

I have a question that I'd like to try to get some 'standards' on. We are a company of about 100 employees and just had our first retirement. Do companies have a 'retirement policy?' What do you do for gifts, payouts of PTO, etc.? What are the eligibility criteria for it to be considered a 'retirement' (minimum years of service, etc.)?

We use an age and length of service for retirement. 25 years of service and 55 years of age; 15 years of service and 60 years of age or 10 years of service and 65 years of age. We give a gift of retiree life insurance and pay out all accrued time off.

On the last day of work we have an employee get-together during the morning break, at which time a member of management recognizes the retiree for his or her years of service, etc. and a gift is presented to the retiree, cake is served and employees extend their congratulations and well wishes to the retiree. The retiree usually leaves shortly after this; however, is paid for the entire shift.

On the last pay period following the last day of work, all remaining vacation & pro-rated vacation is paid out along with all remaining sick leave benefits (providing retiree meets company guidelines).

We don't have an official policy, but, for anyone that retires, we have cake and ice-cream and the entire company is invited to celebrate. The president will give a speech. If it is someone that has been with the company for a very long time, we would usually give them a nice gift. For example, a laptop. Our payouts would follow the state of Illinois laws.

It depends on the person and depends on how long. We can do a cake on their last day or we can do a dinner with the person department. No gifts.

We do not have a formal policy but we do have a very casual cake and coffee celebration where I will say a few words and the present the retiree with a gift to remember us by. The value would be very similar to the value of the gift they would receive as part of our years of service program.

Retirement

Before deciding on the specific time you wish to retire, keep in mind that you have a few factors to consider. Your retirement benefits will be affected by these three major factors:

- (1) When do you qualify for the full value of your retirement account, and
- (2) Under what conditions will continue to contribute to your life insurance premium, and
- (3) Your eligibility to continue coverage in Group Health and/or Dental Plan.

The Employees' Retirement Plan specifies that you will get the full value of your retirement account if you retire with at least 3 plan years of service. This is partially explained in the "Retirement Plan" section of this Handbook and is fully explained in the Summary Plan Description available in the Human Resources department.

At the present time, to qualify for continuing medical insurance coverage as a retiree, you must be at least age 55 with 25 years of service, at least age 60 with 15 years of service, or at least age 62 with 10 years of service. Under these circumstances, you are eligible to continue participation in the Company medical insurance program by paying the required premium. At age 65 if you are still participating, you may choose to be covered under a fully insured Medicare carve-out plan which does not include prescription drug coverage. You may take either the single or family plan. You may continue dental coverage by paying the full (unsubsidized) cost of the insurance. Medical and dental premiums may be paid monthly, quarterly, or yearly. These insurance premiums can increase yearly. Currently, group life insurance will continue after retirement at a reduced coverage level.

Please contact the Human Resources department well in advance of your anticipated retirement date so we can explain your retirement benefits and help you with any details, questions or concerns that you may have.

All retired employees are encouraged to attend Company functions, such as recreational activities, the Company picnic, Holiday party and annual Old Timers party.

We actually just had our first two retire earlier this year as well. We just did a little write up for the local paper thanking them for their years of service and gave them each a <\$200 gift.

We don't have a formal policy. Whenever someone leaves voluntarily, we pay out any accrued vacation they have earned. If someone is retiring (not going to another job) we usually have a luncheon for them.

We don't have a particular retirement gift other than 5-year increment service awards at \$10 per year. We'll have a luncheon or pizza for special occasions for all shifts. Earned PTO is paid out regardless of retirement.

PURPOSE:

The Company will recognize long-term service for retiring associates at least 59 ½ years old and with at least 15 years of service with retirement pay in accordance with the following procedure.

