

## University Policy: Faculty Retirement Incentive Programs Policy

**Policy Category:** Personnel

**Subject:** The Faculty Retirement Incentive Program serves the interest of the university in continuous renewal of its human resources by offering transition options for tenured faculty members who are planning to retire.

**Responsible Executive:** Provost

**Office(s) Responsible for Review of this Policy:** Provost; Human Resources

**Supplemental Documents:** Faculty Manual; Faculty and Staff Benefits Manual

**Related University Policies:** University Benefit Policies, including the Benefit Extension Plan (BEP) for Post Retiree Medical Coverage, where applicable.

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### I. SCOPE

A person who has served the university as a full-time member of the tenured faculty for a period of ten years, excluding leaves without pay, may apply for the university faculty retirement incentive program, provided the person's age plus years of service (ten or more years) are equal to at least 80.

### II. POLICY STATEMENT

The university faculty retirement incentive program (FRIP) provides opportunities for responding to changes in program and staffing needs, while creating more opportunities for institutional development. Faculty members, at any stage of their careers, who wish to discuss their options under the FRIP in confidence should contact the Deputy Provost and Dean of Faculty ("Dean of Faculty") at 202-885-2125 to arrange a meeting.

The FRIP is designed to facilitate tenured faculty retirements and is a privilege offered by the university, not an entitled right of every tenured faculty member. Therefore, the university may refuse or postpone any application if there is reasonable cause to do so. Among the reasonable causes are the following:

- The retirement would have a substantial detrimental impact on programmatic or teaching needs of the university; or
- There may be an adverse financial impact on the university.

The university may determine other reasonable causes for refusal at its discretion and may limit the number of retirements in any given calendar or fiscal year. The university reserves the right to change or terminate the FRIP at any time.

### III. DEFINITIONS

*Base Salary* shall not include overload, university paid pension/retirement plan contributions, extra assignment pay, stipends, or the cost of any other employee benefit package.

*Reduced load* shall mean a reduction of fifty percent (50%) of a FTE based on the customary and usual load carried by a full-time tenured faculty member in the department, with the reduction applying equally across all responsibilities.

*Reduced pay* shall mean the same fraction of the faculty member's base salary as the fraction of their negotiated reduced load.

*Tenured Faculty Member* shall mean those faculty members who have been awarded tenure by action of the University's Board of Trustees and, based upon their tenured status, have an expectation of permanent or continuous employment, unless terminated for adequate cause or financial exigency. For purposes of this policy, the definition of Tenured Faculty Member includes tenured library faculty.

*Transitional Leave* shall mean a payment equal to one semester of paid leave at a faculty member's current bases salary.

### IV. POLICY

#### A. The University Faculty Retirement Incentive Program

The university FRIP provides three transition options for tenured faculty members who are planning for retirement:

- i. one semester of paid transitional leave at their current base salary; or
- ii. one academic year with a fifty percent (50%) reduction of a FTE based on the customary and usual load carried by a full-time tenured faculty member in the department, with the reduction applying equally across all responsibilities each semester with a related fifty percent (50%) reduction in base salary; or
- iii. two academic years with a fifty percent (50%) reduction of a FTE based on the customary and usual load carried by a full-time tenured faculty member in the department, with the reduction applying equally across all responsibilities each semester with a related fifty percent (50%) reduction in base salary.

A person who has served the university as a full-time tenured member of the tenured faculty for a period of at least ten years, excluding leaves without pay, may apply for one of these options pursuant to the FRIP guidelines, provided the person's age plus years of service (ten or more years) are equal to at least 80.

Faculty members who accept retirement shall retain all rights that they have accrued to

the Benefit Extension Plan, which is available for review on the Human Resources website. If such rights have not accrued at the time of retirement, the faculty member will be eligible to remain in the medical benefit program through COBRA,<sup>1</sup> provided that the faculty member pays the COBRA premium, which is the cost of the medical benefit premium and the two percent (2%) administrative fee.

## **B. Applying for Participation in the FRIP**

The application process for the FRIP is the same for all options. Individuals contemplating retirement are encouraged to begin the process well in advance of the anticipated retirement date. The FRIP is a stand-alone program and cannot be combined with other leave benefits offered to tenured faculty members, such as sabbatical leave. Earned but unused sabbatical leave will be forfeited and cannot be used to extend the period of transitional/transitional leave.

The Dean of Faculty is the university administrator responsible for advising faculty members of current policies and practices, such as the FRIP. After an expression of interest in the FRIP by a faculty member, the Dean of Faculty will meet with the faculty member for a confidential informal consultation on the FRIP. Eligible faculty members who wish to participate in FRIP must inform the Dean of Faculty of their formal intent to retire at least thirty (30) days before the start of the semester which will be impacted by their transition and must sign the irrevocable FRIP agreement at least ten (10) business day before the start of the impacted semester.

