



University of Colorado

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BOARD OF REGENTS

11. COMPENSATION

Policy 11.F: Benefits

11.F.1 Non-Salary Benefits

The university provides compensation beyond salary for eligible employees in the form of benefits. The university strives to maintain a competitive total compensation package through peer and market reviews within the constraints of budget and legislative mandates. Benefits are authorized through the Board of Regents and include group insurance programs, such as medical, dental, life, and disability, and other benefits like flexible spending, paid leave, and retirement savings plans. New and revised university benefit programs, including eligibility, must be approved by the Board of Regents.

For university employees who are members of the state personnel system (classified staff), benefits and eligibility are defined in accordance with state laws and Department of Personnel and Administration (DPA) rules. Eligible classified staff have the option of enrolling in ~~benefit plans that are approved by the DPA or selected~~ university benefit plans.

The university through its payroll system offers employees the opportunity for payroll deduction for approved services and organizations. Such deductions must be approved through university and/or state policy.

11.F.2 Retirement Plans and Savings Programs

Eligible employees shall be enrolled in a retirement program as provided by applicable state plan or as authorized by the Board of Regents. State and university retirement plans are contributory. The employer and employee levels of contribution to the retirement plans are subject to change and limitations set by federal tax law.

(A) Classified Staff (employees who are in the state personnel system):

- (1) Eligible classified staff will be enrolled in one of the two ~~the~~ state's PERA retirement plans: The PERA Defined Benefit (DB) Plan or effective January 1, 2019, The PERA Defined Contribution (DC) Plan. Eligibility and rules are governed by Colorado PERA. ~~—a mandatory defined benefit plan.~~
- (2) Eligible classified staff may also choose to participate in the following voluntary retirement savings plans ~~tax-deferred investment programs~~ where contributions and any earnings grow ~~tax-deferred~~ until the money is withdrawn, usually at retirement.

- 46 (a) 403(b) Plan: The 403(b) ~~offers two tax-deferred~~ savings
47 programs. The pretax option is a university-sponsored deferred
48 compensation plan to supplement an existing retirement plan by
49 saving and investing before-tax dollars. The ROTH option
50 allows after tax contributions, giving employees tax-free growth
51 and tax-free distributions in retirement.
52
- 53 (b) 457 Plan: The 457 Plan is a State of Colorado-sponsored
54 deferred compensation program to supplement an existing
55 retirement plan by saving and investing before-tax dollars
56 through voluntary salary reduction.
57
- 58 (c) PERA's 401(k) Plan: The PERA 401(k) Plan is a voluntary
59 employee tax-deferred salary reduction plan wherein the
60 participant invests a portion of salary before taxes in a choice of
61 investments, while reducing the employee's current taxable
62 income.
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64 **(B) Faculty and University Staff (employees who are exempt from the state**
65 **personnel system):**
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- 67 (1) Eligible faculty and university staff enroll in the university's board-
68 approved and IRS-qualified 401(a) Optional Retirement Plan (ORP).
69 The 401(a) ORP is a defined contribution (money purchase) retirement
70 plan. Plan contributions are invested, at the direction of the participating
71 employee. The CU 401(a) Optional Retirement Plan (ORP) has a
72 single service provider, saving participant-paid administrative fees as
73 well as management fees and has a three-tier investment structure,
74 with one or more fund sponsors in one or more funding vehicles
75 available to the participating employee under the ORP.
76

77 Faculty and university staff who are active members enrolled in PERA
78 who transfer into a position eligible for the 401(a) ORP may be required
79 must to make a one-time irrevocable enrollment decision to remain in
80 PERA or enroll in the 401(a) ORP.
81

- 82 (2) Eligible faculty and university staff may also choose to participate in the
83 following voluntary ~~retirement tax-deferred~~ savings programs where
84 contributions and any earnings grow ~~tax-deferred~~ until the money is
85 withdrawn, usually at retirement.
86

- 87 (a) 403 (b) Plan: ~~The 403(b) university-sponsored deferred~~
88 ~~compensation plan savings program that supplements an~~
89 ~~existing retirement plan by saving and investing before-tax~~
90 ~~dollars through voluntary salary reduction.~~ The 403(b) offers two
91 savings programs. The pretax option is a university-sponsored
92 deferred compensation plan to supplement an existing
93 retirement plan by saving and investing before-tax dollars. The
94 ROTH option allows after tax contributions, giving employees
95 tax-free growth and tax-free distributions in retirement.
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(b) 457 Plan: The State of Colorado-sponsored deferred compensation 457 Plan that supplements an existing retirement plan by saving and investing before-tax dollars through voluntary salary reduction.

