

Memorandum of Understanding Retirement Incentive Clarification

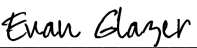
In section 9.1.D of the 2023-2027 IMSA Council Collective Bargaining Agreement, it states:

“Members who qualify for an applicable SURS retirement pension who notify Human Resources in writing in the form of an irrevocable letter of intent to retire four years in advance of their planned retirement date before March 15th of the current academic year will receive an overall increase of 6% on all creditable earnings for each year before retirement. The current academic year is regarded as Year one (1) of the four-year incentive.”

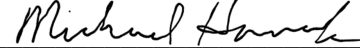
- A. Concerns were raised by the Illinois State University Retirement System (SURS), that any increase as a result for expressing one’s intent to retire should not be treated as earnings for the purposes of determining the Final Average Earnings (FAE) rate under the SURS retirement formula.
- B. The IMSA Council and Management wish to clarify that the overall 6% increase is not a retirement incentive, but for services rendered. A portion of the overall 6% will consist of any regular increase the bargaining unit member would have received without expressing their intent to retire, with the remaining portion consisting of payment for services rendered.
- C. As such, both parties agree that in order to be eligible for the full 6% increase each year as pensionable earnings, bargaining unit members who submit an intent to retire as noted in the current collective bargaining agreement, are required to render services which could include the following possible additional assignments, in addition, to the completion of their regular work duties.
 - 1. Additional Assignments exclusive to the Bargaining unit, which retirees will have first rights of refusal to complete if qualified.
 - 2. Additional Assignments not exclusive to the Bargaining unit
 - 3. Additional assignments that previously did not exist but are proposed and approved by management.

Both parties acknowledge and agree that the additional compensation issued to bargaining unit employees who have submitted an intent to retire is specifically for these services rendered, and are not payments made to facilitate termination of employment or to induce someone to retire. As such, failure to complete these services rendered will result in the full 6% increase not being paid as pensionable earnings. On the June 30th paycheck of each year, the Academy will pay out the remaining difference between 6% and what is owed for any work not performed as creditable earnings to hit the 6% increase. The Academy will not exceed a 6% increase in pensionable earnings from one fiscal year to the next and may restrict the ability to perform additional assignments that would lead to an increase beyond 6%.

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