate issued in accordance with the provision of the retirement system is for the purpose of providing a retirement and/or a death benefit and is the property of the individual participant.
2. Repurchase of TIAA-CREF annuities: under certain conditions, TIAA-CREF may repurchase the retirement annuity of a participant who leaves the employ of the college for reasons other than retirement or disability. (The following rules are established by TIAA-CREF.) For employees whose first TIAA-CREF Retirement Annuities are issued before January 1, 1992, repurchase may be available under either option (a) or (b) below, whichever is more favorable to the employee. For employees whose first TIAA-CREF Retirement Annuities are issued on or after January 1, 1992, repurchase may be available under option (b) only:
 - a. A retirement annuity will be repurchased before payments to the annuitant have begun if the annuity has been in force for less than five years, or the repurchase value is two thousand dollars or less, and all of the following conditions are met:

- 1) The annuitant requests repurchase.
 - 2) The annuitant is neither employed at nor is transferring to an institution having a TIAA retirement plan (sabbatical and other authorized leaves of absence are considered as employment).
 - 3) All participating institutions that contributed premiums consent to the repurchase.
- b. A retirement annuity will be repurchased before payments to the annuitant have begun if: that participant is terminating employment, regardless of whether he or she will be eligible for another institution's TIAA-CREF retirement plan; the participant's total TIAA Retirement Annuity accumulation is not over \$2,000; and his or her total TIAA-CREF Retirement Annuity accumulation from premiums paid through Evergreen is not over \$4,000; and the participant does not have a TIAA Transfer Payout Annuity in force.
3. Upon repurchase the refund of accumulations related to payments made at the college, less repurchase charges, will be paid to the employee.
 4. If the annuitant has more than one annuity, the total value of all TIAA and CREF annuities and the longest duration of any of them, shall govern in determining whether a repurchase will be made. (The result being that all or none of his or her annuities will be repurchased.)
 5. Provision for change in TIAA-CREF repurchase policy: in the event any optional changes are made by TIAA-CREF in their automatic repurchase policy, the Board of Trustees shall decide the repurchase policy to be followed by the college.
 6. Resignation of employment: should a participating employee resign before attaining retirement age, the contract remains in force, without further premiums, in the amount of employee contributions, matching contributions by The Evergreen State College and dividends. The owner will be eligible for payments according to the provision of the contract upon reaching retirement age; however, the employee may continue payments into the contract thereby purchasing a larger annuity or, as a faculty member in another institution that also has a contract with TIAA, may transfer that policy to the other institution. An employee who has resigned from service with the college and is not participating with another TIAA-CREF member institution may commence receiving periodic lifetime payments beginning at any practical age upon agreement with TIAA-CREF.
 7. Option to surviving spouse in the event of the death of participant before retirement: the surviving spouse shall be allowed any option available under TIAA-CREF rules including the option of a lump sum settlement of accumulated benefits.

Cashability Options

1. Plan participants, at retirement or termination, may make cash withdrawals of up to 100% of the accumulation attributable to employee contributions (ie. up to 50% of the total accumulations) if they are in an annuity investment that can be cashed out by TIAA-CREF rules.
2. Benefits attributable to employer contributions are payable to participants only as annuity income for at least the participant's lifetime.
3. All elections require the written consent of the employee's spouse, if any.