

Changes to Retirement Provisions for Faculty and Staff

Purdue is implementing two changes to the university's retirement provisions, Status and Privileges of Retired Faculty and Staff, Surviving Spouses/Domestic Partners and Surviving Children (VI.A.1).

First Change is a change in the criteria that must be met to qualify as a Purdue University official retiree. Official retirees are eligible for a number of ongoing benefits from Purdue, including the option to participate in the retiree health insurance plans at full cost, tuition fee remission, and other benefits. Currently an individual must be at least age 55, have a least 10 years of service to the university, and their age and years of service must combine to equal 70 or more.

Beginning July 1, 2014, the criteria will be changed to be more reflective of today's workforce and increase flexibility for those who may be considering retirement. The new criteria will be age 55 with at least 10 years of service in a benefits-eligible position. The requirement to meet the combination of age and years of service to equal 70 or more will be eliminated.

Second Change relates to a benefit the university began several years ago to provide two months of subsidized health insurance coverage for faculty and staff as they transitioned to retirement. This was added during a time when there were delays in processing health insurance and retirement benefits in a timely manner. The university added two months of health coverage which was later converted into a \$1,500 lump sum payment. Considering that official retirees immediately qualify for health coverage without delay, this practice is no longer necessary.

Beginning January 1, 2015, the \$1,500 transition benefit will no longer be paid to those who retire.

Because the payment is no longer needed for the reasons originally intended, this change aligns with the university goal to keep its medical plans viable and affordable for all.

Questions may be directed to Tina Grady, 260-481-6684.