

ITEM H.3**Resolution Amending the Modified Supplemental Retirement Plan**

Recommended Resolution:

BE IT RESOLVED

SECTION I

The Modified Supplemental Retirement Plan is amended by repealing Section 10.110.3 of the Code of Policies of the Board of Governors entitled Application Periods and Retirement Dates and enacting a new Section 10.110.3 entitled Application Periods and Retirement Dates, as follows:

10.110.3 Application Periods and Retirement Dates

- a. The current Modified Supplemental Retirement Plan will terminate on June 30, 2007. The final application period for the current Modified Supplemental Retirement Plan is October 1 through December 15, 2006, inclusive.

Employees who currently meet the Eligibility requirements set out in Section 10.110.1, above, or who will become eligible before July 1, 2007, may apply during this final application period. Employees who make application under the current plan must state the effective date of their retirement with their application, such date to be no later than June 30, 2007. The Board of Governors will consider all pending applications in February, 2007, and grant or deny the applications in accordance with criteria set out in Section 10.110.4 of this policy.

An employee whose application is approved by the Board must retire on the effective date stated in the application, the application being irrevocable once it is approved by the Board. An approved application will be considered tantamount to a resignation on the effective date stated therein.

- b. Effective July 1, 2007 until December 31, 2009, inclusive, a new Short-Term Modified Supplemental Retirement Plan will be available to employees. New requirements for Eligibility and Retirement Benefits will apply beginning July 1, 2007. Sections 10.110.1, Eligibility and 10.110.2, Retirement Benefits are amended concurrently to govern the Short-Term Modified Supplemental Retirement Plan for the period of July 1, 2007 through December 31, 2009.

The only application period for the Short-Term Modified Supplemental Retirement Plan is March 1, 2007 through May 15, 2007, inclusive. Employees who will meet the eligibility requirements for the new Short-Term Modified Supplemental Retirement Plan at any time between July 1, 2007 and December

31, 2009, inclusive, may apply during the above defined application period of March 1, 2007 through May 15, 2007. Employees who make application under the Short-Term Modified Supplemental Retirement Plan must state the effective date of their retirement with their application, such date to be no later than December 31, 2009 and must select a retirement benefit option as set forth in Section 10.110.2. The Board of Governors will consider all applications for benefits under this Short-Term Modified Supplemental Retirement Plan in June, 2007 and grant or deny the applications in accordance with criteria set out in Section 10.110.4 of this policy.

An employee whose application for benefits under this Short-Term Modified Supplemental Retirement Plan is approved by the Board must retire on the effective date stated in the application, the application being irrevocable once it is approved by the Board. An approved application will be considered tantamount to a resignation on the effective date stated therein.

SECTION II

Section 10.110.1 of the Code of Policies entitled Eligibility, is amended by adding the following language below the existing provisions:

The above Eligibility requirements are repealed effective June 30, 2007 and the following new Eligibility requirements will apply for the period of July 1, 2007 through December 31, 2009, inclusive. Full-time employees in positions paid by unrestricted University funds, who are current members of the Missouri State Employees Retirement System (MOSERS), are eligible for benefits under the Short-Term Modified Supplemental Retirement Plan if (a) they are at least 57 years of age with the sum of age and service credit equaling 80 or more or (b) they have a minimum of 15 years full-time employment at Truman and are eligible to retire under any MOSERS program.

SECTION III

Section 10.110.2 of the Code of Policies entitled Retirement Benefits, is amended by adding the following language below the existing provisions:

The above retirement benefits will no longer be available after June 30, 2007. Beginning July 1, 2007 and continuing until December 31, 2009, inclusive, eligible employees whose applications for Short-Term Modified Supplemental Retirement Plan benefits are approved by the Board of Governors will receive one of the options described below:

Option A - A lump sum benefit based on the number of years from the employee's retirement date until the retiree reaches 65 years of age. Under this option, early retirees will receive a payment of \$6,000 per year up to an 8 year maximum. This lump sum will be payable on the employee's retirement date.

Partial years will be pro rated to the nearest month. The maximum lump sum benefit for any eligible retiree regardless of their age at retirement will be \$48,000.

Option B - A monthly health insurance payment of \$500 based on the number of months from the employee's retirement date until the retiree reaches 65 years of age with a maximum of 96 monthly payments regardless of employee's age at retirement. This payment will be made only toward the Truman State University health insurance plan and the retiree must pay the difference between \$500 and the actual cost of the insurance.

SECTION IV

Section 10.110.4 The Code of Policies entitled Budgetary Constraints, is amended by adding the following language below the existing provisions:

The above Code of Provisions pertaining to Budgetary Constraints are repealed effective June 30, 2007 and the following cost/benefit analysis will be applied for all applications in the period of July 1, 2007 – December 31, 2009, inclusive. Preference will be given to applicants whose positions will be eliminated, reduced in salary, or significantly modified after their retirement. The cost/benefit analysis will include projected replacement costs and the cost of the incentive.

SECTION V

Effective January 1, 2010, Section 10.110 of the Code of Policies entitled Supplemental Retirement Plan; Section 10.110.1 entitled Eligibility; Section 10.110.2 entitled Retirement Benefits; Section 10.110.3 entitled Application Periods and Retirement Dates; Section 10.110.4 entitled Budgetary Constraints; and Section 10.110.5 entitled Implementation; along with all amendments to these Code Sections, are repealed in their entirety and the Supplemental Retirement Plan, the Modified Supplemental Retirement Plan and the Short-Term Modified Supplemental Retirement Plan will no longer be available.

Moved by _____

Seconded by _____

VOTE: AYE _____

 NAY _____