

**The University Senate of Michigan Technological
University
Proposal 32-25**

**Proposal to Establish the MTU
Retirement - Retaining Expertise Plan**
(Voting Units: All)

Submitted by: Senate Fringe Benefits Committee

I. Introduction

There are numerous units across the University that have employees who are at or near retirement age whose expertise and experience is extremely valuable and sometimes critical to University operations. These employees include both staff and faculty members. The aim of this proposal is to assist with attaining University outcomes by providing a mechanism for employees who are approaching retirement age (minimum eligibility of age 59.5) to assist their unit through their expertise to onboard new employees, and/or to help fulfill the teaching mission of the University.

II. Rationale

Employees are vital to the ongoing continuous operation of the University. When an employee retires, the University loses their expertise and experience. Onboarding new employees takes a period of time, and in many instances, having an overlap between an exiting employee and an entering employee is beneficial. Also, there is a scarcity of trained employees in the region.

Further, the University is vital to the employee, from an income perspective and also from a health-benefits perspective. With the conclusion of the University's former "RSVP" phased retirement plan, with the final phase-out year being 2024-25, a need arises for employees who wish to retire. This need can be understood by considering the health benefits gap that occurs between the minimum retirement age of 59.5 (IRS minimum age to draw from 401K-type plans without penalty) and the eligibility for Medicare (age 65).

With unexpected life cycle events and with uncertainty in the regional workforce, there is an opportunity that would benefit both the University and the employee.

This proposal aims to assist with attaining University outcomes by providing a mechanism for employees who are approaching retirement to assist their unit through their expertise to onboard new employees, and/or to help fulfill the teaching mission of the University while at the same time providing an off-ramp to employees with respect to decreased workload (50%) with retained benefit eligibility.

This proposal, the MTU Retirement - Retaining Expertise Plan differs from the former "RSVP" phased retirement benefit program in the following ways:

- Employees must have acceptable performance reviews that warrant this designation
- There is no cash payout
- The aim is to benefit both the University and the employee

III. Proposal

The Fringe Benefits Committee proposes that as of July 1, 2025, **all benefit-eligible** employees with acceptable performance reviews who have been employed at Michigan Technological University for eight **total** years or more, **and who are approaching retirement eligibility (minimum age of 59.5)**, be extended the privilege and benefit of being able to work at 50% effort for one, two, or at most three years and remain benefits eligible (health, retirement matching, TRIP).