

THE UNIVERSITY OF RICHMOND

EARLY RETIREMENT PLAN FOR STAFF EMPLOYEES

1. Purpose. The University of Richmond (the “University”) has established this Early Retirement Plan (“the Plan”) as an opportunity for certain eligible Staff Employees to elect to relinquish their positions in exchange for certain benefits from the University. The benefit consists of two parts: 1) certain perquisites associated with active employment status as described in Section 6 below; and 2) medical benefits as described in Section 5 below. No benefits are available under the Plan except as specifically provided by the terms of the Plan.
2. Definitions. The following definitions apply to the Plan:
 - (a) An employee’s “Effective Date” is the date specified in the employee’s written and signed election form and approved by the Department of Human Resource Services. In general, the Effective Date will be sixty (60) or more calendar days from the date the form is submitted. The determination of the Effective Date by the Associate Vice President of Human Resource Services is, however, binding and final.
 - (b) “Years of Employment” are the number of years in which the Staff Employee has been actively employed as a Part-Time Employee or Full-Time Employee by the University. Work as a Casual or Temporary Employee for the University will not be included in this definition. For purposes of computing an employee’s Years of Employment, a period during which the employee is absent on an Approved Paid Leave of Absence will be included when calculating Years of Employment. A period during which the employee is absent on an Approved Unpaid

Leave of Absence is not considered service with the University for purposes of calculating Years of Employment. While part-time work may count toward the total number of Years of Employment, it is required that the employee serve the consecutive 10-year period immediately preceding his/her Effective Date as a Full-Time Employee. The University shall have discretion in determining a Staff Employee's Years of Employment and its determinations and interpretations shall be final and binding.

Notwithstanding any provisions of this Plan to the contrary, service with respect to qualified military service will be administered in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 and the special rules relating to veterans' reemployment rights under Internal Revenue Code Section 414(u). Accordingly, an Approved Unpaid Leave of Absence for qualified military service will be deemed service with the University for purposes of calculating Years of Employment.

- (c) A "Staff Employee" is an employee whose primary job responsibilities are in the areas of administrative/management support, librarians, clerical support, service/maintenance support and dining service operations. An employee who is a member of the teaching faculty is not eligible for the Plan. The University shall have discretion in determining if an employee qualifies as a Staff Employee and its determination shall be final and binding.

- (d) A “Full-Time Employee” is an employee who is scheduled to work between 38.75 and 40 hours per week for a period of no less than nine months per year, or 30 hours per week for the full 12 months.
- (e) A “Part-Time Employee” is an employee who is regularly scheduled to work less than 1,511 hours per year.
- (f) A “Temporary or Casual Employee” is an employee who works on an “as needed” basis for a specific project or a limited duration of time and whose weekly hours can vary.
- (g) The employee’s “Age” is defined as his/her age rounded down to the nearest whole year. Partial years do not count.
- (h) “Paid Work” is work for which the employee receives compensation from the University and includes time actually worked, vacation time, sick leave, holidays, bonus vacation and funeral leave.
- (i) “Approved Paid Leave of Absence” is leave time for which the employee is paid by the University and includes vacation, holiday, sick leave, or funeral leave.
- (j) “Approved Unpaid Leave of Absence” is a period during which the employee is excused from work by the University and for which the employee receives no compensation.
- (k) A “Break in Service” occurs when an employee terminates from University employment.

3. Eligibility. To be eligible to elect to retire early under the Plan, an employee must be a Full-Time Staff Employee of the University, between the Ages of 60 and 65

on his or her Effective Date. In addition, the employee's combined Age and Years of Employment must equal or exceed a total of 80 by his/her Effective Date. Should an employee incur a Break in Service and return to University employment, he or she may qualify for the Plan. However, upon his/her return to the University, the employee must, in this instance, work a minimum of 10 years of consecutive and continuous full-time paid employment immediately preceding his/her Effective Date to be eligible.

Notwithstanding the forgoing, an Approved Unpaid Leave of Absence for qualified military service will be deemed service with the University for purposes of eligibility and included in the 10 years of consecutive and continuous full-time paid employment requirement.

Notwithstanding the forgoing, if an employee takes one or more Approved Unpaid Leave of Absence for qualified family and medical leave during the ten-year period immediately prior to his/her Effective Date, such leave will not be considered a break in consecutive and continuous full-time paid employment. However, periods of time during which an employee is on an Approved Unpaid Leave of Absence for qualified family and medical leave will not count toward the 10 years of consecutive and continuous full-time paid employment requirement.

