

## Early Retirement Incentive\*

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A full-time employee of NCCC who may find it necessary or desirable to retire from employment with the college prior to age 65 may retire under the terms and conditions hereinafter specified, subject to the following limitations:

1. Eligibility: A Full-time Employee is eligible for early retirement if such Full-time Employee:
  - a. is currently a full-time Employee;
  - b. has completed ten (10) or more years of full-time employment services with the college; and
  - c. provides verification of retirement approved by the Kansas Public Employee Retirement System.

The Full-time Employee must complete the contract year in which he/she is under contract to receive the benefit, or receive written approval from the president pursuant to allowable exception(s).

Eligibility in accordance with a-c above will be determined by the president of the college. A Full-time Employee applying for early retirement shall have the responsibility to provide all facts and information necessary to prove eligibility for early retirement and to determine benefits paid.

“Full Time Employee” for purposes of the Early Retirement Incentive shall not include an employee whose employment compensation and/or benefits are funded by grants received by the College and whose employment as a grant employee commenced after June 30, 2020.

2. Application: A Full-time Employee may apply for early retirement by giving written notice to the president of the college. Such written notice by the Full-time Employee shall be submitted on or before the first day of February preceding the anticipated retirement date. The president may grant exceptions when deemed necessary. Notification of early retirement by the Full-time Employee shall include the following information:
  - a. A statement of the applicant’s desire to take early retirement;
  - b. Notification as to whether the applicant desires the payment in January or July of each year; and,
  - c. Notification as to whether the applicant desires health insurance coverage through the college group health insurance program (subject to “Retirement” policy requirements).

Following final action by the board on any application for early retirement the president of the college shall notify the applicant in writing of the final disposition and the date and amount of early retirement benefits to be paid. Note: The college will make payments in accordance with applicable State and Federal Statutes and regulations.

3. Basis of Retirement Benefit. The early retirement benefit shall be an annual payment made in the retired employee’s name to the college’s identified 403(b) plan provider. The payment will be determined by utilization of the percentage opposite the first year of benefit on the following table (the “Benefit Percentage”). The Benefit Percentage shall be multiplied by the Full-time Employee’s last annual contract salary to determine the amount of each annual payment. The payment shall be paid annually in either January or July. The early retirement

benefit period will end when the Full-time Employee reaches age 65 or when five (5) years of early retirement benefits have accrued, whichever occurs first. The annual payment for a benefit year in which the Full-time Employee reaches age 65 shall be prorated. The initial date selected for first year payment (January/July) shall then become the anniversary date for subsequent payments. Early retirement benefits shall be based on KPERS retirement eligibility and years of service after eligibility according to the chart below.

<b>First Benefit Year</b>	<b>Percentage</b>
KPERS Eligible Year	21%
Eligibility + 1 year service	18%
Eligibility + 2 years' service	15%
Eligibility + 3 years' service	12%
Eligibility + 4 years' service	9%
Eligibility + 5 years' service	6%
Eligibility + 6 years' service	3%

For purposes of this policy "KPERS Eligible Year" shall mean the normal retirement date pursuant to K.S.A. 74-4914(1) even if the employee could have elected to retire before such persons normal KPERS retirement date and receive reduced benefits from the Kansas Public Employee Retirement System ("Early KPERS Retirement"). A Full-time Employee who elects and is approved for Early KPERS Retirement, for purposes of this policy, shall receive the same Benefit Percentage as a Full-time Employee whose First Benefit Year is the KPERS Eligible Year.

It is further provided that the president of the college shall compute an estimated early retirement benefit for each Full-time Employee. This information shall be provided to the Full-time Employee and become a part of the Full-time Employee's permanent file.

4. Terms and Conditions. The "benefit year" begins July 1 and ends June 30.

All provisions of this incentive will terminate upon the death of the Full-time Employee receiving benefits.

A Full-time Employee who takes early retirement shall have the responsibility to keep the college informed of his/her current mailing address and telephone number.

If any provision of this early retirement plan is determined to be in violation of Federal or Kansas State laws or regulations, the plan shall then immediately be terminated by board action and shall not be in further force or effect unless re-adopted by the board.

\*Covered by PEA Negotiated Agreement.

*Revised: 9/08, 12/10/09, 7/14/11, 10/9/14, 12/10/15, 3/14/19, 8/17/20*