PROCEDURE:

1. An associate will receive pay for all unused vacation, accrued vacation, and retirement pay equal to the amount of paid vacation earned during the associate’s last full year of employment.
2. An associate will receive service award pay as follows:
 - \$500 for completion of 15-19 years of service
 - \$750 for completion of 20-24 years of service
 - \$1,000 for completion of 25-29 years of service
 - \$1,250 for completion of 30-34 years of service
 - \$1,500 for completion of 35-39 years of service
 - \$1,750 for completion of 40-44 years of service
 - \$2,000 for completion of 45-49 years of service
 - \$2,500 for completion of 50+ years of service
3. Unused and accrued vacation pay and retirement pay will be paid on regular payroll dates unless otherwise mutually agreed upon.
4. Health, dental, vision, life and accidental death and dismemberment coverage ends the last day of the month as an active associate. Long term disability coverage ends on the last day of active employment. Vacation and retirement pay do not extend these benefits.
5. 401k contributions will end on the last payroll an associate has wages for time worked.
6. Associates planning on retiring must give at least a two week written notice to their supervisor or a Human Resources Department representative to receive the benefits contained in this policy unless retirement is due to a medical condition making retirement not predictable. Vacation is not a substitute for the two week notice. Holiday time may be used as part of the notice.

We currently have 35 employees. Many have been here a long time. I have been here 8 years and am still one of the “newbies”.

We don’t have documented standards, but I have been tracking retirement gifts for the last 5 years (we have had 4 people retire in that time). Those that have retired have been here at least 17 years. I would consider 10+ years as eligible for a retirement gift, or maybe 15+ years. Up to 20 years we have done a \$500 net bonus. For 20-24 years, a \$500 net bonus check and maybe a smaller gift. For 25+ years the check would be more. We have only had one of these so far, so I don’t have a range yet.

Our employee handbook states that any unused PTO time will not be paid out, regardless of the reason (voluntary or involuntary), so PTO payout is not a factor.

We also usually do a cake or other dessert at their “going away” party.

To celebrate the retirement of an employee we will host a party with cake and ice cream so the employee can be celebrated and have the opportunity to say a few words and their good bye's. We will invite the family of the retiring employee. At that time we will present a gift to the employee. We will also take the employee out to lunch with their family and their respective department or representatives from their department. Once the celebrations are over we will let the employee go home while paying them for the balance of the day.

We have a table with a dollar amount we spend on retirement gifts based on years of service. We also have a party for people who have been with us five years or more.

We have no official policy on retirement gifts. We have a gathering to recognize the individual and always have a cake, but gifts will vary depending on position, years of service, etc. Most of the responsibility falls on the direct supervisor of the retiree.

PTO is paid according to our company policy, just as it is for any other employee that may leave. We do not allow PTO to be carried over from year to year.

Our company is well established and has over 100 members in our Quarter Century Club (years of service). We have an annual gathering for that group and all retirees are invited to that event. There is no requirement on years of service to be considered a retiree.

We do not have a written policy but we do have a standard for retirements. We generally will get the employee a gift that relates to their plans after retirement. One example is a weekend at a hotel if they like to travel, another a gift card to a local hardware as they wanted to remodel their home. This is a fairly nice retirement gift. We pay out their PTO like any employee who quits in good standing. We do not have a minimum years of service to receive the retirement but the longer the employment the larger the gift. We also try to make sure the employee is really retiring, not going to another profession or employer.

Here's a sample of our policy:

Subject: **RETIREMENT**

Guidelines:

