

**ARTICLE 16**  
**SICK LEAVE LIQUIDATION AND**  
**FACULTY RETIREMENT PROVISIONS**

**Section 1. Sick Leave Liquidation.** A sick leave liquidation payment shall be granted to all faculty members under the following provisions:

**Subd. 1. Eligibility.**

- A. All faculty members who have completed twenty (20) years of continuous service shall receive a sick leave liquidation payment upon separation from state service.
- B. All faculty members who are separated by reason of death shall receive a sick leave liquidation payment.
- C. All unlimited full-time and unlimited part-time faculty members who are laid off from service in the state colleges shall receive a sick leave liquidation payment.
- D. Faculty members who separate from state service after ten (10) years of continuous state service and whose combined years of service and age equal to or greater than sixty-eight (68) shall also receive a sick leave liquidation payment.

**Subd. 2. Benefits.** A faculty member who is eligible for sick leave liquidation pursuant to Subd. 1 above shall receive a sick leave liquidation payment in an amount equal to forty percent (40%) of the faculty member's accumulated but unused sick leave balance (not to exceed 112 days) plus twelve and one-half percent (12 ½%) of the faculty member's accumulated but unused sick leave bank times the faculty member's regular daily rate of pay at the time of separation. If necessary, accumulated but unused bank days shall be added to the sick leave balance to attain the one hundred and twelve (112) days maximum. The form and manner of the sick leave liquidation payment for eligible faculty shall be governed by Article 16, Section 8 ("Health Care Savings Plan") , Subd. 2 ("Methodology").

**Subd. 3. Reinstatement.** Should any faculty member who has received a sick leave liquidation payment be subsequently reappointed to state service, eligibility for future a sick leave liquidation payment shall be computed upon the difference between the amount of accumulated but unused sick leave restored to the faculty member's credit at the time the faculty member was reappointed and the amount of accumulated but unused sick leave at the time of the faculty member's subsequent eligibility for a sick leave liquidation payment. However, if the faculty member has bought back the total amount of sick leave previously paid off as sick leave liquidation pay, eligibility for future sick leave liquidation pay shall be computed upon the amount of accumulated but unused sick leave to the faculty member's credit at the time of the faculty member's subsequent eligibility for a sick leave liquidation payment.

**Subd. 4. Age at Separation.** A faculty member who retires at the end of the academic year will be considered to have retired as of the following July 1 for purposes of a sick leave liquidation payment.

**Section 2. Unlimited Faculty who Provide Early Notice of Retirement.** Unlimited faculty members who elect to retire with at least fifteen years (15.0 FTE) of service at any colleges of Minnesota State and who are at least age fifty-five (55) shall receive an incentive of two thousand dollars (\$2,000.00). The incentive will be paid over the final two (2) academic year semesters of employment following notice or at the option of the faculty member, paid in a one-time lump sum at the end of employment.

To receive this benefit the affected faculty member must submit a written letter of retirement to the college president or designee by September 15<sup>th</sup> if the retirement will occur at the end of the following spring semester, or by January 15<sup>th</sup> if the retirement will occur at the end of the subsequent fall semester. Such notice of retirement is irrevocable upon written acceptance by the college president or designee. However, upon application to the Vice Chancellor of Human Resources or his/her designee, this notice may be rescinded. If the Vice Chancellor or his/her designee agrees to rescind the early notice of retirement submission, any portion of the two thousand dollar (\$2,000.00) incentive already paid to the faculty member as a result of the faculty member's early notice shall be refunded by the affected faculty member to the college in a timely manner as determined by the college president.

Faculty members who are taking part in the Phased Retirement program under Article 16, Section 7 are not precluded from receiving the two thousand dollar (\$2,000.00) early-notice-of-retirement incentive. However the faculty member's Phased Retirement Agreement will not satisfy the notice-of-retirement requirement described in the previous paragraph. A faculty member on Phased Retirement who wishes to receive the two thousand dollar (\$2,000.00) early-notice-of-retirement incentive must submit a separate, irrevocable letter of retirement by the applicable deadline in the previous paragraph.

**Section 3. Early Retirement Incentive (for Former MCCFA Bargaining Unit Members).**

**Subd. 1. Sunset Provision.** Faculty members hired after June 30, 1995, shall not be eligible for this early retirement incentive.

**Subd. 2. Eligibility.** In addition to the provisions of Section 1., any faculty member who has served at least fifteen (15) years in the MCCFA bargaining unit, and is at least fifty-five (55) years of age shall be eligible for early separation. Individual applications for early retirement incentive will only be granted where it can be shown that the specific application would prevent a layoff, allow the recall of a laid off faculty member and/or would result in a cost savings to the system.

