

# Base Retirement Plan for Professional Staff

## HR



### About This Policy

Effective Date:

Last Updated:

03-10-2010

Responsible University Office:

University Human Resources

Responsible University Administrator:

Vice President and Chief Financial Officer

Policy Contact:

University Human Resources

[policy@iu.edu](mailto:policy@iu.edu)

### Related Information

\* [IU Retirement Plan](#)

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### Scope

This policy applies to Professional Staff at 50 percent or more FTE. Under federal law, there is no mandatory retirement age.

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### Policy Statement

1. All employees are included under FICA (Social Security) and OASI (Old Age and Survivors Insurance).
2. The IU Retirement Plan for professional staff is a defined contribution plan in accordance with the Internal Revenue Code Section 403(b) and the university makes all contributions on the participant's behalf.
  - a. IU contributions go to specific fund options with TIAA-CREF (Teachers Retirement Annuity Association-College Retirement Equity Fund) and/or Fidelity, at the employee's choice.
3. Participants can begin their income from the IU Retirement Plan at any age after termination of employment. New participants in the Plan on or after September 1, 2010, are subject to a three-year cliff vesting requirement.
4. There are four contribution levels to the IU Retirement Plan based on a participant's percent of appointment (FTE), rank, and date of enrollment.
  - a. The contribution level is 10% of base salary for 50% FTE or greater appointed professional staff in all levels enrolled on or after July 1, 1999.
  - b. The contribution level is 11.25 % of total wages for 100% FTE appointed professional staff in levels 15 or below and professional staff with the following minimum appointments enrolled prior to July 1, 1999.
    - 50% FTE for 12 pay cycles
    - 60% FTE for 10 pay cycles
    - 65 % FTE for 9 pay cycles

- c. The contribution level is 12% of base salary for 100% FTE appointed professional staff in levels 16 or above enrolled between January 1, 1989 and June 30, 1999.
  - d. The contribution level is 11% of the first \$7,800 of base salary and 15% of base salary thereafter for 100% FTE appointed professional staff in levels 16 or above enrolled prior to July 1, 1989.
5. A Retiree of Indiana University will be entitled to the following IU benefits, which are separate from retirement income benefits:
- a. Life insurance (paid by IU); see [Basic Life Insurance](#).
  - b. IU Tuition Benefit; see [IU Tuition Benefit](#).
  - c. Medical and dental coverages; see [Medical and Dental Coverages policy](#).
6. In order to qualify as a Retiree, an IU employee must have IU Retiree status according to the following age and service requirements:

Age at termination	Years of IU service*	Age at termination	Years of IU service
55	30	61	18
56	28	62	16
57	26	63	14
58	24	64	12
59	22	65 or over	10
60	20		

\* Years of IU Service means the years of full-time appointed service at Indiana University.

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**Procedure**

**Classification Changes**

1. Professional Staff participating in the IU Retirement Plan at the 10% or 11.25% contribution level:
  - a. If a Professional Staff employee changes position through the process of the Filling Positions policy to a position covered under PERF, the employee will be enrolled in PERF. The employee retains his or her account balance in the IU Retirement Plan, but will not be eligible for ongoing contributions to the IU Retirement Plan during his or her employment in the new position.
  - b. If a Professional Staff employee's position is reclassified through the process of the Classification policy—or the employee changes position through the process of the Reduction in Force or Corrective Action policies to a position covered under PERF—the employee has the choice of participating in the IU Retirement Plan or PERF during his or her employment in the new position. If the employee chooses PERF, he or she will retain his or her account balance in the IU Retirement Plan, but will not be eligible for ongoing contributions to the IU Retirement Plan during his or her employment in the new position.
2. Professional Staff participating in the IU Retirement Plan at the 12% or 15% Contribution Level
  - a. All classification changes for these Professional Staff must be reviewed by Retirement Program Services in University Human Resources to determine their retirement plan eligibility.

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**Sanctions**

Managers, supervisors, and employees who violate this policy are subject to disciplinary action, up to and including termination.