



POLICY: 6Hx28:3C-14

Responsible Official:
Vice President, Organizational Development and
Human Resources

Specific Authority: 1001.64 F.S.
Law Implemented: 1001.64 F.S.

Effective Date: 12-14-2010

401(a) Qualified Retirement Plan

Policy Statement:

Effective March 31, 1999, the president is authorized to establish a 401(a) qualified retirement plan. The plan will be a defined contribution plan for full-time employees with a plan year of July 1 - June 30. The purpose of the plan is to exempt terminal sick leave, terminal vacation leave, retirement incentive payments, and other payments as deemed appropriate by the president to eligible participants from employee and employer FICA taxes and to defer employee income tax on these payments. This is a mandatory plan for full-time employees who are eligible to participate.

Procedures:

Eligible participants will work with Human Resources to complete the appropriate paperwork. Payments to eligible participants that exceed the maximum permitted by law to a 401(a) plan will be made to the 403(b) Qualified Retirement Plan in accordance with the provisions of this policy and policy 6Hx28:3C-15, 403(b) Qualified Retirement Plan.

Eligible participants include the following:

- I. State of Florida Retirement System members who have reached normal retirement.
 - A. Eligibility begins:
 1. The day prior to the first day of normal retirement, or
 2. The last day of the month in which the letter of resignation and application for retirement are notarized and accepted in the human resources office if this occurs after the first day of normal retirement.
 - B. Eligibility ends on the employee's date of separation from the college. The letter of resignation and application for retirement may be completed in coordination with the human resources office up to one year and thirty (30) days prior to the employee's date of separation from the college. The letter of resignation is irrevocable.

- II. Drop Participants.
 - A. Eligibility begins the day prior to the DROP begin date.
 - B. Eligibility ends on the DROP end date.

- III. Optional Retirement Plan Participants who have reached normal retirement. Normal retirement for optional retirement plan participants is defined as sixty-two (62) years of age and any combination of six (6) years of service in a State of Florida retirement system plan or ORP plan defined by the State of Florida Retirement System, or thirty (30) years of service regardless of age.
 - A. Eligibility begins:
 - 1. The day prior to the first day of normal retirement, or
 - 2. The last day of the month in which the letter of resignation is notarized and accepted in the human resources office, if this occurs after the first day of normal retirement.
 - B. Eligibility ends on the employee's date of separation from the college. The letter of resignation may be submitted up to a maximum of one year and thirty (30) days prior to the employee's date of separation from the college. The letter of resignation is irrevocable.

- IV. Optional retirement plan participants and State of Florida Retirement System members who are eligible for the college retirement incentive program.
 - A. Eligibility begins:
 - 1. The day prior to the first day of early retirement eligibility, or
 - 2. The last day of the month the application for retirement and/or letter of resignation are notarized and accepted in the human resources office, if this occurs after the first day of early retirement eligibility.
 - B. Eligibility ends on the employee's date of separation. The application for retirement and/or letter of resignation may be submitted up to a maximum of one year and thirty (30) days prior to the employee's date of separation from the college. The letter of resignation is irrevocable.

- V. Employees assigned to positions in the executive management pay grades who have unused accrued vacation leave in excess of the maximum carry over.

- VI. Employees enrolled in the Valencia Optional Retirement Program in accordance with policy 6Hx28:3C-11, Retirement Programs.

Refer to college policies Terminal Pay, Retirement Programs, Retirement Incentive Programs, and Vacation Leave for a description of the required payments into the 401(a) plan and when these

payments occur.

Related

Documents/Policies:

See Policy 6Hx28:3F-02 “Terminal Pay”

See Policy 6Hx28:3C-12 “Retirement Incentive Program”

See Policy 6Hx28: 3D-03 “Vacation Leave”

Policy

History:

Adopted 3-17-99; Amended 12-10-02, Formerly 6Hx28:07-40; Amended 12-14-10

Procedure

History:

Adopted 3-17-99; Amended 12-10-02, Formerly 6Hx28:07-40; Amended 12-14-10; Amended 10-21-2015