

**NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION
POLICY MANUAL**

SUBJECT: COMPENSATION

EFFECTIVE: February 3, 2016

Section: 703.1 Early Retirement

1. GENERAL

- a. Early retirement is available as a cost saving tool and a vehicle for the infusion of new thoughts, ideas, and skills by the opening up of positions. Early retirement may not be used as a device to circumvent the due process procedures for dismissals. Early retirement is not an entitlement and may be used only when the institution has documented the benefits resulting from the agreement.
- b. This policy applies to tenured faculty; the chancellor, vice chancellors and other system office professional staff; and presidents, executive deans, vice presidents, provosts, deans and other officers responsible for a major unit of an institution who report directly to a president, vice president, provost, or executive dean.

2. DEFINITIONS

- a. "Employee" means those persons employed by an institution or in the system office to which this policy applies pursuant to section 1.
- b. "Retirement Plan" is the formal document describing the retirement agreement between the employee and the institution.
- c. "Faculty" means instructors, assistant professors, associate professors, and professors with recognized tenure pursuant to SBHE Policy 605.1.

3. EARLY RETIREMENT PLANS

- a. General Rules
 - I. By agreeing to a retirement plan, the employee waives all tenure or other rights to continued employment except as may be provided in the retirement plan.
 - II. Retirement plans may retain the individual on the applicable group health and life insurance plans. Payment by the institution of premiums is negotiable. Early retirement/buyout payments shall not include employer contributions to retirement accounts.
 - III. Additional benefits not provided for in these rules will be left to local implementation. However, any item which is regarded as a substantial inducement to early retirement or a condition of early retirement must be on the retirement plan.
 - IV. Should an individual be dismissed from employment or become disabled so as to qualify under any college or university group disability program, the provisions of any early retirement agreement shall be null and void.
- b. Tenure or Contract Purchase
 - I. Retirement under an agreement providing for a tenure or contract purchase precludes other regular, full-time employment in the university system. Part-time

or temporary employment to fill vacancies or in exceptional circumstances is permitted.

- II. The applicable sum for eligibility for this option is the sum of the age of the employee and total years of employment in the North Dakota University System or member institution. An agreement may be negotiated providing for payment of up to 100% of the employee's final year contract salary if the sum of the employee's age and total years of employment equals 70 or greater. Payments will be paid pursuant to the terms of the agreement.

4. **PROCEDURE**

- a. Institutions shall use an approved standard form contract.
- b. The Early Retirement Agreement for tenured faculty and other eligible employees of the institutions shall be approved by the president. Early Retirement Agreements for system office staff shall be approved by the Chancellor. Early Retirement Agreements for presidents shall be approved by the Board upon the Chancellor's recommendation. An Early Retirement Agreement for the Chancellor shall be approved by the Board.
- c. Institutions may adopt procedures to implement this policy.

HISTORY: New policy. SBHE Minutes, June 8-9, 1983, pg 5143.
Amendment, SBHE Minutes, Feb. 9-10, 1984, pg 5209.
Amendment, SBHE Minutes, June 7-8, 1984, pg 5256.
Amendment, SBHE Minutes, December 6-7, 1984, pg 5308.
Amendment, SBHE Minutes, December 2, 1985, pg 5433.
Amendment, Section 703.1(3)(b)(2) SBHE Minutes, June 26, 1986, pg 5504.
Amendment, Section 703.1(3)(b)(6) SBHE Minutes, April 23-24, 1987, pg 5588.
Amendment, Section 703.1(3)(b)(6) SBHE Minutes, March 8-9, 1990, pg 5957.
Amendment, Section 1(b) SBHE Minutes, April 19, 1990, pg 5978.
Amendment, SBHE Minutes, December 17, 1992, pg 6312.
Amendment, Sections 1.b, 2, 3.a & b.(2,5) & 5, SBHE Minutes, Jan. 20, 1994, pg 6427.
Amendment, SBHE Minutes, December 15, 1994, pg 6524.
Amendment, SBHE Minutes, April 17, 1998, pg 6874.
Amendment, SBHE Minutes, December 21, 2000.
Amendment, SBHE Minutes, March 30, 2001.
Amendment, SBHE Minutes, February 3, 2016.