(c) PERA's 401(k) Plan: The PERA 401(k) Plan is a voluntary employee tax-deferred salary reduction plan wherein the participant invests a portion of salary before taxes in a choice of investments, while reducing the employee's current taxable income.

Note: Under IRS Section 415(c), the aggregated annual IRS contribution limits apply, meaning if the employee participates in the PERA 401(k) Voluntary Retirement Plan, the total amount aggregates with the 401(a) Mandatory Retirement Plan. This aggregated total excludes the PERA 401(k) catch-up contributions. Employees nearing their CU 401(a) limit can maximize their contributions by participating in the CU 403(b) or the PERA 457.

The Board of Regents maintains responsibility for the number and types of investment options as well as for the amount of employee and employer contribution levels for the ORP. In addition, the board maintains responsibility for defining retirement plan eligibility. The administrative duties including management of vendor contracts and employee enrollment processes are carried out by the university's plan administrator.

11.F.3 Age and Years of Service Requirements for the University of Colorado's Post-Retirement Benefits

(A) Classified Staff and Other University Employees Enrolled in the PERA Retirement Plan

To be eligible for CU Health and Welfare Retirement benefits, employees must have five (5) years of eligible CU Service and are required to retire (does not include a refund of your DB account) with PERA.

The combined years of service and age requirements for service retirement benefits are governed by PERA in accordance with Title 24, Article 51 of Colorado Revised Statutes and the Rules of the Colorado Public Employees' Retirement Association (visit the PERA website at: <http://www.copera.org/PERA/active/benefits/serviceretirement.stm>)-<https://www.copera.org/>

(B) Faculty and University Staff Enrolled in the ORP

To be eligible for CU Health and Welfare Retirement benefits, employees must be 55 years of age; have five (5) years of eligible CU Service; and, meet the

age and years of eligible service requirements for ~~normal regular retirement and or~~ early retirement. ~~as applicable to the university's contribution to insurance benefits for faculty and university staff are contained in Tables I and II below.~~

Regular or early retirement is based on the 70/75 formula. If the combined age and years of eligible CU service for a faculty or University staff enrolled in the ORP adds up to 75 or more, fall under Table I, that individual is eligible for regular normal retirement and is entitled to receive 100% of the University of Colorado contribution towards retiree insurance benefits upon retirement. If the age and years of eligible CU service adds up to 70-74, at CU meet the minimum years required for early retirement under Table II, the individual is eligible for early retirement, and the University of Colorado contribution will be pro-rated based on the actual years of eligible CU service divided by the required years of eligible CU service for ~~regular normal~~ retirement and full contribution. Eligible yYears of service will include all years in which the employee worked in a regular, ORP eligible position at 50% time or greater at the University of Colorado.

Table I: Age and Years of Eligible Service Requirements for Regular and Early Normal Retirement

<u>Age at time of Retirement</u>	<u>Years of Eligible Service</u>	<u>Combined Age and Years of Eligible Service for Regular Retirement</u>	<u>Age at time of Retirement</u>	<u>Years of Eligible Service</u>	<u>Combined Age and Years of Eligible Service for Early Retirement</u>
<u>55</u>	<u>20</u>	<u>75</u>	<u>55</u>	<u>15</u>	<u>70</u>
<u>56</u>	<u>19</u>	<u>75</u>	<u>56</u>	<u>14</u>	<u>70</u>
<u>57</u>	<u>18</u>	<u>75</u>	<u>57</u>	<u>13</u>	<u>70</u>
<u>58</u>	<u>17</u>	<u>75</u>	<u>58</u>	<u>12</u>	<u>70</u>
<u>59</u>	<u>16</u>	<u>75</u>	<u>59</u>	<u>11</u>	<u>70</u>
<u>60</u>	<u>15</u>	<u>75</u>	<u>60</u>	<u>10</u>	<u>70</u>
<u>61</u>	<u>14</u>	<u>75</u>	<u>61</u>	<u>9</u>	<u>70</u>
<u>62</u>	<u>13</u>	<u>75</u>	<u>62</u>	<u>8</u>	<u>70</u>
<u>63</u>	<u>12</u>	<u>75</u>	<u>63</u>	<u>7</u>	<u>70</u>
<u>64</u>	<u>11</u>	<u>75</u>	<u>64</u>	<u>6</u>	<u>70</u>
<u>65</u>	<u>10</u>	<u>75</u>	<u>65</u>	<u>5</u>	<u>70</u>
<u>66</u>	<u>9</u>	<u>75</u>			
<u>67</u>	<u>8</u>	<u>75</u>			
<u>68</u>	<u>7</u>	<u>75</u>			
<u>67</u>	<u>6</u>	<u>75</u>			
<u>70+</u>	<u>5</u>	<u>75</u>			