1. In accordance with federal law, we do not have a mandatory retirement age from active service with the Company.
2. To qualify for early retirement, the coworker must have reached 60 years of age and completed 5 years of credited service with the Company. Retirees are considered to be any coworker who retired at the age of 60 or more with at least 5 years of service.
3. The Human Resources Department should be informed at least one month prior to the retiree's intended last day of work so the appropriate paperwork can be processed. You should complete a termination/resignation form and forward it to the Human Resources Department. A representative from the Human Resources Department will contact the retiree to explain insurance and profit sharing options. The retiree will also be asked to participate in a confidential exit interview to obtain their views of our policies and programs, and their general feelings regarding employment.
4. The retirement date may be the actual last day worked. In this case, payment of accrued but unused paid time off will be included in the retiree's last payroll check. Any borrowed paid time off will be deducted out of their last paycheck.
5. The retiree may select to extend their retirement date by adding their unused accrued paid time off credits to the actual last working day. In this case, the individual would be kept on our payroll, for each day until the paid time off credits are used. The purpose for this is to extend benefits such as health insurance. You may approve the retirement date extension by indicating on the Termination Notice the actual last day of work and that the individual wants to extend the retirement date by using their accrued paid time off credits.
6. The earning of paid time off credits will cease as of the actual last day worked.
7. Group insurance coverage is canceled as the last day of the month following the retirement date unless the coworker is eligible for and selects either the conversion to an individual policy or COBRA. For Group health insurance only, if the coworker has been with the Company five years and have attained the age of 60, they may continue their current group health coverage, by paying the Early Retiree premium, until the age of 65. If the coworker is on our group health plan at the time they retire but they do not take the extended retirement insurance because they have other group coverage, they can pick-up our plan at the time their other group coverage ends as long as they are under the age of 65.
8. It is the supervisor's responsibility to coordinate the departing activities for their retirees. Human Resources can assist with the process. The activities should include a cake to be shared with coworkers, family and friends (prior retirees) and a presentation in front of coworkers to recognize the coworker's achievements. This presentation should be personalized to the individual. Human Resources will assist you in making sure your presentation is personalized. A posting with the date, time and the reason for the activity should be posted at least one week prior to the celebration. Members of the Executive staff should be present at these functions. To strive for consistency in service recognition of all retirees, the company pays for the following (all gifts should be personalized if possible):
 - 5-9 Years of Service: An item costing approximately \$250.00
 - 10-24 Years of Service: An item costing approximately \$500.00

- 25-39 Years of Service: An item costing approximately \$750.00
- 40+ Years of Service: An item costing approximately \$1,000.00

9. In addition, coworkers with 25 years of service or more will have the option to treat around 10 guests to a luncheon at the company's cost (for food and non-alcoholic beverages only). These guests can be coworkers, family, friends, and retirees that have attended the presentation. The coworker's supervisor and / or a member of HR should plan to attend this luncheon. The retiring coworker will receive the afternoon off with pay (without using PTO) to enjoy the luncheon and time with their guests. Because of this, the presentation celebration should be planned for approximately 1 hour prior to their scheduled lunch.

10. Retirees participating in the luncheon mentioned in item 9 may choose to invite other active coworkers as guests to their luncheon. If an active coworker attends said luncheon as a guest, they will receive their normal 30 minute unpaid lunch break during that time. All other time should be coordinated with the supervisor, using PTO, no pay, or make-up time to supplement hours. Supervisors are strongly encouraged to allow make-up time for these events. *The only exception to this rule pertains to the company representative that is selected to attend the luncheon. The representative will be paid as normal time.*

11. Department-only celebrations in lieu of company-wide celebrations are strongly discouraged. Please talk to someone in Human Resources prior to having a departmental celebration only. If there is a joint decision between Human Resources and you that this type of celebration is appropriate, there still should be a cake in the lunchroom for everyone with the appropriate announcement explaining what we are celebrating.

12. The retiree's coworkers may wish to recognize the individual by taking a collection for a gift. This is encouraged of coworkers, but not sponsored or administered by the company.

13. A retiring coworker that has not reached 60 years of age and/or completed 5 years of service may still be recognized with a cake provided by the Company to be shared by the retiree's coworkers.

14. Retirees and their spouse/guest are invited as guests to our summer and winter parties. For the purposes of being invited to these special events, a retiree is defined, as anyone who has attained a minimum of 20 years of service with the Organization or they have attained early retirement/regular retirement age per our Profit Sharing/401(k) plan description (see number 2 of this guidelines).
