

VOLUNTARY EARLY RETIREMENT INCENTIVE PROGRAM PROCEDURES

I. Purpose

The following guidelines are in furtherance of Board Policy 425.6 - Voluntary Early Retirement Incentive Program, which provides eligibility rules and procedures for Voluntary Retirement Incentives for faculty and staff of the campuses, divisions, and units of the University of Arkansas System.

II. Minimum Eligibility Requirements

As used in Board Policy 425.6, “meet the retirement requirements for a state-sponsored retirement program” is defined as follows:

- A. Is age 55 or older with at least 15 years of service in a faculty or staff position with the University of Arkansas on the effective date of the Program Agreement;
- B. Is any age with at least 25 years of service in a faculty or staff position with the University of Arkansas on the effective date of the Program Agreement; or
- C. Is age 55 or older with at least five years of service in faculty or staff position with the University of Arkansas or the University of Arkansas System Office on the effective date of the Program Agreement and the employee’s age plus their years of service equal 70 or more on the effective date of the Program Agreement.

III. Guidance on Minimum Requirements

The following apply to the determination of whether the minimum eligibility requirements are met:

For any tenured faculty member who request participation in the Program pursuant to a net savings in personnel costs in accordance Section II.A. of Board Policy 425.6, the tenured faculty member must have had completed the minimum years of service in a “tenured or tenure track faculty position” with the University of Arkansas on the effective date of the Program Agreement.

“Tenured or tenure track faculty position” shall have the meaning assigned in Board Policy 405.1. For purposes of the Program, individuals who held a tenured faculty position prior to or contemporaneous with the assumption of administrative duties such as in connection with the positions of President or other System administrator, Chancellor, Vice Chancellor, Vice Provost, Associate/Assistant Vice Chancellor, Dean, or Department Head/Chair, and who continue to hold tenure throughout their employment as administrators, shall be

considered as holding a tenured or tenure track faculty position during such period of administrative service.

“Years of service” will be calculated in whole year increments. Service time in leave-without-pay status will not be counted in computing years of service. In the case of an individual on a twelve-month appointment, fractions of years of service that are six months or less will be rounded down to the next lowest full year of service, and fractions of years of service that are greater than six months will be rounded up to the next highest year of service. In the case of an individual on less than a 12-month appointment, years of service will be calculated with the fall and spring semester each representing half a year.

“Service . . . with the University of Arkansas” means “full-time employment” at any of the campuses, units or divisions of the University of Arkansas or at the University of Arkansas System Office.

“Full-time employment” means appointment on at least a half-time basis.

Service time spent in an authorized off campus duty assignment is counted in computing years of service.

Authorized leave-without-pay status is not a break in continuity of service unless at the time leave begins the faculty or staff member has accumulated a combined total of more than three years of authorized leave without pay during the immediately preceding 15 years of service.

IV. Program Requirements

Net savings in personnel costs will be determined by aggregating the annual cost savings for each year of the seven-year period.

A. Annual cost savings for each year will be calculated using the following formula:

Annual cost savings = Retention Cost - (Retirement Cost + Replacement Cost). For purposes of this calculation:

“Retirement Cost” means the cost of all employee compensation and any other benefits to be paid under the Program Agreement, plus the anticipated cost of compensation, benefits and other employment related costs for future part-time employment of the retiring employee.

If the retiring employee proposes to continue in or return to employment in any capacity with the University at any time during the seven years immediately following retirement, the proposed work schedule and duty assignments must be identified when calculating Retirement Cost.

“Replacement Cost” means the estimated salary, fringe benefits and other employment related costs of the individual or individuals who will be employed to fill the position or responsibilities of the retiring employee, which may include plans for restructuring of functions or duties for one or more employees.

“Retention cost” means the current annual salary and fringe benefits cost of the retiring employee, including any increases in salary or fringe benefits approved prior to the effective date of a Program Agreement.

- B. When the rationale for a voluntary retirement incentive is a net savings in personnel costs, an “early retirement worksheet” in a form substantially corresponding to the form attached to this policy should be used and accompany the Program Agreement forwarded through the unit’s administrative channels to the President of the University.

July 3, 2025

WORKSHEET FOR VOLUNTARY EARLY RETIREMENT INCENTIVES

NAME: _____ BIRTHDATE: _____

POSITION & DEPARTMENT: _____

DATE OF EMPLOYMENT: _____ DATE OF RETIREMENT: _____

YEARS ON APPOINTMENT: _____ AGE AT RETIREMENT: _____

CURRENT APPOINTMENT PERIOD (9 or 12 months): _____

SALARY (Current Year): _____

COSTS AND SAVINGS								
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
RETENTION COST:								
Salary								
Benefits								
TOTAL COST								
RETIREMENT COSTS:								
Salary								
Benefits								
Other								
TOTAL COST								
REPLACEMENT COSTS:								
Salary								
Benefits								
TOTAL COSTS								
COST SAVINGS								