OP 70.02: Retirement

DATE: June 5, 2014

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to establish procedures that implement Section 03.10, Regents’ Rules, for retirement of employees.

REVIEW: This OP will be reviewed in April of even-numbered years by the managing director of Human Resources, or at any time the Regents’ Rules are changed, with substantive revisions forwarded to the chief of staff for the president and the provost and senior vice president.

POLICY/PROCEDURE

1. Voluntary Retirement

   a. Voluntary retirement of an employee will occur when the employee voluntarily ceases employment and elects to retire and receive, or is eligible to receive, benefits under a retirement provision under the jurisdiction of the Teacher Retirement System (TRS), the Optional Retirement Program (ORP), the Employees Retirement System (ERS), or any other federal or state statutory retirement program to which the university has made employer contributions. Refer to the following for additional information on retirement eligibility:

      - TRS Benefits Handbook

      - Overview of TRS and ORP
        http://www.thecb.state.tx.us/reports/PDF/0869.PDF

      - Employees Retirement System
        http://www.ers.state.tx.us/home.aspx

   b. A TRS member who meets eligibility requirements on the last day of employment before retirement may purchase one year of service credit for 50 days or 400 hours of unused state sick leave accumulated at no more than five days per year. General eligibility requirements for purchase of this service credit are described in the TRS Service Credit brochure. Purchased state sick leave may not be used to establish eligibility for retirement.

   c. Eligible members of TRS may transfer service credit under the Employees Retirement System of Texas (ERS) to TRS. Likewise, eligible members of ERS may transfer their TRS service credit to ERS. The transfer takes place under the rules of the system to which the credit is transferred. Such transfer may only take place when the member retires or at the time a pre-retirement death benefit becomes payable. Members who have already retired under either system are not eligible to transfer service credit. Employees who have active...
membership credit in more than one Texas public statewide retirement program may be eligible to combine all service credit under the Proportionate Retirement Program to satisfy retirement eligibility requirements.

Service credit is earned in one-year increments. Only one year of service may be credited in any one school year. To earn a year of membership service credit, the employee must work in a TRS-eligible position or received paid leave from a TRS-eligible position at least 90 working days during the school year. In the last year of employment before retirement, the employee may earn a year of service credit by working and/or receiving paid leave for each day of the full fall semester, even if that semester is less than 90 working days.

d. Persons who are not receiving an annuity from one of the state of Texas retirement programs or who are not enrolled under the state employee retiree insurance program will not be considered a retiree of Texas Tech.

e. An employee who is not receiving a retirement annuity from one of the state of Texas retirement programs and who continues employment that accrues creditable service under such retirement plan is not considered a retiree under the retirement program.

2. Voluntary Retirement of Faculty Members with Options for Part-time Teaching

See OP 32.30, Voluntary Retirement of Faculty Members with Options for Part-time Teaching.

3. Disability Retirement

Employees are eligible to enroll in the state’s insurance program if they are certified as a TRS or ORP disabled retiree and fulfill the following requirements. To qualify, the employee must have 10 or more years of service credit in ERS, TRS, or ORP, or any other entity that participates in the state retirement program. Employees hired after August 31, 2001, must have 10 years of service in a Group Benefits Plan (GBP) participating agency or institution to qualify for health insurance in retirement. Employees hired prior to August 31, 2001, are grandfathered, which requires 10 years of service but only 3 years of service with a GBP-participating agency. At retirement, the employee must be employed by an agency or institution that participates in the state’s insurance program. The employee must be retired from ORP, as required by Texas Insurance code 1551.102(d)(1) and 1551.102(d)(3)(B). TRS and ORP disability retirees with at least 10 years of service credit may continue state insurance participation for as long as they continue to be certified as disabled.

4. Delayed Retirement

A former employee who meets the retirement eligibility criteria under the Optional Retirement Program, the Teacher Retirement System, or the Employees Retirement System is eligible to retire from Texas Tech upon electing to receive a retirement annuity from the Teacher Retirement System or the Employees Retirement System or by enrolling in the group insurance program as an ORP retiree provided:

a. The employee has not obtained other state employment within the state of Texas that earned additional retirement credits under one of Texas Tech's retirement programs; and

b. The employee has not forfeited eligibility to retirement benefits by withdrawing contributions before being eligible to receive a retirement annuity.
5. **Insurance Programs for Retirees**

   See OP 70.05, Eligibility for Insurance and Other Benefits.

6. **Policy Information**

   The information in this OP is intended to provide a general explanation of the plan provisions. This document is not meant to include the complete details of all benefits available. Every effort has been made to ensure the information is accurate; however, if there is ever a conflict between this document and the governing entity, the governing entity rules will prevail.

   Health and other insurance benefits for members and retirees are subject to change based on available state funding. The Texas Legislature determines the level of funding for such benefits and has no continuing obligation to provide those benefits beyond each fiscal year.

7. **Right to Change Policy**

   Texas Tech University reserves the right to interpret, change, modify, amend, or rescind this policy, in whole or in part, at any time without the consent of employees.