



# VCU

## **VCU Faculty Early Retirement Incentive Program (FERIP) IMPLEMENTATION GUIDELINES General Process of Preparation and Approval of FERIP Agreements**

### **Application:**

1. The application consists of the faculty member's request to be considered for participation in the FERIP and the recommendations of the department chair, dean, vice president and president.
2. The application period begins on the date the eligible faculty member submits a request to be considered for participation in the FERIP through the date the President makes a final decision on the application.

### **Timetable:**

1. Not later than May 15<sup>th</sup>, the Provost and Sr. Vice President for Academic Affairs, in consultation with the Sr. Vice President for Health Sciences, will recommend to the President whether FERIP will be offered the next academic year. The President will make a final decision no later than May 31<sup>st</sup>. Notification of the availability or unavailability of FERIP will be made on the VCU web site, and other media, as appropriate.
2. In the event the FERIP is to be offered, the Provost and Sr. Vice President for Academic Affairs and the Sr. Vice President for Health Sciences will consult on the number of slots to be offered, the preliminary allocation of available slots between campuses, and, if appropriate, whether any schools/college or departments are to receive special consideration. Decisions will be made no later than August 15<sup>th</sup> and will then be communicated to the academic deans who immediately will notify eligible faculty in their school/college.
3. An annual application period will be established by the university administration each year in which the program is offered. Until further notice or informed otherwise by their dean/department chair, faculty who desire to participate in FERIP must submit applications through their school/college by **October 1**.
4. Deans will confer with their department chairs and make recommendations regarding those proposed applications to the Provost and Sr. Vice President for Academic Affairs and the Sr. Vice President for Health Sciences not later than **November 1**. These recommendations must be in writing and must address selection criteria as well as specify how the ongoing instructional and research requirements of the school/college will be met in the event applications are approved.

5. In the event that the number of eligible applicants exceeds the number that the dean determines the school/college can support, or upon consideration of other circumstances, the dean may either (1) decide which applications will be submitted for approval, or (2) choose the option of referring the names of all eligible applicants and appropriate documentation requesting that a university panel be appointed by the Provost and Sr. Vice President for Academic Affairs and the Sr. Vice President for Health Sciences in consultation with the President of the Faculty Senate. The panel would then determine which applicants from the particular school/college should be recommended to the respective Sr. Vice President.
6. By **December 1**, the Provost and Sr. Vice President for Academic Affairs and the Sr. Vice President for Health Sciences will confer and will make recommendations regarding the proposed agreements to the President.
7. The President will make a final decision as to which applications will be approved by **December 15**.
8. By **January 15**, all faculty who have applied will be notified in writing by their dean whether acceptance of their respective applications has been approved or disapproved. Those faculty selected to participate will receive a FERIP agreement and will have 30 days from the date of the agreement to accept or decline.
9. The President has the authority to make exceptions to this timetable if he/she determines that such exceptions are justified and necessary.

#### **Funding:**

The source of funding of each approved FERIP application will be the position budget from which the retiring faculty member is separating. If the participant's salary is paid from grant or contract funds, then the share of the costs attributable to that fund source will have to be absorbed by other fund sources within the school/college. The cost would include the payout of the incentive payment plus FICA, the health care supplement until the participant is Medicare-eligible or for up to 18 months under Extended Coverage (COBRA), and may include the payout of annual leave.

#### **Health coverage:**

1. Retiring faculty (faculty who choose to begin receiving their state retirement benefits) who participate in the State's retiree health care plans will receive a health care supplement until the participant becomes Medicare eligible (currently age 65). The amount of the health care supplement is \$300 per month and will be paid through the Virginia Commonwealth University Supplemental Retirement Plan for Faculty ("Plan"). Faculty who participate in health coverage outside of the state program may qualify for the health care supplement by providing documentation verifying costs incurred for other health coverage in retirement.
2. Separating faculty (faculty who choose not to begin receiving their State retirement benefits) who participate in Extended Coverage (COBRA) will receive a \$300 health care supplement for up to 18 months paid through the Plan or when the participant is either eligible for Medicare or no longer eligible for COBRA continuation, whichever is less.

3. In the event a FERIP participant who is receiving the health care supplement dies, the health care benefit supplement is discontinued.

**Payroll and Benefits Process:**

1. VCU Human Resources will offer consultation for eligible FERIP participants. The university, however, will not provide tax-counseling services.
2. Once a FERIP agreement has been signed by all parties, the faculty member will complete either the retiree health care application or the Extended Coverage (COBRA) application (whichever is appropriate), and submit it to the VCU Human Resources Division.
3. The VCU Human Resources Division will administer benefits pursuant to the agreement and will notify the VCU Payroll Office of the effective date of the faculty member's retirement.
4. The VCU Payroll Office will determine the length of time the health care supplement will continue, and will so notify the faculty member.
5. The VCU Payroll Office will include the retiring faculty member in the FERIP payroll tracking system.
6. A retiring faculty member who participates in an Extended Coverage (COBRA) Plan is responsible for ensuring that the VCU Payroll Office is informed as to the plan and premium amount.
7. The VCU Payroll Office will terminate the health care supplement when the FERIP participant is eligible for Medicare (currently age 65), is no longer eligible for COBRA continuation, or the retiree dies.
8. If a Participant dies after the first year of participation and before all the payments under the FERIP agreement have been made, the remaining payment(s) shall be distributed at the same frequency as prior to the Participant's death. The University, in its sole and absolute discretion, may distribute any remaining payment(s) as a lump sum. If the FERIP participant dies during the first year of participation, the university may distribute any remaining payments over a two-year period or at the same frequency as prior to the Participant's death.

Revision History:

Aug. 2000  
May 2002  
May 2005  
Nov. 2008  
July 2012  
July 2015  
July 2018