

Policy Number: 6-601	Policy Name: Retirement Plans
Policy Revision Dates: 3/2007, 2/88	Page 1

ARTICLE F. RETIREMENT AND BENEFIT PLANS

6-601 Retirement Plans

All eligible employees of the universities are required to participate in an approved retirement plan except those employees and other persons exempted from participation under A.R.S. 38-727. The rates of employee/employer contribution are periodically reviewed and may be subject to change.

- A. Classified staff and other university personnel eligible under A.R.S. 38727 shall participate in the Arizona State Retirement Plan.
- B. Administrative staff, professional staff and faculty eligible under A.R.S. 38-727 shall participate in either the Arizona State Retirement Plan or an Optional Retirement Plan as designated by the Board subject to the provisions of ABOR Policy 6602 (Optional Retirement Program) .

Policy Number: 6-602	Policy Name: Optional Retirement Program
Policy Revision Dates: 1/2008, 2/88, 6/84	Page 1

6-602 Optional Retirement Program

The optional retirement program shall be offered only to those employees included under their employment categories of Administrative (ABOR Policy 6-101), Faculty (ABOR Policy 6-201), and Professional (ABOR Policy 6-301).

- A. An employee, assuming a position which grants entitlement to membership in an optional retirement program, or upon being made eligible for participation in an optional retirement program as a result of the adoption of this policy, shall be advised in writing of this right and shall have a period of thirty days following notification in which to make an election and complete the necessary enrollment requirements. Enrollment in an optional retirement program is prospective only and shall not affect prior contributions made to any other retirement program.
- B. Optional retirement plan state contributions and interest thereon being held by a university pending an employee's completion of five years of creditable service shall be transferred to the gaining institution if an employee is offered employment by and is transferring to another university within the Arizona Board of Regents System. This transfer of funds is required whether or not the position is eligible for participation in an optional retirement program.
- C. A phased retirement program is available to participants of the Optional Retirement Plan with appropriate university approval.
 1. The phased period will be for no more than three years.
 2. The phased period may be accelerated upon mutual agreement of the university and the participant; however, the period may not be extended.
 3. Employment must be no less than 50% FTE, unless otherwise requested by the participant.
 4. Salary will be reduced according to the participant's FTE rate.
 5. Both participant and employer retirement plan contributions will continue based on the participant's reduced salary.
 6. Tenured faculty must relinquish tenure at the end of the phased period. Individuals with continuing status must relinquish continuing status at the end of the phased period.

Policy Number: 6-602	Policy Name: Optional Retirement Program
Policy Revision Dates: 1/2008, 2/88, 6/84	Page 2

7. The terms and conditions of the phased retirement will be documented in a written agreement between the participant and the employer which will include the participant's eligibility for the phased retirement program and the date of retirement.

Policy Number: 6-603	Policy Name: Voluntary 403(b) Program
Policy Revision Dates: 12/2008, 11/99, 2/90, 2/88, 12/87, 5/85, 9/84	Page 1

6-603 Voluntary 403(b) Program

The program was established by the Board of Regents, effective July 1, 1963, and is modified or amended from time to time.

A. The voluntary 403(b) program is subject to the following provisions:

1. Any eligible employee may, upon voluntary written agreement to be managed through an online enrollment process, elect to accept a reduction in salary under this program.
2. For each employee electing a salary reduction, the institution shall purchase a nonforfeitable contract within the meaning and limitations of Section 403 (b) of the Internal Revenue Code. The cost of the contract is to be equivalent to the salary reduction.
3. Each salary reduction agreement shall contain any other provisions necessary to administer the program and comply with IRS requirements.
4. Each participating employee may specify within their written salary reduction agreement any company approved through the Board of Regents competitive bid process.

B. Approved companies shall operate in accordance with the following guidelines and directives:

1. All contracts must comply with applicable laws.
2. A company will not solicit by use of misleading or false promises or statements. Written material referring to a university shall not be used without the expressed approval of the university concerned. Further, a company may not use a "telephone room" operation for soliciting appointments from university personnel. Each company may make appointments at the request of the employee based upon a referral or written material mailed to the employee's home.
3. A company will not use its status as an approved voluntary 403(b) company to market any product, other than those within the meaning and limitations of Section 403 (b) of the Internal Revenue Service Code, including life insurance.