4. Elections. A Staff Employee who wishes to retire early under the Plan must elect to relinquish his or her position and work responsibilities in exchange for benefits under the Plan. Unless otherwise provided, all elections shall become irrevocable seven (7) days after they are made. An election shall be made by submitting a

written election to Human Resource Services using the form attached to the Plan, which includes a General Release. An eligible Staff Employee must provide 60 days' notice to relinquish his/her position, unless shorter notice is acceptable to the University and approved by the Associate Vice President of Human Resource Services. The 60-day notice period will commence when the election form is stamped as received in the Department of Human Resource Services, not when the election form is signed by the employee.

5. Medical Benefits. A Staff Employee who elects to retire early under the Plan will receive the University medical benefits on the same basis as if he/she had continued as an active employee. The medical benefits will be administered in accordance with applicable medical benefits plan documents. The employee who elects to retire early under the Plan will be billed monthly for the medical benefits by the University. Payment will be due upon receipt of the bill. Failure to pay the amount of the bill will result in the immediate cancellation of the early retiree's medical benefits. The University retains the right to change the frequency of the billing.

The medical benefits offered under this Section 5 of the Plan are an alternative to continuation coverage available to the employee under the University's medical benefits plan in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985("COBRA"). An employee may elect to participate in the Plan and also elect COBRA continuation coverage under the University's medical benefits plan. An election to receive medical benefits under

this Section 5 of the Plan, however, is deemed a waiver of the employees right to elect COBRA continuation coverage under the University's medical benefits plan.

When an employee who has elected to retire early under the Plan reaches age 65 he/she will cease participation in the medical benefits plan for active employees. If the employee was employed before July 1, 1992, he will receive post-retirement medical benefits under the University of Richmond medical benefits plan currently in effect for retired employees. If the employee was not employed before July 1, 1992, however, the employee will not be eligible for such post-retirement medical benefits.

The University retains the right to modify, amend or terminate the terms and conditions of the medical benefits and the University's medical benefit plans at any time (including, without limitation, after an employee's retirement).

6. Employment Perquisites. Staff Employees who elect the Plan may continue to receive certain perquisites associated with active employment status such as tuition remission for themselves and their qualified dependents, tuition exchange opportunities for qualified dependent children, library privileges, a University e-mail account, computer loan programs, employee discounts, parking permits, use of athletic and recreation facilities, and invitation to University events. The University retains sole discretion in determining the perquisites made available under this section. Use of any of these perquisites by the employee is subject to the rules and regulations which govern the administration of the perquisite.
7. Pay for Annual Leave Balances. An employee who elects to retire early pursuant to the Plan will be paid for his/her remaining vacation balance. In addition, all

holidays earned but not taken during the calendar year will be paid to the employee in accordance with the University's policy.

8. Conditions to Benefits. In order to receive benefits under the Plan, a Staff Employee must continue to perform substantial services for the University, consistent with his or her position and until his/her last regularly scheduled day work preceding his or her Effective Date. If the employee terminates employment with the University for any reason before his/her last regularly scheduled day of work preceding his/her Effective Date, or otherwise fails to continue to satisfactorily perform the requirements of his/her position, the Staff Employee shall forfeit all benefits under the Plan. In addition, no vacation time may be taken in the two weeks immediately preceding the employee's Effective Date.
9. Death of the Staff Employee. If a Staff Employee dies on or before the last regularly scheduled day of work preceding his/her Effective Date, no benefits will be provided under the Plan.
10. Administration. The University shall have the responsibility for administering the Plan and carrying out its terms. The University's Board of Trustees (the "Board of Trustees") will appoint one or more persons to be responsible for the administration of the Plan, and all references in the Plan to the "University," as they relate to administrative matters, shall be deemed to include the Plan Administrator and the appeals committee described in Section 11 below. Unless the Board of Trustees determines otherwise, the University's Associate Vice President of Human Resource Services will be the designated Plan Administrator.

The University will have complete discretion to interpret and administer the Plan and to make all decisions with respect to interpretation and administration of the Plan and calculation and determination of benefits and eligibility. The decisions of the University shall be final and binding on all persons. The University shall be entitled to rely conclusively on, and shall be full protected in any action taken or suffered by the University in good faith in reliance on, any actuary, counsel, accountant or other persons elected by the University, or in reliance on any tables, data, information, valuations, calculations, certificates, opinions or reports that shall be furnished to the University.

11. Claims Procedure. The following claims procedure will be used to review any claims regarding eligibility for benefits made under the Plan. A Staff Employee may file a written claim of eligibility for benefits with the designated Plan Administrator. If the claim is denied, the Plan Administrator will furnish the claimant, within 90 days after receipt of the claim, a written notice of denial of the claim containing information required by applicable law. The claimant may request in writing a review of the claim by an appeals committee appointed by the Board of Trustees within 90 days after the claimant receives notice of the denial of his or her claim. The appeals committee shall afford the claimant a full and fair review of the decision denying the claim. The appeals committee shall permit the claimant to review any documents that are pertinent to the claim, submit issues and comments in writing, and meet with the appeals committee as part of the review procedure. The appeals committee's decision on review shall be made

in writing, shall be issued within 60 days following receipt of the request for review and shall be final.

