HUMAN RESOURCES POLICY
EARLY RETIREMENT

EFFECTIVE: March 1996
REVISED: August 2010
RELATED POLICIES:

POLICY

Northern Lights College recognizes that there may be occasions where both the college and employees could benefit from an early retirement program. Due to the potential high costs, however, it is essential that the decision to begin accepting applications for such a program remain solely with the college.

PROCEDURE

Excluded Staff

In order to apply for early retirement an employee is required to apply in writing through their immediate excluded supervisor, to the Director of Human Resources.

The following criteria must be met before approval can be considered:

1) 55 years of age or over
2) Has a minimum of 10 continuous years of pensionable service
3) Is a regular employee at the time of early retirement
4) Is at the maximum salary for the position
5) Approval of the application must allow the college to experience an overall savings

Included Staff

NLC will make an offer to permanent employees pursuant to the terms and conditions of the appropriate collective agreement.

It must be recognized that only a small number of employees, if any, can be permitted to retire under this plan in any given year because of the potential high cost. When an application is approved, the employee will have 30 calendar days from the date of the approval to accept or reject it. When accepted, the date of retirement shall be mutually agreed upon by the employee and the President and shall be binding unless mutually agreed upon.

Any agreements under this plan will be in writing and will specify the retirement date and incentive option agreed upon from the following alternatives:

- **OPTION A: LUMP SUM PAYMENT**

  The retirement allowance shall be paid in one lump sum on the date of retirement, of for optimum tax advantage on an agreed upon deferred date, or in twelve equal installments, at the option of retiring employee, and shall be based on scale salary without allowances in the following amounts:

Full Years to Retirement	Retirement Allowance
1	20% of Annual Salary
2	40% of Annual Salary

3	60% of Annual Salary
4	80% of Annual Salary
5 or More	100% of Annual Salary

- **OPTION B:**
  The retirement allowance based on the proportion allowable under Option A, for example, twenty percent of one-twelfth of the retiring employee’s pre-retirement annual salary without allowances shall be paid each month by the college into a pre-designated registered retirement savings plan or trust fund in the name of the retired employee to provide at the discretion of the retiring employee, a supplemental pension income upon attaining the age of 65 years. Payments shall commence on the last day of the month coincident with the date of early retirement and shall cease when the retiring employee reaches the 65th birthday. In the event the retired employee passes away prior to attaining the age of 65, any contributions outstanding shall be payable by the college in a lump sum amount to the estate of the deceased. The maximum period of payment shall be sixty months.

- **OPTION C:**
  Any other mutually agreed upon plan which takes into account the individual employee’s personal circumstances. Such plan shall not offer an incentive having a monetary value grater than plans A or B.

NOTE:

1. *For unionized staff only – In the event of a discrepancy between this policy and the appropriate collective agreement, the collective agreement will prevail*

2. *Once an employee accepts early retirement, s/he cannot be re-employed by the college in any regular position at least for the duration of time covered by the retirement allowance.*