**Subd. 3. Compensation.** An eligible faculty member who elects early separation through resignation or early retirement shall receive compensation equal to base salary. An eligible faculty member who elects such early separation shall receive compensation equal to base salary minus twenty percent (20%) of base salary for each year beyond age sixty (60). The faculty member shall receive the compensation in two (2) equal annual payments: the first upon separation and the second in the following year or on other reasonable terms as conveyed by the faculty member and accepted by the administration. In order for a faculty member to be eligible for compensation under this section, the effective date of early retirement must be before the date on which the faculty member turns age sixty-five (65).

**Subd. 4. Maintenance of Benefits.** In order for a faculty member to be eligible to receive the health insurance benefits, under this section, the faculty member must be eligible for and receive a benefit under Article 16, Section 2, Subd. 3. The separated faculty member shall have the right to continue, at the Employer's expense, health insurance benefits for one (1) year after separation. The parties agree that the faculty member's college shall make payment(s) into the faculty member's Health Care Savings Plan (HCSP) as follows:

- A. A payment in the amount equivalent to the employee and employers health insurance contribution from the date of the faculty member's separation to December 31<sup>st</sup> in the year of the separation. The payment will be made upon separation.
- B. If necessary, a second payment to the faculty member's HCSP in the amount equivalent to the employee and employer health insurance contribution from January 1<sup>st</sup> in the year following the faculty member's separation to the date that would equal one (1) year of health insurance coverage. The payment shall be made during the month of January in the year following the faculty member's separation.

**Subd. 5. Early Separation.** Persons choosing early separation shall have eligibility for early retirement payments determined in accordance with appropriate statutes and regulations.

**Subd. 6. EEOC Window.** An MSCF faculty member older than age sixty (60) when s/he completes the applicable service requirement in Subd. 2. above will also be eligible to receive the full benefit of the early retirement incentive in Subd. 3. above if s/he:

- A. Applies within one hundred and eighty (180) days of meeting the service requirement, and
- B. Separates no later than one hundred and eighty (180) days following the date of application for the benefit.

Any faculty member eligible under this subdivision who does not elect early retirement during the window but chooses to apply later will be compensated in accordance with the applicable early retirement incentive provision outlined above.

**Section 4. Enhanced Sick Leave Liquidation Pay (for Former UTCE Bargaining Unit Members).**

**Subd. 1. Eligibility.** Faculty members hired prior to July 1, 1995, who have reached age fifty-five (55) shall be eligible for enhanced sick leave liquidation pay under the following provisions:

- A. All eligible faculty members who have a total of fifteen (15) years of service shall be granted enhanced sick leave liquidation pay upon permanent separation from state service.
- B. All eligible faculty members who are separated by reason of death shall receive enhanced sick leave liquidation pay.
- C. All eligible unlimited full-time and unlimited part-time faculty members who are laid off from service in the technical colleges shall receive enhanced sick leave liquidation pay.
- D. All eligible faculty members who retire from state service after ten (10) years of continuous state service and who are immediately entitled at the time of retirement to receive an annuity under a state retirement program shall, notwithstanding an election to defer payment of the annuity, also receive enhanced sick leave liquidation pay.

**Subd. 2. Benefits.** A faculty member who is eligible for enhanced sick leave liquidation pay pursuant to Subd. 1 above shall receive enhanced sick leave liquidation pay in an amount equal to fifty percent (50%) of the faculty member’s accumulated but unused sick leave balance (not to exceed one hundred twelve (112) days) plus twelve and a half percent (12 ½%) of the faculty member’s accumulated but lapsed unused sick leave times the faculty member’s regular daily rate of pay at the time of separation. If necessary, accumulated but unused bank days shall be added to the sick leave balance to attain one hundred twelve (112) days maximum. The form and manner of the enhanced sick leave liquidation payment for eligible faculty shall be governed by Article 16, Section 8 (“Health Care Savings Plan”) , Subd. 2 (“Methodology”).

**Subd. 3. [RESERVED]**

**Subd. 4. Reinstatement.** Should any faculty member who has received basic or enhanced sick leave liquidation pay be subsequently re-appointed to state service, eligibility for future sick leave liquidation pay shall be computed upon the difference between the amount of accumulated but unused sick leave restored to the faculty member’s credit at the time the faculty member was re-appointed and the amount of accumulated but unused sick leave at the time of the faculty member’s subsequent eligibility for basic or enhanced sick leave liquidation

pay. However, if the faculty member has bought back the total amount of sick leave previously paid off as sick leave liquidation pay, eligibility for future sick leave liquidation pay shall be computed upon the amount of accumulated but unused sick leave top the faculty member's credit at the time of the faculty member's subsequent eligibility for sick leave liquidation pay.