After the faculty member expresses formal interest in retiring under the FRIP, the Dean of Faculty will inform, on a confidential basis, the dean of the academic unit within ten (10) business days of the faculty member's formal intent to retire.

When the faculty member, in consultation with the faculty member's teaching unit head and dean, desires to move forward with a retirement agreement, the Dean of Faculty will request, from the appropriate dean, a confidential impact statement detailing the effects the proposed retirement will have on the teaching unit and school/college.

Once the impact statement has been received, a formal retirement agreement will be prepared by the Office of the Deputy Provost and Dean of Faculty and a signing appointment scheduled with the Dean of Faculty and the Provost.

Executed FRIP retirement agreements are irrevocable and may not be converted to a different option under the FRIP or to full-time status. If a faculty member who has signed a FRIP retirement agreement becomes disabled during a phased retirement transition period, they will be asked to apply for short term medical leave (STML) through the university STML administrator. If approved, the short-term medical leave benefit would be equal to the faculty member's phased salary (50% of base salary). Short term medical leave benefits would cease at the earliest of the following – the faculty member's ability to return to work, six consecutive months of STML, or the date that the formal retirement agreement concludes, based on the original election. In addition, the faculty member may also apply for long-term medical leave benefits, if applicable.

## **C. Transition Semester or Reduced Load Options**

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<sup>1</sup> The Consolidated Omnibus Budget Reconciliation Act, as amended.

**1. Transitional Semester:** FRIP eligible faculty members electing the transitional semester will receive one semester of paid transitional leave at their current base salary.

- a. In the event that a faculty member dies before the full payment has been made, the remaining amount will be paid to the faculty member's estate. Fringe benefits to spouses or families of a faculty member who elects the FRIP will be continued after the death of the faculty member, if that continuation is consistent with university policy.

**2. Reduced Load:** FRIP eligible faculty members electing either reduced load option will receive a fifty percent (50%) reduction based on the customary and usual FTE load carried by a full-time tenured faculty member in the department, with the reduction applying equally across all responsibilities each semester with a related fifty percent (50%) reduction in base pay. At the end of the reduced load academic year(s), the faculty member agrees to his or her complete and irrevocable retirement from the full-time faculty. During the period of reduced load, the faculty member is subject to the Faculty Manual as if a full-time faculty member.

The faculty member who has elected to execute a FRIP agreement for a phased transition with a reduced load will consult with the applicable dean to determine how the reduced load will be allocated equally across the faculty member's responsibilities each semester based on the mission of their unit and the faculty member's contributions to that mission. The dean of the unit must approve these assignments of reduced load.

- a. During the reduced load period(s), medical plan contributions will continue at the same rate as for other active employees, and life insurance benefits will reflect the faculty member's 100% salary level unless they voluntarily elect to decrease it. Disability benefits and retirement plan contributions, however, will be based on the faculty member's actual annual base salary for the period.

#### **D. Sabbatical Leave, Benefits and Conditions**

1. Sabbatical Leave. The FRIP is a stand-alone program and cannot be combined with other leave benefits, such as sabbatical leave, to provide for concurrent or consecutive leave periods. Tenured faculty members who are eligible for sabbatical leave should plan on taking their sabbatical prior to participation in the FRIP. As provided in the Faculty Manual, faculty members who elect not to take sabbatical leave in order to participate in the FRIP are at no time entitled to other types of leave or payments in lieu thereof. Earned but unused sabbatical leave will be forfeited and cannot be used to extend the period of transitional leave.
2. Emerita/Emeritus status. A distinguished professor, university professor, professor, associate professor, or assistant professor who has been a member of the full-time faculty of the university for eight years or more immediately prior to retirement may be recommended for emerita/emergitus status by their teaching or academic unit. The final decision on the awarding of this honor rests with the Provost. Please refer to the Faculty Manual for information about emerita/emergitus status.

3. Benefits Extension Plan. The Benefits Extension Plan (BEP) extends optional participation in the university's group health care plans to those faculty and staff members terminating their services to the university after meeting the designated combinations of age and full-time service. Faculty members are encouraged to contact Human Resource's Assistant Director of Benefits Compliance and Retirement for information about the BEP benefit, conversion of other benefits and enrolling in the Private Medicare Exchange.

#### **V. EFFECTIVE DATE AND REVISIONS:**

This Policy is effective as of January 1<sup>st</sup>, 2022.

This Policy was reviewed or revised December 7<sup>th</sup>, 2021.