Policy Number: 6-603	Policy Name: Voluntary 403(b) Program
Policy Revision Dates: 12/2008, 11/99, 2/90, 2/88, 12/87, 5/85, 9/84	Page 2

4. Each company must guarantee that each plan offered is a "qualified" plan as defined under Section 403 (b) of the Internal Revenue Service Code in order to secure approval as a voluntary 403(b) company. The guarantee must provide that the company will pay any taxes, interest and penalties imposed on the employee or the Board if it is determined that the plan is not qualified.
5. Each university reserves the right to regulate the solicitation practices of agents or companies conducting business at any one of the universities.
6. Each company offering a voluntary 403(b) plan to university employees shall not discriminate in offering or administering such a plan on the basis of race, color, sex, national origin, age, ethnicity, religion, handicap, or veterans' status.
7. Each company approved under these guidelines agrees to furnish data pertinent to their products being offered and its company when requested by the Arizona Board of Regents or one of the universities. Further, each approved company agrees to comply with rules formulated by each university governing the administration of voluntary 403(b) plans and controlling solicitations on campus, and to offer only contracts which meet the criteria set forth herein.
8. An authorized officer of each approved voluntary 403(b) company must acknowledge and attest in writing that the company meets all criteria set forth in these guidelines and agrees to these terms and conditions. Violation by a company of these guidelines may be cause for revocation of that company's approval to enter into further contracts with any Board of Regents' or university employee.
9. Each approved company is required to work with the common remitter selected by the university.
10. Each approved company agrees to administer the plan in accordance with the plan document, board policy, terms of the most recent competitive bid process and federal regulations.

Policy Number: 6-604	Policy Name: Benefit Plans
Policy Revision Dates: 2/88	Page 1

6-604 Benefit Plans

The Board of Regents provides certain benefit plans to eligible employees described within each plan document. Copies of benefit plan documents are available at each of the universities and the Board's Central Office. All benefit plans are subject to change.

Policy Number: 6-605	Policy Name: American Football Coaches Retirement Trust
Policy Revision Dates: 2/88	Page 1

6-605 American Football Coaches Retirement Trust

- A. The universities are authorized to enter into Employer Participation Agreements, thereby permitting eligible employees to participate in the American Football Coaches Retirement Trust (AFCRT) in accordance with the provisions and restrictions contained in IRC 401 (k).
- B. Any eligible employee may, upon voluntary written agreement, elect to accept a reduction in salary under this program. Eligible employees shall be defined by the AFCRT.
- C. Each salary reduction agreement shall contain any other provisions that may be necessary to administer the program and comply with IRS requirements.
- D. Contributions to the AFCRT shall be limited to employee pre-tax contributions and no after-tax contributions or employer contributions shall be allowed.
- E. By authorizing the universities to participate in the AFCRT, neither the Board nor the universities are assuming any responsibility for: (i) the proper administration of the AFCRT, specifically including, without limitation, non-discrimination testing, maximum contribution limits and other IRS qualification requirements; or (ii) the proper investment of the funds contributed by the Employee to the AFCRT.

Policy Number: 6-606	Policy Name: Long Term Care Insurance
Policy Revision Dates: 12/92	Page 1

6-606 Long Term Care Insurance

Each university may contract with one or more insurance carriers to provide long-term care insurance coverage to employees. The full costs of such coverage shall be paid by participating employees. Such contracts shall be in accordance with guidelines approved by the Executive Director after consultation with the University President. These guidelines shall provide minimum standards or criteria relating to the scope of coverage and to the capacity of the carrier(s) to provide the coverage, including but not limited to standards for criteria in the following areas:

A. Capacity of Carrier

1. Financial stability and demonstrated experience;
2. Ability of carrier to obtain and maintain minimum enrollment of eligible employees;
3. Reasonable limitations on solicitation practices;
4. Assurance of non-discriminatory practices;
5. Ability to provide participants with clearly defined description of scope of coverage.

B. Scope of Coverage

1. Availability to employees and retirees and their spouses, parents and parents-in-law;
2. Availability of coverage for nursing home care, home health care and adult day care for mandatory minimum time-frames;
3. Limitations that may be imposed relating to when coverage will be made available, e.g., whether hospitalization must precede stay in nursing home;
4. Minimum inflation protection options;
5. Guaranteed portability and renewability provisions; and

Policy Number: 6-606	Policy Name: Long Term Care Insurance
Policy Revision Dates: 12/92	Page 2

6. Permissibility of limitations of coverage based upon pre-existing conditions.

Policy Number: 6-607	Name: Voluntary Separation and Retirement Incentive Program
Policy Revision Dates: 4/03, 12/92	Page 1

6-607 Voluntary Separation and Retirement Incentive Program

A. Authority

Each university may establish a voluntary separation and retirement incentive program for eligible employees. The president of the university shall review and approve the program prior to its implementation. The design and duration of such a program, including the definition of eligibility criteria for participation, shall be at the determination of each university subject to the program being in the best educational interest of the university and the state.

B. Report to the Board

Each university that chooses to implement a voluntary separation and retirement incentive program shall submit an annual report to the Board by October 1 of each year for the preceding fiscal year in which such a plan was implemented.