**Section 5. Retirement Incentive Grandparent Clause for Former UTCE Bargaining Unit Members.**

**Subd. 1. Eligibility.** Unlimited faculty members who as of July 1, 1995, have served at least ten (10) years in Minnesota Technical College(s) and/or in a K-12 district(s) which was the Employer for a technical college, shall be eligible for the retirement incentive and severance except for post age sixty-five (65) insurance. The aggregate from the above-described Employers shall be considered as single eligibility for the purposes of this section where no break in service occurred. This section shall include Farm Business Management (FBM), Small Business Management (SBM), or any other instructor who became the employee of a technical college when a program was transferred, or is transferred, to a technical college from a K-12 district.

**Subd. 2. Choices.** Those faculty who have ten (10) years of service as defined above by July 1, 1995, will have a choice at the time of retirement to choose the early retirement and severance provisions of their member district 1993-1995 contract from which they transferred to the state on July 1, 1995, or the enhanced severance pay as provided in Section 4. above. In no event, however, will a faculty member be allowed to receive Employer provided health insurance beyond age sixty-five (65). The Employer contribution shall continue at the Employer dollar contribution in effect on the date of retirement.

**Subd. 3. EEOC Window.** An MSCF faculty member older than age fifty-five (55), who met the ten (10) year service requirement as defined in this Section by July 1, 1995 will also be eligible to receive the full benefit of the applicable retirement incentive of the former 1993-95 technical college/school district contract if s/he:

- A. Applies within one hundred and eighty (180) days of meeting the age and service requirement, and
- B. Separates no later than one hundred and eighty (180) days following the date of application for the benefit.

Any faculty member eligible under this subdivision who does not elect early retirement during the window but chooses to apply later will be compensated in accordance with the applicable early retirement incentive provision outlined in this Section or in Section 3. above.

**Subd. 4. Payment of Benefits.** Faculty members shall receive compensation for the benefits outlined in this section in three (3) equal payments: the first upon separation, the second on or about the first anniversary of separation and the remainder the following year not later than one day prior to the second anniversary of separation.

**Subd. 5. Portability of Article 16, Section 4 Retirement Benefits.** Faculty who meet the eligibility requirements of Article 16, Section 4, Subd. 1 and who are subsequently laid off and have claimed a vacancy or who subsequently voluntarily transfer to another Minnesota State college may have the right to continue the grandparented retirement benefits of the sending or receiving college in accordance with the “portability of retirement benefits from college-to-college” MOU dated January 26, 2005. (See Appendix F).

**Section 6. Supplemental Retirement.** The Employer shall make a contribution in an amount equal to the deductions made from the faculty member’s salary. Deductions shall begin in the faculty member’s third year of employment.

Faculty members may withdraw their supplemental retirement funds in accordance with state and federal laws and with State Board of Investment or other third-party provider requirements, if applicable.

**Subd. 1. Amount of Deduction.** Pursuant to M.S. 354C.11, 354C.12 and 356.24, the Employer shall deduct from the salary of full-time faculty members a sum equal to five percent (5%) of the annual salary paid after the first six thousand dollars (\$6,000.00) up to a maximum of two thousand seven hundred dollars (\$2,700.00) for all eligible faculty members in the MSCF bargaining unit during the 2018-2019 academic year to be paid into the Minnesota State Colleges and Universities Supplemental Retirement Account of the retirement fund.

**Subd. 2. New Hires.** Faculty members who become eligible for this benefit during the life of this Contract shall receive the benefits in Subd. 1. above.

**Section 7. Phased Retirement Program.**

**Subd. 1. Eligibility.** Pursuant to M.S. 354.66, 354A.094 or 354B.31 unlimited full-time faculty members who are fifty-five (55) years of age, and who have at least ten (10) FTE years of service credit in Minnesota state colleges shall be granted, upon application a phased retirement subject to the provisions below.

In order for the phased retirement program to be easily understood and administered, the MSCF and the Employer are in agreement to the following provisions:

**Subd. 2. Application Procedure.** Faculty members who are eligible may request in writing to take part in the phased retirement program. Such written request shall be submitted prior to the end of fall semester in the academic year prior to the year the reduction is going to start. The length of the phased retirement period and the faculty member’s annual workload shall be mutually agreed to by the faculty member and the college president, subject to the limitations in Subd. 3. below. If the parties are unable to reach mutual agreement on the faculty member’s request, the request will be granted unless the college can demonstrate that approving a portion or all of an individual’s phased retirement proposal would pose a unique and undue burden on the institution. Each application and any subsequent request for a change will be considered

on a case-by-case basis. The agreed upon arrangements shall be made in writing between the faculty member and the college president. Faculty members who are considering a sabbatical during phased retirement should include such intention in the program application. A copy of the phased retirement agreement shall be forwarded to the chancellor's designee and the MSCF.

