

## **Administrative Regulation — University Retirement Plans**

### **I. Legal Compliance**

The University must comply with federal and state laws concerning public university retirement programs.<sup>1</sup> The University must also comply with federal and state laws governing the public employee retirement programs of the University's affiliated corporations.

### **II. Policy on Retirement**

This *Administrative Regulation* addresses specific aspects of the retirement plans offered to faculty and staff directly employed by the University (University employees). Specific aspects of retirement plans offered to employees of the University's affiliated corporations are addressed in separate policies.

The University's retirement plans are a portion of the total compensation provided to University employees and are intended to be effective in recruiting and retaining talented faculty and staff.

The University offers a defined contribution retirement plan, which does not guarantee a specific amount of income at retirement. In this defined contribution plan, employees contribute to individual accounts and can access the balance of that account upon retirement. This account balance is based on the contributions made to that account by both the University and the employee along with the investment earnings of those contributions.

To further assist University employees with retirement savings, the University also offers voluntary options for the employee to save for their own retirement through additional, non-matched contributions to their retirement accounts.

### **III. Plan Documents, Revisions and Retirement Plan Investment Policy Statements**

The University must have a written plan document for each retirement plan as required by law. The President authorizes the Executive Vice President for Finance and Administration (EVPFA) to amend the plan documents as appropriate or necessary, to the extent that such amendments do not conflict with this regulation. However, if language in this regulation and the plan document conflict, the plan document will govern.

The President authorizes the EVPFA to execute and amend a *Retirement Plan Investment Policy Statement* to provide parameters to the retirement carrier and consultants as it relates to adding and removing investment "fund" choices with the

retirement carrier. The EVPFA may utilize appropriate committees and/or consultants to assist with the development and execution of the *Policy Statement*.

#### **IV. Retirement Groups**

##### **A. Eligibility for University Participants**

Regular, full-time University employees, as defined by *Human Resources Policy and Procedures*, and who are not covered by the United States Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), are eligible to participate in the University's retirement plans.

##### **B. Eligibility for Employees in Positions Covered by CSRS and FERS**

See *Human Resources Policies and Procedures* for information on employees covered by CSRS and FERS.

##### **C. Participation Requirements**

- Participation in the matching retirement plan is mandatory for all new regular, full-time employees hired on or after July 1, 2024.
- Employees in regular, full-time employment status hired before July 1, 2024, must participate in the University's matching retirement plan when they reach the age of mandatory participation in effect when hired. See *Human Resources Policies and Procedures* for that information.
- Employees in regular, full-time employment status who have not yet reached the age of mandatory participation may still voluntarily enroll in the matching retirement plan by making a one-time, irrevocable salary reduction agreement. Once enrolled, the eligible employee may not withdraw from the plan.
- Any employee of the University, regardless of regular, full-time employment status, may participate in the University's voluntary retirement plans offered.

#### **V. Contributions and Vesting**

##### **A. Contribution Schedule**

The Board determines overall contributions to the retirement plans as set out in *Governing Regulation — The Board of Trustees*.

Individuals who have satisfied the age and service requirements for mandatory participation will make required contributions on a salary reduction (pre-tax) basis.

This provision does not apply to any participant who, prior to Dec. 22, 1986, made contributions on a salary deduction (after-tax) basis.

The current contribution schedules for all eligible participants other than FERS are represented as a percentage of basic annual salary. The Board may set different schedules during limited time periods due to exceptional circumstances (exceptional contribution period).

Standard Schedule (not during an exceptional contribution period):

<b>By the Participant</b>	<b>By the Institution</b>	<b>Total</b>
5%	10%	15%

**B. Vesting**

- Accumulated retirement benefits attributable to employee contributions become the property of the employee immediately, subject to federal law.
- Accumulated retirement benefits attributable to employer contributions become the property of the employee after three (3) years of continuous service, subject to federal law.

**VI. Retirement Dates**

As set out in *Governing Regulation — The Board of Trustees*, the Board determines the age for retirement eligibility. The current retirement eligibility ages are listed below.

**A. Normal Retirement**

The normal retirement eligibility date for University employees is the day the employee turns 65 years of age.

**B. Early Retirement**

Early retirement is retirement prior to age 65.

The University authorizes early retirement when the combination of the employee's age and years of regular, full-time service (with a minimum of 15 years of continuous service at the time of retirement) equals or exceeds the number 75. Regular, part-time service will be counted on a pro rata basis.

**C. Mandatory Retirement**

The mandatory retirement date for all University law enforcement officers is the day the officer turns 70 years of age. There is no mandatory retirement date for other University employees.

## **VII. Retirement Process**

The process and procedures for providing notice of retirement will be set forth in *Human Resources Policies and Procedures*.

---

<sup>1</sup> [KRS § 164.220](#); [KRS § 164.225](#)