Policy 11F: Benefits [1]

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.

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 enroll in the state?s PERA retirement plan, a mandatory defined benefit plan.
    2. Eligible classified staff may also choose to participate in the following voluntary tax-deferred investment programs where contributions and any earnings grow tax-deferred until the money is withdrawn, usually at retirement.
        a. **403(b) Plan:** The 403(b) tax-deferred savings program is a university-sponsored deferred compensation plan to supplement an existing retirement plan by saving and investing before-tax dollars through voluntary salary

reduction.

    b. **457 Plan:** The 457 Plan is a State of Colorado-sponsored deferred compensation program to supplement 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.

b. Faculty and Officers and Exempt Professional (OEP) Staff (employees who are exempt from the state personnel system):
  1. Eligible faculty and OEP staff enroll in the university?s board-approved and IRS-qualified 401(a) Optional Retirement Plan (ORP). The 401(a) ORP is a defined contribution (money purchase) retirement plan. Plan contributions are invested, at the direction of the participating employee, with one or more fund sponsors in one or more funding vehicles available to the participating employee under the ORP.

     Faculty and OEP staff enrolled in PERA who transfer into a position eligible for the ORP must make a one-time irrevocable enrollment decision to remain in PERA or enroll in the ORP.

  2. Eligible faculty and OEP staff may also choose to participate in the following voluntary tax-deferred savings programs where contributions and any earnings grow tax deferred until the money is withdrawn, usually at retirement.
     a. **403 (b) Plan:** The 403(b) university-sponsored deferred compensation plan savings program that supplements an existing retirement plan by saving and investing before-tax dollars through voluntary salary reduction.
     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.

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.

3. Age and Years of Service Requirements for Post-Retirement Benefits

a. **Classified Staff and Other University Employees Enrolled in the PERA Retirement Plan**
   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: https://www.copera.org/pera/active/serviceretirement.htm [2]
b. **Faculty, Officers and Exempt Professionals Enrolled in the ORP**
   The age and years of service requirements for normal retirement and early retirement as applicable to the university?s contribution to insurance benefits for faculty and officers and exempt professionals are contained in Tables I and II below.

   If the combined age and years of CU service for a faculty, officer, or exempt professional enrolled in the ORP fall under Table I, that individual is eligible for 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 service 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 CU service divided by the required years of CU service for normal retirement and full contribution. Years of service will include all years in which the employee worked 50% time or greater at the University of Colorado.

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

Age at Retirement	Minimum Years of Service
70+	5
69	6
68	7
67	8
66	9
65	10
64	11
63	12
62	13
61	14
60	15
59	16
58	17
57	18
56	19
55	20

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

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

Last Amended: May 19, 2009

History:

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

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

Attachments:
Video:

Images:
Groups audience:
Board of Regents
OG vocabulary:
Regent Policies

Source URL: https://www.cu.edu/regents/policy-11f-benefits

Links:
[1] https://www.cu.edu/regents/policy-11f-benefits
[2] https://www.copera.org/pera/active/serviceretirement.htm