**Subd. 3. Terms of Program.** The phased retirement agreement must meet the following terms:

A. A length of time no less than one (1) year and no more than six (6) years.

B. An annual workload no less than .40 FTE and no more than .80 FTE.

The level of reduction and the length of time of phased retirement may change upon mutual agreement of the faculty member and the college president. At the end of the phased retirement period the faculty member must retire from the Minnesota State Colleges and Universities system, unless circumstances give cause for the faculty member and the college president to end the phased retirement program early and the faculty member returns to full-time employment. Faculty members who are in a phased retirement program shall be counted as full-time for the purpose of meeting the hiring practices requirements contained in Article 20 of this Contract.

The calculation of workload shall be in credits for faculty who teach plus a percentage of additional days beyond the student contact time required. An example of the application of this provision would mean that a fifty percent (50%) phased retirement plan would require that the faculty member teach fifty percent (50%) of the maximum load as outlined in Article 11 and be responsible for fifty percent (50%) of the administratively assigned duty days regardless of the length of the semester.

**Subd. 4. Benefits.** The faculty member shall continue to receive insurance benefits and payment toward Teacher's Retirement Account or IRAP as if working full-time. Any faculty member contributions toward insurance premiums will continue to be deducted from the faculty members paycheck. The faculty member shall be directly responsible for payment of the faculty member's portion of TRA or IRAP. Faculty members who are on phased retirement shall be treated as if they are regular full-time faculty when calculating early retirement benefits and severance pay benefits. In the event of death while actively working on a phased retirement, the annual base salary for purposes of life insurance in accordance with Article 19, Section 7, Subd. 1. shall be 100% of the faculty member's current base salary.

A. Faculty members who are on phased retirement shall receive sick leave and personal leave on a pro-rata basis, i.e. if the phased retirement contract is for eighty percent (80%), then the faculty member will be granted eight (8) days of sick leave and one point six (1.6) personal leave days.

B. Faculty members are urged to select the twenty (20) pay option during the year prior to phased retirement and continuing during the phased retirement program.

- C. Overload restrictions shall be determined for a faculty member on phased retirement based on the actual pay received during the fiscal year prior to the first year of a phased retirement program.
- D. Normal summer session rotation rights shall be maintained.
- E. Faculty members shall maintain eligibility for a sabbatical and the benefits shall be the same as for full-time faculty. Any remaining FTE needed to qualify during phased retirement shall accrue on a pro-rata basis. The return requirement shall also be satisfied on a pro-rata basis. The return requirement must be reachable in the plan in order to be eligible for the sabbatical leave.

**Subd. 5. Limits on Access.** The number of faculty members at each college who will be granted this option shall be limited to seven percent (7%) of the number of unlimited full-time faculty at the college or one (1), whichever is greater. Except in single person programs/departments, no more than fifty percent (50%) of the employees in a credential field may access the phased retirement program. If more applications are received than the seven percent (7%) limit or the fifty percent (50%) department limit, the approvals shall be granted on a seniority basis, with the most senior applicants being granted first. In the event the campus limit is reached, an applicant in excess may be granted the phased retirement program if the president and the Employer agree to the request. The seven percent (7%) limit will be established each year and shall not be cumulative. The actual numbers may change based on the roster changes each year.

## **Section 8. Health Care Savings Plan (HCSP).**

**Subd. 1. Eligibility.** All faculty members who have been employed with the Minnesota State Colleges and Universities System or its predecessors for at least ten (10) years shall participate in the Health Care Savings Plan (HCSP) in accordance with Subd. 2. below.

**Subd. 2. Methodology.** Sick leave liquidation/severance payments shall be paid in cash if:

- The payment is being made because of the death or layoff of the faculty member,
- The gross amount of a payment to be paid under this Article is less than one thousand dollars (\$1,000.00), or
- The faculty member has not met the eligibility criteria for participation in the HCSP as described in Section 8, Subd. 1, above.

Faculty members eligible, for reasons other than death, for sick leave liquidation in a lump-sum cash payment shall receive payment during the pay period immediately following their last pay period. The lump-sum cash payment of sick leave liquidation for eligible faculty members separated by death shall be made in a timely manner to the recipient lawfully authorized to receive such payment. One hundred percent (100%) of any other sick leave liquidation/severance payment shall be transferred to a Health Care Savings Plan (HCSP) Account established under M.S. 352.98.



## Article 16 and Article 17

Sick leave liquidation/severance payments for the purpose of this section shall mean the payments provided for in Sections 1, 4, and 5 of this Article. Any provision contained in Section 5 of this Article that relates to the health insurance premiums shall not be considered as a severance payment.