

# VANDERBILT UNIVERSITY AND MEDICAL CENTER

## HUMAN RESOURCES POLICIES AND PROCEDURES

### SUBJECT: RETIREMENT BENEFIT POLICY

#### POLICY #HR-024

EFFECTIVE DATE: July 1, 2000

## POLICY

The purpose of this policy is to outline the Retirement Benefits for staff who meet eligibility as described in the Summary Plan Description covering the Vanderbilt University Retirement Plan.

## ELIGIBILITY

- A. **Participation in the Retirement Plan**: Staff who are at least 21 years of age and have worked at Vanderbilt for one year are required to participate in the Plan as a condition of employment with the following exceptions:
  - o staff who normally work less than 20 hours per week that is, at or fewer than 1000 hours per 12-month period
  - o teaching and research assistants, students, post-doctoral fellows and trainees performing services which are exempt from social security taxes
  
- B. **Voluntary Contributions**: Voluntary contributions may begin on or after the first day of the month following the date of hire. These contributions are not eligible for university matching. To participate in this voluntary program, the staff member must submit a properly executed salary reduction agreement form to the Benefits Office. Staff are immediately vested in these contributions and these contributions will be available to them at the time of termination.
  
- C. **University Matching Contributions**: Staff eligible to participate in the Retirement Program receive University matching contributions beginning on or after the first of the month following twelve consecutive months of employment.[1] Again, participation for eligible staff is mandatory as a

condition of employment at a rate of 3% annual pay. A staff member may choose to participate at a higher level up to maximum allowed by IRS guidelines, however, Vanderbilt will match contributions at either a 3% or 5% level. For information on how much you are allowed to contribute within applicable IRS guidelines contact the Benefits Office of Human Resource Services.

D. **Staff Not Eligible for Matching Contributions:** The following staff are not eligible to receive the matching contributions:

- staff under the age of 21
- staff who elect to participate in a union retirement plan, and
- staff in Vanderbilt Temporary Services or the Temporary Nurse Registry staff

## **PROCEDURE**

**Vesting:** Staff are immediately vested 100% in their contributions and in the University's matching contribution upon their eligibility for participation. This means staff immediately own his/her contributions and Vanderbilt's contributions and may take them at the time he/she ends employment with Vanderbilt.

**Reemployment:** A member of the staff who previously completed one (1) year of service with the University and who is re-employed by the University will receive matched contributions for mandatory participation immediately upon reemployment. The staff member must contact the Benefits Office of Human Resource Services to ensure proper processing and contribution level.

**Retirement Benefit:** Vanderbilt does not have a mandatory retirement age. However, benefits must commence for a participant under the plan, regardless of whether he or she has retired, no later than April 1 following the end of the calendar year in which he or she reached age 70½. Other distributions may be made according to the terms of the retirement plan document.

**Notification of Intention to Retire:** Staff who intend to retire should contact the Benefits Office to discuss benefit related issues and obtain the necessary notification form for retirement. The benefit plan application may vary depending on the plan; therefore staff should obtain and submit his/her completed plan application at least two months prior to the expected retirement date.

## **GENERAL**

Vanderbilt reserves the right to change, terminate, or discontinue any portion or features of the Retirement plan at any time and to the extent permitted by law without the consent, or without prior notice.

**Approved by Darlene Lewis, Associate Vice Chancellor, Human Resources**

**Approved by Lauren J. Brisky, Vice Chancellor, Administration**

**Approved by Harry Jacobson, M.D. Vice Chancellor, Health Affairs**

This policy is intended as a guideline to assist in the consistent application of Vanderbilt programs and procedures. The policy does not create a contract, implied or expressed, with any Vanderbilt employees who are employees at will. Vanderbilt reserves the right to modify this policy in whole or in part, at any time, at its sole discretion.

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[1] Faculty and VMG Physicians should refer to the **Faculty Handbook**. Executive Administrative or Senior Exempt staff should contact the Benefits Office of Human Resource Services to ensure proper processing.