All claims for benefits under the University's medical benefits plan shall be administered in accordance with the claims procedure of that plan.

12. Amendment and Termination. The Board of Trustees may amend or terminate the Plan at any time.
13. Successors. This Plan is binding on the University and its successors and assigns and on the Staff and their personal representatives and distributees.

WITNESS the following signature as of _____, 20__.

THE UNIVERSITY OF RICHMOND

By: _____

EXAMPLES

(Early Retirement Plan Administration)

The following examples are offered to further illustrate the Plan's provisions. The list is not exhaustive. Questions shall be directed to the Assistant Director of Benefits.

Example 1 (Effective Date)

An employee elects to early retire. He signs his election form on August 20, 2004. He submits his signed election form to the Department of Human Resource Services and it is stamped as received on August 25, 2004. The employee's Effective Date is 60 calendar days from the date it is received in the Department of Human Resource Services, not the date it is

signed. Therefore, the employee's earliest Effective Date to retire early is 60 calendar days from August 25, which is October 26, 2004.

Example 2 (Years of Employment)

An employee is considering early retirement. She is 60 years of age and needs 20 Years of Employment to be eligible to retire early pursuant to the Plan. She joined the Staff as a "floater" in 1980. On August 5, 1983, she was hired as a part-time secretary. On May 9, 1990, she became a full-time secretary, the position she currently holds. However, she took 2 Approved Unpaid Leaves of Absence for personal reasons which total 9 months.

The employee's service as a "floater" is considered "casual or temporary" and does not count toward the 20 Years of Employment. Her employment as a part-time employee (dating from August 5, 1983) does count. She has a minimum of 10 years of full-time paid employment immediately preceding her Effective Date. Had she not taken the 9 months of Approved Unpaid Leave of Absence, she would be eligible to retire early on August 5, 2003. However, her 9 months of Approved Unpaid Leave of Absence cannot be counted toward her 20 Years of Employment. Therefore, she will not be eligible for early retirement benefits under the Plan until May 5, 2004.

Example 3 (Eligibility)

An employee who is 60 but less than 61 needs a minimum of 20 Years of Employment to be eligible ($60 + 20 = 80$).

An employee who is 61 but less than 62 needs a minimum of 19 Years of Employment to be eligible ($61 + 19 = 80$).

An employee who is 62 but less than 63 needs a minimum of 18 Years of Employment to be eligible ($62 + 18 = 80$).

An employee who is 63 but less than 64 needs a minimum of 17 Years of Employment to be eligible ($63 + 17 = 80$).

An employee who is 64 but less than 65 needs a minimum of 16 Years of Employment to be eligible ($64 + 16 = 80$).

Example 4 (Break in Service)

An employee wishes to retire early. He is 62 years old and needs 18 Years of Employment to qualify. He was a Full-Time Employee of the University from July 1, 1984 – June 30, 1994, when he resigned from the University to accept other employment. He returned to the University as a Full-Time Employee on July 1, 1995 and has been employed here ever since. His total Years of Employment equal 18. To be eligible for early retirement benefits under the Plan, he must have at least 10 years of consecutive and continuous Full-Time Employment following his return to the University. Because he had a Break-in-Service, he will not be eligible for early retirement benefits under the Plan until July 1, 2005.

Example 5 (Medical Insurance)

Employee “A” elects early retirement. He is 61 years old with 19 Years of Employment. He is married and covers his spouse on the University group health plan. He wishes to retain this coverage. He has the option to stay on the University group health plan. To do so, he will be billed for the total amount of his coverage and his wife’s coverage. Failure to pay the bills by their due dates will force the cancellation of his benefits. Employee “A” will be eligible to change coverage during open enrollments. At age 65, Employee “A” will be enrolled in the post-retirement medical benefit he would have been eligible for had he worked until age 65 or beyond, if he was employed before July 1, 1992. The post-retirement medical benefit available to Employee A is that which is offered when the employee reaches age 65, not the post

retirement medical benefit which was available four (4) years ago. The University retains the right to change or modify all benefit plans.

Example 6 (Family and Medical Leave)

Employee “B” is 60 and has worked for the University for 25 years. She had a Break-in-Service during 1993 and 1994. She returned as a Full-Time Employee on January 1, 1995. During 2001, Employee “B” took a 12-week Approved Unpaid Leave of Absence to take care of her mother. This period of leave will not be included in the 10-year period of consecutive full-time paid employment for purposes of Eligibility. Therefore, Karen will not be eligible for early retirement until April 1, 2005, the date she will have 10-years of continuous paid full-time employment.

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