Age at Retirement	Minimum Years of Service
70+	5
69	6

68	7
67	8
66	9
65	10
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~~Table II: Age and Years of Service Requirements for Early Retirement~~

- ~~–5 years of service at age 65+~~
- ~~–6 years of service at age 64~~
- ~~–7 years of service at age 63~~
- ~~–8 years of service at age 62~~
- ~~–9 years of service at age 61~~
- ~~10 years of service at age 60~~
- ~~11 years of service at age 59~~
- ~~12 years of service at age 58~~
- ~~13 years of service at age 57~~
- ~~14 years of service at age 56~~
- ~~15 years of service at age 55~~

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11.F.4 Early Retirement Incentives Programs

(A) Retirement Incentive Agreements for Tenure and Tenure-Track Faculty.

For the purpose of determining eligibility for a specific retirement incentive program for tenure and tenure-track faculty, such as a phased retirement program, the age plus years of service requirements may be reduced to total no less than 65 if the faculty member is at least 50 years of age upon retirement.

Also, tenure and tenure-track faculty may count years of service at other higher education institutions (employment of 50% time or greater) in determining whether the age plus years of service requirement is met if: (1) the faculty member will have been employed at the University for a minimum of five years prior to the retirement date in the retirement incentive agreement; and (2) the faculty member was age 55 or greater on the first date of employment at the University.

(B) Individualized Retirement Incentive Programs. The president is authorized to develop retirement incentive options in addition to phased retirement programs for faculty, including a “window program” and an “individualized retirement incentive program.” In a window program, employees in an identified group who meet a specified combination of age and years of service would be

196 eligible for a separation incentive. In an individualized retirement incentive
197 program, an incentive, drawn from a menu of options tailored to the individual
198 employee, would be offered to the employee. These options are considered
199 perquisites under State Fiscal Rules, and the Board of Regents authorizes the
200 president to seek necessary approvals from the governor and the state
201 controller to implement such options.
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History:

- 206 • The term “officer and exempt professional” was replaced with the term “university staff”
207 effective April 17, 2015.
208

209 New Regent Policy 11-F Benefits, adopted 05/19/09:

- 210 • Replaces and incorporates the provisions of Regent Policy 11-D Qualified Retirement Plan,
211 adopted 2/20/92; rescinded on 05/19/09.
- 212 • Replaces and incorporates the provisions of Regent Policy 11-E 401(A) Optional Retirement
213 Plan for Faculty and Unclassified Staff, adopted 8/20/92; rescinded on 05/19/09.
- 214 • Combines Benefits section from Regent Policy 11-F-2 .Compensation Principles and Policy
215 for Faculty, adopted 8/8/96 and last amended on 5/11/07; rescinded on 05/19/09.
- 216 • Replaces and incorporates the provisions of Regent Policy 11-F-2. Addendum to
217 Compensation Principles and Policy for faculty, adopted 8/4/02, relating to retirement
218 incentive agreements for tenure and tenure-track faculty; rescinded on 05/19/09.
- 219 • Replaces and incorporates the provisions of Regent Policy 11-I Age And Years Of Service
220 Requirements For Faculty, Officers And Exempt Professionals Who Are Not Retiring With
221 Public Employees Retirement Association (PERA) Retirement, adopted 8/12/04; rescinded
222 on 05/19/09.
- 223 • Clarifies that in accordance with the *Laws of the Regents*, Article 11. Compensation,
224 classified staff have the option of enrolling in benefit plans that are approved by the state
225 Department of Personnel and Administration or selected university benefit plans.
- 226 • Replaces Regent Policy 11-F.3 University of Colorado System Performance Pay Program,
227 adopted 2/24/05; rescinded on 05/19/09 and reissues as new Regent Policy 11-G
228 Performance Management Program for Classified Staff, adopted 05/19/09.
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